



**FNCB BANCORP, INC.  
NOMINATING AND GOVERNANCE COMMITTEE CHARTER**

**PURPOSE**

The purpose of the Nominating and Governance Committee (“Committee”) of the Board of Directors (the “Board”) of FNCB Bancorp, Inc. (“Company”) is to assist the Board in discharging the Board’s responsibilities regarding:

- the identification of qualified candidates to become Board members;
- the selection of nominees for election as directors at the next annual meeting of stockholders (or special meeting of stockholders at which directors are to be elected);
- the selection of candidates to fill any vacancies on the Board;
- the development and recommendation to the Board of a set of corporate governance guidelines and principles applicable to the Company (the “Corporate Governance Guidelines”); and
- oversight of the evaluation of the Board and management.

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time consistent with the Company’s bylaws. The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without requirement of Board approval, and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee’s sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the Committee shall have and may exercise all the powers and authority of the Board. To the fullest extent permitted by law, the Committee shall have the power to determine which matters are within the scope of the powers and responsibilities delegated to it.

**COMPOSITION OF COMMITTEE**

The Committee shall be composed of three or more directors, as determined by the Board, each of whom (a) satisfies the independence requirements of the NASDAQ Stock Market, and (b) has experience, in the business judgment of the Board, that would be helpful in addressing the matters delegated to the Committee.

The members of the Committee, including the Chair of the Committee, shall be appointed by the Board. Committee members may be removed from the Committee, with or without cause,

by the Board. Any action duly taken by the Committee shall be valid and effective, whether or not the members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership provided herein.

## **MEETINGS AND PROCEDURES**

The Chair of the Committee designated by the Board of Directors (or in his or her absence, a member designated by the majority of members of the Committee present at the meeting) shall preside at each meeting of the Committee and set the agendas for Committee meetings. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Company's bylaws that are applicable to the Committee.

The Committee shall meet on a regularly scheduled basis at least two (2) times per year and more frequently as the Committee deems necessary or desirable.

The Committee may, at its discretion, include in its meetings members of the Company's management, or any other person whose presence the Committee believes to be desirable and appropriate. Notwithstanding the foregoing, the Committee may exclude from its meetings any person it deems appropriate, including but not limited to, any non-management director who is not a member of the Committee.

The Committee may retain any independent counsel, experts or advisors that the Committee believes to be desirable and appropriate. The Committee may also use the services of the Company's regular legal counsel or other advisors to the Company. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any such persons employed by the Committee and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. The Committee shall have authority to retain and terminate any search firm to be used to identify director candidates, including authority to approve such search firm's fees and other retention terms.

The Chair shall report to the Board regarding the activities of the Committee at appropriate times and as otherwise requested by the Chairman of the Board.

## **DUTIES AND RESPONSIBILITIES**

1. At an appropriate time prior to each annual meeting of stockholders at which directors are to be elected or reelected, the Committee shall recommend to the Board, for nomination by the Board, such candidates as the Committee, in the exercise of its judgment, has found to be well qualified and willing and available to serve.
2. At an appropriate time after a vacancy arises on the Board or a director advises the Board of his or her intention to resign, the Committee shall recommend to the Board for appointment by the Board to fill such vacancy, such prospective member of the Board as the Committee, in the exercise of its judgment, has found to be well qualified and willing and available to serve.

3. For purposes of (1) and (2) above, the Committee may consider the following criteria, among others the Committee shall deem appropriate, in recommending candidates for election to the Board:

- personal and professional integrity, ethics and values;
- experience in corporate management, such as serving as an officer or former officer of a publicly held company, and a general understanding of marketing, finance and other elements relevant to the success of a publicly-traded company in today's business environment;
- experience in the Company's industry and with relevant social policy concerns;
- experience as a board member of another publicly held company;
- academic expertise in an area of the Company's operations; and
- practical and mature business judgment, including ability to make independent analytical inquiries.

In general, when the Board determines that expansion of the Board or replacement of a director is necessary or appropriate, the Committee will review, through candidate interviews with members of the Board and management, consultation with the candidate's associates and through other means, a candidate's honesty, integrity, reputation in and commitment to the community, judgment, personality and thinking style, willingness to invest in the Company, residence, willingness to devote the necessary time, potential conflicts of interest, independence, understanding of financial statements and issues, and the willingness and ability to engage in meaningful and constructive discussion regarding Company issues. The Committee would review any special expertise, for example, expertise that qualifies a person as an Audit Committee financial expert, and membership or influence in a particular geographic or business target market, or other relevant business experience. The Board and the Committee have not established a specific diversity component in their consideration of candidates for director.

4. The foregoing notwithstanding, if the Company is legally required by contract or otherwise to permit a third party to designate one or more of the directors to be elected or appointed, then the nomination or appointment of such directors shall be governed by such requirements.
5. The Committee shall, periodically, review the performance of each current director and shall consider the results of such evaluation when determining whether or not to recommend the nomination of such director for an additional term.

6. The Committee shall oversee the Board in the Board's annual review of its performance (including its composition and organization) and the performance of management, and will make appropriate recommendations to improve performance.
7. The Committee may make recommendations to the Board regarding governance matters, including, but not limited to, the Company's certificate of incorporation, bylaws, this Charter and the charters of the Company's other committees.
8. The Committee shall develop and recommend to the Board the Corporate Governance Guidelines.
9. The Committee will ensure the proper administration of the Company's Code of Business Conduct and Ethics.
10. The Committee shall plan for succession with respect to the position of Chief Executive Officer and monitor management's succession planning for other key executives.
11. The Committee shall consider, develop and recommend to the Board such policies and procedures with respect to the nomination of directors or other corporate governance matters as may be required or required to be disclosed pursuant to any rules promulgated by the Securities and Exchange Commission or otherwise considered to be desirable and appropriate in the discretion of the Committee.
12. The Committee shall evaluate its own performance on an annual basis, including its compliance with this Charter, and provide the Board with any recommendations for changes in procedures or policies governing the Committee. The Committee shall conduct such evaluation and review in such manner as it deems appropriate.
13. The Committee shall periodically report to the Board on its findings and actions.
14. The Committee shall review and reassess this Charter at least annually and submit any recommended changes to the Board for its consideration.
15. The Committee shall maintain meeting minutes and records relating to its meetings and committee activities.

## **DELEGATION OF DUTIES**

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee, to the extent consistent with the Company's certificate of incorporation, bylaws, Corporate Governance Guidelines and applicable law and rules of markets in which the Company's securities then trade.