Corporate Governance Guidelines

I. INTRODUCTION

The Board of Directors (the "Board") of First Niagara Financial Group (the "Company"), acting on the recommendation of the Governance/Nominating Committee, has developed and adopted a set of corporate governance guidelines (the "Guidelines") to promote the functioning of the Board and its committees and to set forth a common set of expectations as to how the Board should perform its functions.

II. BOARD COMPOSITION

The composition of the Board should balance the following goals:

- The size of the Board should facilitate substantive discussions of the whole Board in which each director can participate meaningfully;
- The composition of the Board should embrace a broad range of skills, expertise, and industry knowledge while providing for diversity of gender, ethnicity, backgrounds, opinions and contacts relevant to the Company's business;
- A majority of the Board must be comprised of directors who are neither officers nor employees of the Company or its subsidiaries (and have not been employed by the Company or its subsidiaries within the past three years), and who meet the other "independence" requirements under rules of NASDAQ.

The Board currently believes that 9 to 13 members represent an appropriate size range within which to accomplish these goals.

III. SELECTION OF CHAIR OF THE BOARD AND CHIEF EXECUTIVE OFFICER

The Board selects its Chair and the Company's Chief Executive Officer in the manner the Board considers in the best interests of the Company. These positions will be filled by two persons. The Board will select its Chair from among the independent directors on the Board, and will affirm the Chair by annual election.

IV. SELECTION OF DIRECTORS

Nominations. The Governance/Nominating Committee is tasked with recommending a slate of director nominees for election to the Company's Board of Directors on an annual basis, and for

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Approvals:
Governance/Nominating Committee: December 10, 2013
Board of Directors: December 11, 2013

recommending replacements to fill Board vacancies occurring between annual meetings of stockholders. In the case of sitting Board members, the Governance/Nominating Committee conducts an in-depth evaluation process before recommending a director for re-nomination.

Criteria. The Board as a whole is responsible for determining which individuals recommended by the Governance/Nominating Committee are brought forward for election to the Board. In discharging their respective responsibilities, both the Governance/Nominating Committee and the Board take account of the following criteria:

- Leadership and other personal qualities, accomplishments, and reputation in the business community, including meeting high ethical standards;
- Skills and ability to serve the Company's needs in the future as well as the present, consistent with the Company's Strategic Plan;
- Willingness to commit adequate time to Board and committee responsibilities;
- The fit of the individual's skills and personality with those of other directors and potential directors in building a Board that is effective, collegial, and responsive to the needs of the Company;
- Absence of any relationships that might, in the Board's view, interfere with the exercise of independent judgment in carrying out a director's responsibilities;
- Providing for diversity of viewpoints, background, life experiences, and other demographic considerations; and
- Current knowledge and contacts in the communities in which the Company does business and in the banking and other industries relevant to the Company's business.

Stockholder Nominees. The Governance/Nominating Committee has adopted procedures for the consideration of Board candidates submitted by stockholders. These procedures are described in detail in the Company's Annual Proxy Statement.

Orientation, Continuing Education. Management, working with the Governance/Nominating Committee, provides orientation for new directors, including providing new directors with background material on the Company, its business plan and its risk profile, and arranging meetings with senior management. Periodically, management or the Board itself provides additional educational sessions for directors on matters relevant to the Company, its business plan and risk profile. Individual directors are encouraged to attend outside sessions deemed beneficial to their discharge of committee or Board responsibilities.

V. TERM LIMITS/RETIREMENT POLICY

The Board does not believe it should establish term limits, or a specific retirement threshold for directors, given the in-depth re-nomination evaluation.

VI. BOARD MEETINGS

The full Board shall engage in discussions of strategic issues and ensure that there is sufficient time devoted to director exchange on these issues.

The Board calendar currently schedules eight meetings a year, with further meetings (in person or telephonically) and action by unanimous written consent at the Board's discretion. The meeting calendar usually calls for committee meetings and a Board meeting over a two-day period.

The agenda for each Board meeting is prepared by the Chair in consultation with management. Management will seek to supply the agenda to all directors with appropriate meeting materials in advance of meetings, though the Board recognizes that this will not always be consistent with the timing of transactions and the operations of the business so that in certain cases it may not be possible.

Materials presented to the Board and its committees are intended to be as concise as possible consistent with providing the necessary information for directors to make informed judgments. The Board values opportunities for open discussions with management, and uses presentations by management to stimulate and inform assessment of the Company's performance and prospects.

The Board encourages management to bring senior, second, and third level managers into Board meetings, as appropriate, to provide additional insight on specific subject matter, to make presentations regarding major projects, and to expose potential senior managers to the Board.

VII. EXECUTIVE SESSIONS

To ensure free and open discussion and communication among the independent directors of the Board, the independent directors meet separately in conjunction with regularly scheduled Board meetings at least quarterly, and more frequently as necessary or desirable. The Board's current custom is to hold an executive session without the CEO or management present at every regularly scheduled Board meeting.

VIII. COMMITTEES OF THE BOARD

The Board currently has five standing committees: Executive, Governance/Nominating, Audit, Compensation, and Risk. Each committee has a written charter conforming to the rules of NASDAQ, and these charters are available to the public online at www.fnfg.com. All committees meet all supervisory and regulatory requirements, and the Audit, Compensation, and Governance/Nominating committees are comprised solely of directors who meet NASDAQ and other legal requirements applicable to membership on these committees, including independence requirements and, in the case of the Audit Committee, financial literacy requirements. From time to time, as required by Company business, temporary ad hoc committees are empowered by the Board to address specific objectives.

The activities of each committee are organized by a chairperson. Board members typically sit on two committees. Over time, committee memberships are rotated to derive maximum advantage of each director's skills and experiences. Committee and chair assignments are reviewed annually by the Board, and chairpersons generally serve as a committee chair for three to five years.

Significant committee actions are reported to the full Board at each meeting, and committee meeting minutes are circulated to the full Board. All directors, whether members of a particular committee or not, are invited to make suggestions to committee chairs for additions to the committee agendas or to request that an item from a committee agenda be considered by the full Board.

IX. BOARD PERFORMANCE

The Governance/Nominating Committee is responsible for assessing Board performance and reporting results to the Board on an annual basis.

Current practice includes the following elements:

- Each director's assessment (via written questionnaire and open-ended comments) no less frequently than every two years of the Board's performance. The assessments are compiled by an outside consultant engaged by the Governance/Nominating Committee.
- Each committee member's annual assessment (via written questionnaire and open-ended comments) of the performance of the committees on which such member serves. The assessments are compiled internally by the Company's General Counsel and communicated through the Governance/Nominating Committee on an annual basis. These evaluations compare each committee's performance with the requirements of its written charter.
- An every-other-year Self/Peer Review in which each director rates his/her own performance along with that of fellow directors. These results are then compiled by an outside consultant, with confidentiality fully protected, and a report returned to each director comparing his/her self ratings with the ratings of their colleagues. To encourage objectivity and collegiality, only overall statistical results are reported back to the Governance/Nominating Committee and the full Board.

X. SUCCESSION PLANNING AND MANAGEMENT DEVELOPMENT

At least annually, the Board considers a succession plan, presented by the Governance/Nominating Committee addressing selection of a successor to the CEO and other key Company leaders, both in an emergency situation and in the ordinary course of business. From time to time, the Board requires management to submit a plan regarding leadership development for the Company.

XI. EXECUTIVE COMPENSATION

Evaluating and Approving Salary of the CEO. The Compensation Committee, which is comprised solely of independent directors, annually determines a plan of CEO compensation, taking into account the Company's performance against stated goals and objectives. Additionally, the Board annually evaluates the performance of the CEO, using both a written survey and group discussion in executive session, with the outcome of that review communicated in person to the CEO by the Chair and Vice-Chair of the Board.

Evaluating and Approving Compensation of Management. The Compensation Committee, made up wholly of independent directors, develops and approves overall compensation policy for executive officers.

XII. BOARD COMPENSATION

The Compensation Committee reviews the components and amounts of Board compensation in relation to other similarly situated companies periodically and recommends change when appropriate. To create a direct linkage between Board compensation and Company performance, directors currently receive approximately half their pay in stock. The Board has established stock ownership guidelines for directors and executive management, and has instructed the Compensation Committee to monitor achievement of those levels on an annual basis.

XIII. EXPECTATIONS OF DIRECTORS

The business and affairs of the Company shall be managed by or under the direction of the Board in accordance with Delaware law and the requirements of pertinent government regulators. Directors shall exercise their business judgment in an informed manner and in the best interests of the Company. Directors shall adhere to the highest standards of personal integrity and ethical business conduct.

The Board has developed a number of specific expectations of directors that promote the discharge of these responsibilities and the efficient conduct of the Board's business.

- All directors are expected to attend Board meetings, their appropriate committee meetings, and the Annual Meeting, and to be fully familiar with discussion materials circulated in advance of the meetings. At times, to facilitate Board function, telephonic or videoconference meetings are used.
- Each director is expected to remain sufficiently familiar with the business of the Company to facilitate active and effective participation in the deliberations of the Board and assigned committees.
- Each director is expected annually to affirm and sign, as is every employee of the Company, a Code of Conduct policy that defines mandated standards of ethical business conduct. There is an additional Code of Conduct statement signed annually by senior financial officers of the Company.

- While the Company values the experience directors bring from other boards on which they serve, other board memberships impinge on a director's time and availability. At present, directors may not serve on more than three publicly traded company boards, ours included. Directors are asked to inform the Board Chair and the CEO before accepting membership on other boards of directors or other significant commitments involving affiliation with other business or governmental units.
- Directors are free to contact the CEO or any other member of management to discuss any aspect of the Company's business, with the expectation that this contact will be constructive and not distracting from the business operations of the Company.
- Directors recognize that the CEO and the Senior Vice President, Corporate Communications and Senior Vice President, Investor Relations are the designated spokespersons for the Company, and that Board members are expected not to comment to the press or institutional investors.
- The proceedings and deliberations of the Board and its committees are confidential and each director is expected to maintain that confidentiality.
- Directors whose employment responsibilities significantly change are asked to submit a letter of resignation at the time of the change. Submission of this letter will not necessarily result in the director's departure from the Board, but affords the Board an opportunity to assess that director's continuing relevance and contribution to the Board.
- Any director who determines that he or she may have a conflict of interest is required to notify the Board of this determination immediately.
- Any director who is involved in a situation that might reasonably be expected to be detrimental to the Company's reputation is required to communicate the circumstances of the situation to the Board along with an offer to resign.
- If the CEO resigns or is terminated, his or her Board seat automatically expires.
- Directors are expected to promote the Company's interest within their spheres of influence and to assist the Company in developing new business.

XIV. RELIANCE ON MANAGEMENT AND OUTSIDE ADVICE

In performing their duties, the directors are entitled to rely in good faith on the advice, reports and opinions of management, legal counsel, accountants, auditors and other expert advisers. The Board, and each of its committees, has the authority to retain outside advisors and approve the fees and retention terms of the outside advisors.