

**LAKE SHORE BANCORP, INC.
CHARTER FOR THE
NOMINATING AND CORPORATE GOVERNANCE COMMITTEE**

Purpose

The purpose of the Nominating and Corporate Governance Committee (the "Committee") shall be to assist the board of directors (the "Board") of Lake Shore Bancorp, Inc. (the "Company") in identifying qualified individuals to become Board members and officers of the Company, in determining the composition of the Board and its committees, in developing and implementing a process to assess Board effectiveness and in developing and implementing the Company's corporate governance guidelines. The Committee will also be responsible for overseeing compliance with all regulations and internal policies except for the oversight of the Company's compliance with applicable regulations and internal policies regarding its financial statements and other responsibilities assigned to Audit Committee in accordance with its charter.

Membership and Appointment

The Committee shall consist of no fewer than three members, a majority of whom shall meet the criteria for independence established by the rules and regulations of the Nasdaq Stock Market and who the Board has affirmatively determined does not have a material relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Members of the Committee shall be appointed annually by the Board and shall serve at the pleasure of the Board.

Meetings and Procedures

The Board shall designate the chairperson of the Committee and the Committee shall designate the secretary for the Committee who may, but need not, be a member of the Committee. If the Board does not designate a chairperson, or if the chairperson shall not be present at a meeting, the Committee shall select its own chairperson.

The Committee shall establish its own rules of procedure, which shall be consistent with the bylaws of the Company and this Charter. The Committee shall meet at least four times annually at regularly scheduled times and places determined by the Committee's chairperson, and may meet more frequently, or take action by unanimous written consent, as circumstances require. A meeting may be called by the chairperson of the Committee or by majority of the members of the Committee. Notice of any meeting shall be given by the person or persons calling the meeting given to each other member of the Committee at least 48 hours prior to the meeting. Notice may be given in the same fashion as permitted for notice of Board meetings pursuant to the Company's bylaws and applicable law. A meeting shall be deemed properly called if each member of the Committee shall have received notice given as aforesaid or, prior to the conclusion of the meeting, shall have signed a written waiver of notice.

A quorum shall consist of at least a majority of the voting members of the Committee. The vote of a majority of the voting members present at any meeting at which a quorum exists, including the chairperson of the Committee who shall be eligible to vote, shall constitute the action of the Committee.

The Committee may request that any directors, officers or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests.

Following each of its meetings, the Committee shall report its actions and recommendations to the Board. The secretary of the Committee shall keep written minutes of its meetings, which minutes shall be subject to approval by the members of the Committee and, once approved, shall be maintained with the books and records of the Company.

The Committee shall have the authority to delegate any of its responsibilities to subcommittees, as the Committee may deem appropriate in its sole discretion.

Nominations by Shareholders

Shareholders may recommend nominees for election to the Board, in a manner consistent with the Company's bylaws, this Charter and any guidelines established by the Committee.

Committee Authority and Responsibilities

The Committee shall have the following authority and responsibilities:

Identification and Evaluation of Board of Directors Candidates

1. The Committee shall develop criteria, to be approved by the full Board, for the selection of directors and, when appropriate, conduct searches for individuals qualified to become members of the Board.
2. The Committee shall evaluate the validity of any shareholder nominees for election as directors in accordance with the qualifications and procedures set forth in Article II of the Company's bylaws, and as set forth in the Nominating and Corporate Governance Committee Policy and Procedures for the Recommendation of Nominees for Directors by Stockholders and for Stockholder Communications with Directors. The Committee shall consider, obtain information regarding, interview and evaluate any valid shareholder nominees for election as directors in accordance with the criteria developed by the Board.
3. The Committee shall select, and recommend to the Board for its approval, nominees for election as directors, taking into account the criteria approved by the Board.

Evaluation of Board of Directors Effectiveness

4. The Committee shall develop criteria for the evaluation of the Board and its members.
5. The committee shall annually on or before 12/31 of each year assess the performance of any Board member whose term is expiring at the next annual meeting, who wishes to run for re- election and who is otherwise eligible for re- election. The committee shall also assess the performance of any Board member who is in his or her first three years of service.
6. The Committee shall assess the performance of the entire Board one time every three years by developing and recommending to the Board for its approval a self-evaluation process of the Board and its committees. The Committee shall oversee the self-evaluation of the Board and its committees and report its findings to the Board. The Committee shall

make recommendations for changes as appropriate, including, but not limited to, changes in Board size and composition and in Board policies and procedures.

Evaluation of Committees and Recommendation of Committee Assignments

7. The Committee shall annually review its performance, which shall include a determination whether the Committee has completed its annual responsibilities and also whether changes are needed to improve and make more effective the Committee's performance.
8. The Committee shall annually review the Board's committee structure to determine whether the existing structure is adequate to carry out the Board's responsibilities and mission and shall report its findings along with any recommendations for change to the full Board.
9. The Committee shall, after consultation with the Chair of the Board and the Chief Executive Officer, recommend to the Board, for its approval, directors to serve as members of each committee except for directors to serve as members of the Nominating and Corporate Governance Committee. The full Board is responsible for appointing members to the Nominating and Corporate Governance Committee, without recommendation from said Committee.

Corporate Governance Matters

10. The Committee shall develop and recommend to the Board for its approval a set of corporate governance guidelines. The Committee shall review the guidelines on an annual basis, or more frequently if appropriate, and recommend changes as necessary.
11. The Committee shall review and assess the adequacy of this charter at least annually and, as appropriate, recommend changes to the Board for its approval.
12. The Committee shall periodically review and assess the Company's Charter, bylaws, and corporate governance guidelines and, as appropriate, recommend changes to the Board for its approval.
13. The Committee shall consider any other corporate governance issues that may arise from time to time; and develop appropriate recommendations for the Board.
14. In undertaking its responsibilities, the Committee may retain or terminate, in its sole discretion, any search firm to be used to identify director candidates and may approve the search firm's fees and other retention terms. The Committee shall also have authority to retain outside counsel and any other advisors as the Committee may deem appropriate in its sole discretion.