

## **The Washington Savings Bank, F.S.B. Compensation Committee Charter**

### ***Status***

The Compensation Committee (the “Committee”) is a committee of the Board of Directors (the “Board”) of The Washington Savings Bank, F.S.B. (the “Bank”).

The members of the Committee shall be elected by the Board annually and shall serve until their successors have been duly elected and qualified. Unless a chair of the Committee is elected by the full Board (a “Chair”), the members of the Committee may designate a Chair by majority vote of the full Committee membership.

The Committee shall meet at such times as it deems necessary to fulfill its responsibilities.

The Committee may form and delegate authority to a subcommittee consisting of one or more members of the Committee to perform the functions of the Committee. The Chair may represent the entire Committee, as a subcommittee, with respect to functions of the Committee undertaken between meetings.

This charter governs the operations of the Committee. The Committee shall review and reassess its charter at least annually and obtain the approval of the Board of any proposed changes in compliance with applicable rules and requirements of NASDAQ, the Securities and Exchange Commission, and any other applicable body.

### ***Membership***

The Committee shall consist of at least three directors each of whom shall be (i) “independent” as defined by Nasdaq listing standards, (ii) a “Non-employee Director” as defined in Rule 16b-3 under the Securities Exchange Act of 1934, and (iii) an “outside director” for purposes of Section 162(m) of the Internal Revenue Code.

### ***Purposes***

The Committee’s primary purposes are to:

- Review and recommend to the independent directors of the Board (as defined by Nasdaq listing standards), meeting in executive session the annual compensation (base salary, bonus, stock options and other benefits) for the CEO and President of the Bank;
- Review and approve the annual compensation (base salary, bonus, stock options and other benefits) for all senior executives other than the CEO and President of the Bank;
- Review and approve the aggregate number of stock options to be granted to employees;

- Ensure that a significant portion of executive compensation is reasonably related to increasing shareholder value; and
- Prepare certain portions of the Bank's annual proxy statement, including an annual Compensation Committee Report, and review the Bank's Compensation Discussion and Analysis included in the Bank's annual proxy statement.

### ***Responsibilities***

The Committee is charged with the following responsibilities:

- Reviewing corporate goals and objectives relevant to compensation and benefits for the CEO and President, evaluating the CEO and President's performance in light of those goals and objectives, and recommending to the independent directors of the Board meeting in executive session the level of compensation of the CEO and President based on such evaluation;
- Administering the Bank's Stock Incentive Plan, including the review of all stock option grants to executives, non-employee directors and consultants/advisors, and the aggregate number of stock options to be granted to employees. The CEO and President shall have authority to administer stock incentive plans (and such other plans as the Committee may direct) with respect to all employees.
- Reviewing, commenting on and recommending to the Board all new executive compensation programs that the Bank proposes to adopt;
- Periodically reviewing annual compensation for the Bank's Board and recommending to the Board changes in that compensation;
- Periodically reviewing the results of the Bank's executive compensation and perquisite programs to ensure that they are properly coordinated to yield payments and benefits that are reasonably related to executive performance; and
- Acting on behalf of the Board on compensation matters that require action between scheduled Board meetings.

### ***Report***

The Chair shall report to the Board describing the actions taken by the Committee since the Chair's last report to the Board. The Committee shall maintain minutes or other records of Committee meetings and activities.

### ***Other***

The Committee shall have available to it such outside advisers, including outside auditors,

attorneys and consultants, as it deems necessary to properly discharge its responsibilities.

The Committee shall have sole authority to retain and terminate any such outside advisers, including such compensation experts or consultants used to provide advice on compensation levels or assist in the evaluation of the Board, CEO and President or senior executive compensation.

The Committee shall discuss with the Audit Committee of the Board, the Committee's assessment of the Bank's performance of its annual objectives for the purpose of confirming the accuracy of the Bank's financial statements, including compensation reserves and accruals.