

CFSB BANCORP, INC.
COLONIAL FEDERAL SAVINGS BANK
COMPENSATION COMMITTEE CHARTER

I. Joint Compensation Committee and Personnel Committee

The Board of Directors of CFSB Bancorp, Inc. and the Board of Directors of Colonial Federal Savings Bank (the “Bank”) have established a Compensation Committee (the “Committee”). References herein to the “Company” include CFSB Bancorp, Inc. and, where applicable, the Bank, and references herein to the “Board” shall include the Board of Directors of CFSB Bancorp, Inc. and the Board of Directors of the Bank.

II. Purpose

The Committee is responsible for human resource policies, salaries and benefits, incentive compensation, executive development and management succession planning.

III. Organization

The Committee shall consist of three or more directors, each of whom shall satisfy the definition of independent director as defined in any qualitative listing requirements for Nasdaq Stock Market issuers and any applicable Securities and Exchange Commission rules and regulations. The members of the Committee will be elected by the Board on an annual basis. Members shall serve until their successors are appointed. The Committee’s chairperson shall be designated by the full Board or, if it does not do so, the Committee members shall elect a chairperson by vote of a majority of the full Committee. The Chief Executive Officer (the “CEO”) will meet often with the Committee, but the CEO will not serve as a member of the Committee. The Committee may form and delegate authority to subcommittees when appropriate.

IV. Structure and Meetings

The Committee shall meet at least annually, or more frequently as circumstances dictate. The Chairperson of the Committee will preside at each meeting and, in consultation with the other members of the Committee, will set the frequency and length of each meeting and the agenda of items to be addressed at each meeting. The Chairperson of the Committee shall ensure that the agenda for each meeting is circulated to each Committee member in advance of the meeting. The Committee shall keep written minutes of all meetings, which when finalized shall be provided to the full Board for review. A majority of the membership of the Committee shall constitute a quorum, and all actions of the Committee shall require the affirmative vote of a majority of the membership of the Committee.

V. Goals and Responsibilities

In carrying out its responsibilities the Committee shall:

1. Develop and maintain an executive compensation policy that creates a direct relationship between pay levels and corporate performance and returns to shareholders. The Committee shall monitor the results of such policy to ensure that the compensation payable to the Company's executive officers provides overall competitive pay levels, creates proper incentives to enhance shareholder value, rewards superior performance, and is justified by the returns available to shareholders.
2. Oversee the compensation strategy of the Company to ensure that current pay practices are equitable to changing economics and other circumstances.
3. Approve compensation and benefit plans, which may include amendments to existing plans, cash- and equity-based incentive compensation plans, and non-qualified deferred compensation and retirement plans.
4. Oversee the administration of the Company's benefit programs, including retirement programs, medical plans, insurance plans, education plans and employee assistance plans.
5. Review corporate human resources policies.
6. Establish annually subjective and objective criteria to serve as the basis for the CEO's compensation and shall evaluate the CEO's performance in light of those criteria and determine, or recommend to the Board of Directors, the CEO's compensation based on that evaluation. The CEO shall not be present during voting or deliberations on their compensation.
7. Establish annually subjective and objective criteria to serve as the basis for the other executive officers' compensation, to evaluate the other executive officers' performance in light of those criteria and to determine the other executive officers' compensation based on that evaluation. The Committee shall consult with the CEO with respect to the compensation of other executive officers.
8. Approve grants of stock options, restricted stock, performance shares, stock appreciation rights, and other equity-based incentives to the extent provided under any equity-based compensation plans established by the Company. The Committee may delegate to the CEO all or part of the Committee's authority and duties with respect to grants and awards to individuals who are not subject to the reporting requirements and other provisions of Section 16 of the Securities Exchange Act of 1934 as in effect from time to time.

9. Periodically review and make recommendations to the Board regarding the compensation of non-employee directors.
10. If required, provide, over the names of the Committee members, the Compensation Committee report for the Company's annual meeting proxy statement.
11. Review and reassess annually the adequacy of this Charter and recommend any proposed changes to the Board for approval.

VI. Performance Evaluations and Disclosure Obligations

The Chairperson of the Committee shall discuss the Committee's performance with each member of the Committee, following which discussions the Chairperson shall lead the Committee in an annual evaluation of its performance.

The Committee shall reassess the adequacy of this Charter and any proposed changes to the Board for approval. The Company shall post this Charter on its website.

VII. Committee Resources

The Committee shall have the authority to obtain advice and seek assistance from internal or external legal advisors, compensation consultants or other advisors in accordance with applicable Nasdaq Stock Market rules. The Committee shall have available to it such support personnel, including management staff, outside auditors, attorneys and consultants as it deems necessary to discharge its responsibilities. The Committee shall have the sole authority to retain and terminate any compensation consultant used to assist the Committee in evaluating executive compensation, including sole authority to approve such consultant's fees and other retention terms. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal advisor or other advisors retained by the Committee. The Company shall provide the Committee with appropriate funding, as determined by the Committee, to compensate any compensation consultant, legal advisor or other advisor retained by the Committee.

Adopted: _____, 2021