

**CLIFTON SAVINGS BANCORP, INC.  
COMPENSATION COMMITTEE CHARTER**

**I. PURPOSE**

The Compensation Committee (the “Committee”) of Clifton Savings Bancorp, Inc. (the “Corporation”) is responsible for human resource policies, salaries and benefits, incentive compensation, executive development and management succession planning. It also deals with policies relating to nondiscriminatory employment practices, including those related to hiring, compensation and promotion. The Committee shall oversee the Compensation Committee of Clifton Savings Bank (the “Savings Bank”) and may participate in joint meetings with the Savings Bank’s Compensation Committee.

**II. COMPOSITION**

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 Global Market issuers and any applicable Securities and Exchange Commission rules and regulations. Committee members shall be elected by the Board at the annual organizational meeting of the Board of Directors. 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 be on the Committee or participate in all of its meetings. In no event shall the CEO or any other officer be present when the Committee makes recommendations and/or decisions regarding the compensation of that officer.

The Committee may form and delegate authority to subcommittees when appropriate.

**III. MEETINGS**

The Committee shall meet at least annually, or more frequently as circumstances dictate. The Committee Chairperson 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 Chairperson shall ensure that accurate and complete minutes of each meeting are maintained.

**IV. RESPONSIBILITIES AND DUTIES**

The principal responsibilities of the Committee are:

- A. **Oversight and monitoring human resource policies.** The Committee will oversee the human resource policies for the Savings Bank as established by the Savings Bank's Compensation Committee.
- B. **Appraising the performance of the Chief Executive Officer.** The Committee will complete a written performance evaluation of the CEO each year. The Committee will meet with the CEO to discuss his or her strengths, weaknesses, review goals set at the beginning of the current year and to establish goals for the coming year. The Committee will recommend to the Board of Directors annually the salary, bonus, stock options, and other benefits, direct and indirect, of the CEO. In making its recommendation, the Committee will consider:
1. the performance of the Corporation and the Savings Bank;
  2. shareholder return;
  3. the level of salary, bonus, stock options, and other benefits, direct and indirect, of the CEO relative to CEOs at comparable companies; and
  4. the level of salary, bonus, stock options, and other benefits, direct and indirect, given to the CEO in recent years.

The Committee will make recommendations to the Board of Directors annually regarding the extension of the employment agreements of the CEO and other senior officers.

- C. **Preparation of CD & A and report.** The Committee shall review and discuss with management the Compensation Discussion and Analysis required by Securities and Exchange Commission Regulation S-K, Item 402. Based on such review and discussion, the Committee shall determine whether to recommend to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's annual report or proxy statement for the annual meeting of shareholders. The Committee will prepare a report on executive compensation for inclusion in the Corporation's annual meeting proxy statement, in accordance with applicable rules and regulations.
- D. **Oversight of executive compensation programs.** The Committee will review on an annual basis the Corporation's executive compensation programs and will coordinate with the Savings Bank's Compensation Committee to ensure that the Corporation's and the Savings Bank's executive compensation programs are properly researched and coordinated. In determining how corporate performance will be rewarded, the Committee will ensure that a significant portion of an executive's compensation is connected to the long-term interest of the shareholders. There will be an appropriate balance between short-term pay and long-term incentives. An important responsibility of the Committee is the development of an appropriate balance while focusing on long-term shareholder value.

- E. Oversight of staff compensation programs.** The Committee will review on an annual basis the salary administration program established by the Savings Bank to determine that it is current and properly researched and coordinated. The Committee will review recommendations from the CEO and Human Resource Administrator made to the Savings Bank's Compensation Committee concerning compensation adjustments and will then make recommendations to the Board of Directors regarding ratification and approval. The Committee's review and Board of Director's deliberation will occur in the fourth quarter of each calendar year.
- F. Oversight of the performance incentive compensation plan.** Prior to the beginning of each fiscal year, the Committee will review the Corporation's stock option plans to determine that they are properly structured to reward exceptional performance. The Committee will consider the overall performance of the Corporation and the Savings Bank and the cost of all benefit plans, including the Savings Bank's performance incentive compensation plan to ascertain that shareholder value is being increased by exceptional performance. The Committee will make recommendations to the Board of Directors regarding changes to the plans.
- G. Oversight of staff benefit programs.** The Committee will review on a continual basis the Corporation's and the Savings Bank's benefit programs to determine that they are current and properly coordinated. The Committee will review recommendations from the CEO and concerning benefit program adjustments and will then make its recommendations to the Board of Directors.
- H. Oversight of management succession planning.** The Committee will review on an annual basis the management succession planning of the Savings Bank and Corporation.

## **V. EVALUATIONS**

Annually, the Committee shall conduct a performance evaluation and review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.

## **VI. COMMITTEE RESOURCES**

The Committee shall have the authority to obtain advice and seek assistance from internal or external legal or other advisors. 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.