

# PCSB FINANCIAL CORPORATION

## COMPENSATION COMMITTEE CHARTER

### **I. Purpose**

The Compensation Committee (the “Committee”) of the Board of Directors of PCSB Financial Corporation (the “Company”) is responsible for human resource policies, salaries and benefits, incentive compensation, executive development and management succession planning.

### **II. 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 (“NASDAQ”) issuers and any applicable Securities and Exchange Commission rules and regulations.

Committee members shall 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 or participate in all of its meetings.

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

### **III. 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.

### **IV. Goals and Responsibilities**

In carrying out its responsibilities:

- The Committee shall have responsibility for developing and maintaining 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 assure 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.

- The Committee shall have responsibility for approval of 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.
- The Committee shall have responsibility for overseeing the administration of the Company's benefit programs.
- The Committee shall 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 his compensation.
- The Committee shall 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 may consult with the CEO with respect to the compensation of other executive officers.
- With respect to the Company's equity-based compensation plans, the Committee shall approve grants of stock options, restricted stock, performance shares, stock appreciation rights, and other equity-based incentives to the extent provided under the compensation plans. 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.
- The Committee shall from time to time review and make recommendations to the Board of Directors regarding the compensation of non-employee directors.
- The Committee shall provide, over the names of the Committee members, the required Compensation Committee report for the Company's annual meeting proxy statement.

## **V. Performance Evaluations and Disclosure Obligations**

The Chairman of the Committee shall discuss the Committee's performance with each member of the Committee, following which discussions the Chairman shall lead the Committee in an annual evaluation of its performance. The Committee shall conduct an annual performance evaluation and review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval. The Company shall post this Charter on its website. Otherwise, the Company shall provide a copy of this Charter as an appendix to its annual

meeting proxy statement at least once every three fiscal years, or if this Charter has been materially amended since the beginning of the Company's last fiscal year.

## **VI. Committee Resources**

The Committee shall have the authority to obtain advice and seek assistance from internal or external legal advisors, compensations consultants or other advisors in accordance with the applicable NASDAQ 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: March 31, 2017