

**MID-SOUTHERN BANCORP, INC.  
CHARTER OF THE COMPENSATION COMMITTEE  
OF THE BOARD OF DIRECTORS**

**PURPOSE**

The primary function of the Compensation Committee of Mid-Southern Bancorp, Inc. (“Company”) is to set the policies and compensation levels for directors, officers and employees of the Company. The Committee shall ensure that compensation policies are administered fairly and consistently. All decisions of the Committee will be ratified by the Board of Directors of the Company before they become effective.

**COMPOSITION**

The Committee shall be comprised of at least three directors appointed by the Board of Directors. Each member will be independent, as defined by the Nasdaq Stock Market (“Nasdaq”).

The members of the Committee shall be elected by the Board of Directors of the Company at the annual organizational meeting of the Board and shall serve until their successors are duly elected and qualified. Unless a Chairperson is selected by the Board, the members of the Committee may designate a Chairperson by majority vote of the full Committee membership.

**MEETINGS**

The Committee shall meet at least annually, or more frequently as circumstances dictate. The Committee may ask members of management or others to attend meetings and provide pertinent information as deemed necessary. As part of the job to set executive compensation levels, the Committee should meet at least annually with the Chief Executive Officer to discuss the Chief Executive Officer’s evaluation of the senior officers and recommendations for compensation levels. The Chief Executive Officer may not be present during voting or deliberations on his or her compensation.

The Committee Chairperson shall preside at each meeting. If the Committee Chairperson is not present at a meeting, the Committee members present at that meeting shall designate one of its members as the acting chair of such meeting.

The Committee will keep minutes and other relevant records for each meeting documenting the actions of the Committee. Copies of all meeting minutes shall be submitted to the Board of Directors for review and approval.

**RESPONSIBILITIES AND DUTIES**

To fulfill its responsibilities and duties, the Committee shall:

Compensation and Policies

1. Develop guidelines and policies for director compensation.
2. Develop guidelines and policies for executive compensation.
3. Make regular reports to the Board of Directors.
4. At least annually, review the compensation policies to ensure that they are effective in meeting goals for compensation and make new recommendations, as needed.

5. Review and approve the list of a peer group of companies to which the Company shall compare for compensation purposes.
6. Review and approve other large compensation expense categories such as employee benefit plans.
7. At least annually, review and update (if necessary) this Charter, as conditions dictate.
8. Review director compensation levels and recommend, as necessary, changes in the compensation levels, with equity ownership in the Company encouraged.
9. Receive and review an annual report from the Chief Executive Officer which includes the performance assessment for all senior officers and recommendations for compensation levels, and which also includes salary recommendations for all employees.
10. Set compensation for all senior officers, other than the Chief Executive Officer, based on the recommendations of the Chief Executive Officer.
11. On an annual basis, review and approve goals and objectives relevant to compensation of the Chief Executive Officer, evaluate the Chief Executive Officer's performance in light of those goals and objectives, and determine the Chief Executive Officer's compensation based on this evaluation.
12. For the senior officers, annually review and approve (i) employment agreements, severance agreements and change in control agreements or provisions, in each case, when and if appropriate, and (ii) any special or supplemental benefits.
13. Oversee the Company's compliance with Securities and Exchange Commission rules and regulations regarding stockholder approval of certain executive compensation matters, including advisory votes on executive compensation and the frequency of such votes, and the requirement under the Nasdaq rules that, with limited exceptions, shareholders approve equity compensation plans.
14. Adopt, administer, approve and ratify awards under incentive compensation and stock plans, including amendments to the awards made under any such plans, and review and monitor awards under such plans.

#### Compensation Advisers

15. If necessary, engage consultants and outside counsel ("compensation advisers") to provide comparative information regarding compensation and benefits, and advice on issues involving laws and regulations governing compensation.
16. Be directly responsible for the appointment, compensation and oversight of any compensation adviser it engages. The Company shall provide appropriate funding, as determined by the Compensation Committee, for the compensation of the compensation adviser.
17. Before engaging a compensation adviser (other than in house counsel), take into account the factors specified in Nasdaq Rule 5605(d)(3).

#### Succession Planning

18. In conjunction with the Corporate Governance and Nominating Committee, recommend to the Board of Directors a policy on succession planning for the Chief Executive Officer.