

Subject: Director Common Stock Ownership Policy	Section: Policies, CFO (Scott Cattanach)
Board Approved: April 18, 2018	Date: February 15, 2018

(There are no separate written procedures for this policy.)

**PSB HOLDINGS, INC.
Director Common Stock Ownership Policy**

Purpose and Objective

Each Director of PSB Holdings, Inc. will be subject to maintenance of a minimum common stock cost investment of at least \$50,000 after the first five years of service, and a minimum annual stock purchase investment requirement of at least \$10,000 per year until a minimum of at least \$50,000 has been invested. In accordance with this policy, each Director should have a maintained investment of the following minimum amounts as of each annual measurement date (measurement date outlined below):

- First anniversary - \$10,000
- Second anniversary - \$20,000
- Third anniversary - \$30,000
- Fourth anniversary - \$40,000
- Fifth anniversary - \$50,000

After the first ten years of service, each Director will be subject to maintenance of a minimum common stock cost investment of \$150,000 and, after \$50,000 has been invested, a minimum annual stock purchase investment of \$20,000 of common stock per year until at least \$150,000 has been invested. In accordance with this policy, each Director should have a maintained investment of the following minimum amounts as of each annual measurement date (measurement date outlined below):

- Sixth anniversary - \$70,000
- Seventh anniversary - \$90,000
- Eighth anniversary - \$110,000
- Ninth anniversary - \$130,000
- Tenth anniversary - \$150,000

Director cost investment is measured for the purposes of this Policy annually as of the record date of the shareholder annual meeting proxy statement that follows (or is the same as) the Director's service anniversary. The minimum required common stock investment ownership target reflected in this Policy includes shares purchased with any type of valuable consideration, as well as the cost basis of shares granted to directors in lieu of cash compensation such as for incentive plans. All common stock reported as Director controlled shares in the annual meeting proxy statement is considered as having been invested by the Director when determining compliance with these policy provisions.

All current and future Directors are subject to the minimum common stock cost investment ownership requirements as outlined in the Policy. However, Directors currently serving PSB Holdings, Inc. as of the Policy adoption date who do not already meet the minimum stock cost investment are treated as if they were new Directors regarding the five year and ten year measurement dates associated with the Policy, with the first anniversary date for Policy measurement occurring as of the record date of the 2014 shareholder annual meeting proxy statement.

The Company retains the right to change the number or the timing of common shares to be owned by Directors under this Policy at any time.