

CSB BANCORP INC /OH

Form DEF 14A

March 18, 2008

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**United States  
Securities and Exchange Commission  
Washington, DC 20549  
SCHEDULE 14A  
SCHEDULE 14A INFORMATION**

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
  
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to 240.14a-12

**CSB BANCORP, INC.**

(NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

(NAME OF PERSON(S) FILING PROXY STATEMENT, IF OTHER THAN THE REGISTRANT)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

**CSB BANCORP, INC.**  
**91 North Clay Street**  
**Millersburg, Ohio 44654**

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**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
To Be Held Wednesday, April 23, 2008**

The Annual Meeting of Shareholders of CSB Bancorp, Inc. ( CSB ) will be held at the Carlisle Inn, Walnut Creek, Ohio, on Wednesday, April 23, 2008, at 7:00 p.m. local time, for the following purposes:

- To elect two directors for three-year terms ending in 2011; and
  
- To transact any other business that may properly come before the Meeting or any adjournments thereof.

The Board of Directors has fixed the close of business of March 3, 2008 as the record date for the determination of shareholders entitled to notice of and to vote at the Annual Meeting. It is important that your shares be voted, and all shareholders are cordially invited to attend the meeting in person. Whether or not you expect to attend the meeting in person, we urge you to fill in, date, sign and return the enclosed Proxy Card in the envelope provided.

By Order of the Board of Directors,

/s/ Eddie L. Steiner

Eddie L. Steiner  
President and Chief Executive Officer

Millersburg, Ohio  
March 21, 2008

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**CSB BANCORP, INC.**  
**91 North Clay Street**  
**Millersburg, Ohio 44654**  
**PROXY STATEMENT**  
**ANNUAL MEETING OF SHAREHOLDERS**  
**April 23, 2008**  
**GENERAL**

The enclosed proxy is solicited by the Board of Directors of CSB Bancorp, Inc. ( CSB or Company ), the principal executive offices of which are located at 91 North Clay Street, Millersburg, Ohio 44654, in connection with the Annual Meeting of Shareholders (the Meeting ) of CSB to be held on Wednesday, April 23, 2008, at the Carlisle Inn, Walnut Creek, Ohio, at 7:00 p.m. local time. This proxy statement and the accompanying notice of meeting are first being mailed to shareholders on or about March 21, 2008.

The Meeting has been called for the following purposes: (i) to elect two directors, each for a three-year term and; (ii) to transact any other business that may properly come before the Meeting or any adjournment thereof.

**REVOCATION OF PROXIES, DISCRETIONARY AUTHORITY  
AND CUMULATIVE VOTING**

Shares of CSB s common stock, par value \$6.25 per share (the Common Shares ), can be voted at the Meeting only if the shareholder is represented by proxy or is present in person. Shareholders who execute proxies retain the right to revoke it prior to or at the meeting. Unless so revoked, the shares represented by such proxies will be voted at the Meeting and all adjournments thereof. Proxies may be revoked by written notice to the Secretary of CSB (addressed to: CSB Bancorp, Inc., 91 North Clay Street, Millersburg, Ohio 44654, Attention: Ms. Margaret L. Conn, Secretary) or by the filing of a later dated proxy prior to a vote being taken on a particular proposal at the Meeting. A proxy will not be voted if a shareholder attends the Meeting and votes in person. Proxies solicited by the Board of Directors will be voted in accordance with the directions given therein. Where no instructions are indicated, proxies will be voted for the nominees for directors set forth below or as otherwise described herein in the event cumulative voting for directors is properly requested. The proxy confers discretionary authority on the persons named therein to vote with respect to (i) the election of any person as a director where the nominee is unavailable or unable to serve, (ii) matters incident to the conduct of the Meeting and (iii) any other business that may properly come before the Meeting or any adjournment thereof. At this time, it is not known whether there will be cumulative voting for the election of directors at the Meeting. If any shareholder properly demands cumulative voting for the election of directors at the Meeting, your proxy will give the individuals named on the proxy full discretion and authority to vote cumulatively, and in their sole discretion to allocate votes among any or all of the nominees for director, unless authority to vote for any or all of the nominees is withheld. CSB is the sole shareholder of The Commercial & Savings Bank of Millersburg, Ohio, an Ohio banking corporation ( Bank ).

The enclosed proxy is being solicited by the Board of Directors of CSB and the cost of soliciting proxies will be borne by CSB. In addition to use of the mail, proxies may be solicited personally or by telephone, telefax, or email by directors, officers and employees of CSB.

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**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

Shareholders of record as of the close of business on March 3, 2008, (the Record Date ), are entitled to (i) notice of the Meeting and (ii) one vote on each matter to be considered at the Meeting for each Common Share held on that date. As of the Record Date, there were 2,440,850 Common Shares issued and outstanding. The presence at the Meeting in person or by proxy of at least a majority of such shares will be required to constitute a quorum at the Meeting. Common Shares held by holders who abstain from voting and all Common Shares held by brokers who do not have the discretionary authority to vote on certain matters will be included in determining the presence of a quorum. Consequently, an abstention or a broker non-vote has the same effect as a vote against a proposal or Director nominees, as each abstention or broker non-vote would be one less vote in favor of a proposal or for a Director nominee. Shareholders will not be entitled to dissenter's rights with respect to any matter to be considered at the Meeting.

The following table sets forth the Common Shares beneficially owned by each person, group or entity known by CSB to own more than five percent of CSB's outstanding Common Shares as of the Record Date.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Common Shares Outstanding
Richard G. Elliott 1450 Fox Run Lane Canfield, Ohio 44406	125,450.000 <sup>1</sup>	5.14%

<sup>1</sup> Mr. Elliott has sole voting power on 122,000 shares and shared voting power on 3,450 shares as reported by an amended Schedule 13D filing with the Securities and Exchange Commission on March 21, 2007.

**Table of Contents****BENEFICIAL OWNERSHIP**

The following table sets forth, as of the Record Date, (i) the Common Shares beneficially owned by each director, nominee for director and named executive officer of CSB or any person who has acted in such capacity since the beginning of the last fiscal year of CSB and (ii) the Common Shares beneficially owned by all current executive officers and directors as a group.

Name of Beneficial Owner	Number of Common Shares <sup>1</sup>			Shares of Common Stock Beneficially Owned	Percent of Class
	Sole	Shared	Options		
Robert K. Baker	3,169.000	2,519.5776		5,688.5776	*
Ronald E. Holtman	1,300.000			1,300.0000	*
J. Thomas Lang	1,295.5481	5,773.5798		7,069.1279	*
Dr. Daniel J. Miller	29,457.2302	12,273.0000		41,730.2302	1.69%
Jeffery A. Robb, Sr.	4,046.3546			4,046.3546	*
Samuel M. Steimel	17,661.2574	7,711.8657		25,373.1231	1.03%
Eddie L. Steiner	18,268.0000	1,197.8109		19,465.8109	*
John R. Waltman	15,385.0000	362.4647		15,747.4647	*
Rick L. Ginther		3,163.4131	1,000	4,163.4131	*
Paul D. Greig		1,500.0000	12,904	14,404.0000	*
Paula J. Meiler	5,730.2010	100.0000	12,904	18,734.2010	*
Total of Directors and Executive Officers as a Group (13 persons)	98,427.7747	35,386.0320	27,608	161,421.8067	6.53%

<sup>1</sup> The amounts shown represent the total outstanding Common Shares beneficially owned by the individuals and the Common Shares issuable upon the



exercise of  
stock options  
exercisable  
within the next  
sixty days of  
March 3, 2008.

\* Indicates less  
than 1%  
beneficial  
ownership of  
the total of  
Common Shares  
outstanding as  
of March 3,  
2008 plus the  
number of  
Common Shares  
issuable upon  
the exercise of  
outstanding  
options for the  
person or  
persons  
indicated. None  
of the shares  
reported are  
pledged as  
security.

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**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act of 1934 requires CSB's officers, directors and persons who own more than ten percent of a registered class of CSB's equity securities to file reports of ownership and changes in ownership with the Securities and Exchange Commission. Officers, directors and greater than ten percent shareholders are required to furnish CSB with copies of all Section 16(a) forms they file. During 2007, based solely on CSB's review of the copies of such forms received by it and by statements of officers and directors that they complied with all applicable filing requirements, CSB's officers, directors and greater than ten percent beneficial owners have complied with all filing requirements applicable to them, with the exception of one Form 4 filing for Mr. Waltman.

**PROPOSAL 1:**

**ELECTION OF DIRECTORS**

CSB's Code of Regulations provide that its business shall be managed by a board of directors of not less than three and not more than twenty-five persons. CSB's Regulations divide such directors into three classes, as nearly equal in number as possible, and set their terms at three years. The Board of Directors, pursuant to CSB's Code of Regulations, has established the number of directors at eight.

Assuming that at least a majority of the issued and outstanding Common Shares are present at the Meeting so that a quorum exists, the two nominees for director of CSB receiving the most votes will be elected as directors.

Shareholders have the right to vote cumulatively in the election of directors. In order to exercise the right to vote cumulatively, a shareholder must give written notice to the President, a Vice President or the Secretary of CSB not less than forty-eight hours before the time fixed for the meeting, and the shareholder's demand for cumulative voting must be announced at the commencement of the meeting by or on behalf of the shareholder. If cumulative voting is elected, a shareholder may cast as many votes in an election of directors as the number of directors to be elected multiplied by the number of shares held. The Board of Directors has nominated Robert K. Baker and J. Thomas Lang to serve until the 2011 Annual Meeting of Shareholders, and until their respective successors are elected and qualified. Messrs. Baker and Lang are incumbent directors whose present terms expire at the Meeting.

If it is intended that Common Shares represented by the accompanying form of proxy will be voted for the election of nominees, please so indicate on the proxy card. (If you do not wish your shares to be voted for particular nominees, please so indicate on the proxy card.) If one or more of the nominees should, at the time of the Meeting, be unavailable or unable to serve as a director, the shares represented by the proxies will be voted to elect the remaining nominees and any substitute nominees designated by the Board of Directors. The Board of Directors knows of no reason why any of the nominees will be unavailable or unable to serve. At this time, it is not known whether there will be cumulative voting for the election of directors at the Meeting. If any shareholder properly demands cumulative voting for the election of directors at the Meeting, your proxy will give the individuals named on the proxy full discretion and authority to vote cumulatively and in their sole discretion to allocate votes among any or all of the nominees, unless authority to vote for any or all of the nominees is withheld.

**The Board of Directors recommends that shareholders vote FOR the election of the nominees.**

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The following table sets forth information concerning nominees for director of CSB, including their principal occupation or employment during the past five years. Each nominee, if elected, will serve for a term expiring at the Annual Meeting of Shareholders in 2011.

**NOMINEES FOR DIRECTOR  
(Term Expiring in 2011)**

<b>Name</b>	<b>Age</b>	<b>Principal Occupation for Past Five Years and Other Information</b>	<b>Positions Held with</b>		<b>Director Since</b>
			<b>CSB</b>		
Robert K. Baker	53	Co-owner and Controller, Bakerwell, Inc.	Director		2001
J. Thomas Lang	64	Veterinarian, Dairy Farmer, Spring Hill Farm, Inc.	Director		1993

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The following table sets forth information concerning (i) incumbent directors of CSB who are not nominees for election at the Meeting and (ii) the other current executive officers of CSB. Included in the table is information regarding each person's principal occupation or employment during the past five years.

**DIRECTORS AND EXECUTIVE OFFICERS**

<b>Name</b>	<b>Age</b>	<b>Principal Occupation<sup>1</sup></b>	<b>Positions Held with CSB</b>	<b>Year First Elected or Appointed Director or Officer, As Applicable</b>	<b>Current Term to Expire</b>
Ronald E. Holtman	65	Attorney; Logee, Hostetler, Stutzman and Lehman	Director	2001	2009
Dr. Daniel J. Miller	68	Retired Physician; East Holmes Family Care, Inc.	Director	1979	2009
Eddie L. Steiner	52	President and Chief Executive Officer, CSB Bancorp, Inc.; formerly Vice President, Production, Smith Dairy Products Company (1989 to 2006)	President and Chief Executive Officer, Director	2001	2009
Jeffery A. Robb, Sr.	58	President and Chairman, Robb Companies, Inc., also formerly Interim President and Chief Executive Officer of Exchange Bancshares, Inc. and The Exchange Bank (2002-2003)	Director	2001	2010
Samuel M. Steimel	50	Attorney; The Steimel Law Office	Director	1989	2010
John R. Waltman	66	Attorney, Of Counsel; Critchfield, Critchfield & Johnston, LLC	Director	2001	2010
Rick L. Ginther <sup>2</sup>	57	Banker	Senior Vice President; Director, President and Chief Executive Officer of The Commercial and Savings Bank; formerly, Senior Vice President and Chief Lending Officer	2003	N/A

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(2003-2006)

Paul D. Greig <sup>3</sup>	62	Banker	Senior Vice President and Chief Operations/Information Officer	2003	N/A
Paula J. Meiler <sup>4</sup>	53	Banker	Senior Vice President and Chief Financial Officer	2004	N/A

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<sup>1</sup> Unless otherwise noted herein, each of the Directors has been engaged in the occupations and employment described above for the past five years.

<sup>2</sup>Mr. Ginther held the position of President of the Canton region of Bank One N.A. from 2002 to 2003 and various positions with Bank One Corporation or predecessor from 1973 to 2002.

<sup>3</sup>Mr. Greig retired from Bank One Corporation (now JP Morgan Chase & Co.) in 2002 from the position of National Retail Support Services Manager. During retirement from 2002 through 2003 he was a substitute teacher in two public school systems.

<sup>4</sup>Ms. Meiler held the previous positions of Chief Financial Officer and Treasurer of Consumers Bancorp Inc. from 1999 through 2004 and Comptroller of The Citizens Banking Company (fka Sky Bank) and Citizens Bancshares Inc. from 1981 to 1999.

**Membership and Meetings of the Board and its Committees**

In 2007, each director attended more than seventy-five percent of the total number of meetings of the board and the committees on which they serve. In addition, all board members are expected to attend the annual meetings of shareholders, and all attended the 2007 Annual Meeting of Shareholders with the exception of Mr. Steimel. Current Committee membership and the number of meetings of the full board and each committee in 2007 are shown in the table below.

Name	CSB	Subsidiary	Executive	Nominating	Compensation	Audit
	Bancorp, Inc. Board					
Mr. Baker	Member	Member			Chair	Member
Mr. Holtman	Member	Member		Member	Member	Chair
Mr. Lang	Member	Member	Member			
Dr. Miller	Member	Member	Member	Chair		
Mr. Robb	Member	Member	Member			Member
Mr. Steimel	Member	Member		Member	Member	
Mr. Steiner	Member	Chair	Member			
Mr. Waltman	Chair	Member	Chair			
Mr. Ginther		Member	Member			
Number of 2007 meetings	13	13	22	2	2	11

The following Board members are considered Independent as defined under NASDAQ Rule 4200: Mr. Baker, Mr. Holtman, Mr. Lang, Dr. Miller, Mr. Robb, Mr. Steimel, and Mr. Waltman.

**Table of Contents****Directors Compensation**

Each director of CSB also serves as a director of the Bank, for which outside directors are compensated for board and committee meetings. Directors receive no compensation from CSB. Directors who are employees receive no additional compensation for serving on the board or its committees. In 2007, we provided the following annual compensation to directors who are not employees:

**Cash Compensation**

The Company provides directors the following cash compensation:

Retainer of \$10,000 per year, paid quarterly

\$500 for each board and committee meeting attended

Reimbursement for customary and usual travel expenses (outside of board and committee meeting attendance).

<b>Name</b>	<b>Fees Earned or Paid in Cash \$</b>	<b>Stock Awards \$</b>	<b>Stock Option Awards #</b>	<b>All Other Compensation \$<sup>1</sup></b>	<b>Total \$</b>
Mr. Baker	\$ 33,000	0	0	\$ 1,909	\$34,909
Mr. Holtman	23,500	0	0	168	23,668
Mr. Lang	28,500	0	0	6,289	34,789
Dr. Miller	30,500	0	0	0	30,500
Mr. Robb	32,500	0	0	4,086	36,586
Mr. Steimel	24,500	0	0	10,879	35,379
Mr. Waltman	31,000	0	0	1,461	32,461

<sup>1</sup> All Other Compensation includes Messrs. Lang, Robb and Steimel participating in a grandfathered health and dental benefits program. The Bank also provides a 1% reduction of the standard interest rate charged on certain consumer and primary residence mortgage loans to all directors, officers and employees during the period of service to CSB or the Bank.

No director stock awards or options were granted in 2007.

**Committees of the Board of Directors**

CSB has a Nominating Committee, which recommends to the Board the nominees for election as directors. The Nominating Committee currently consists of Ronald E. Holtman, Dr. Daniel J. Miller, and Samuel M. Steimel. The Nominating Committee will consider candidates for nomination as a director who are recommended by shareholders, directors and other sources. Under the terms of the Nominating Committee Charter, the Committee is responsible for developing and implementing a process and guidelines for the selection of individuals for nomination to the Board of Directors and considering incumbent directors for nomination and re-election.

In considering and evaluating potential candidates for positions on the CSB Board of Directors, and consistent with its Charter, the Nominating Committee considers, among other things, the potential candidates' knowledge of the communities in which CSB and the Bank operate; their experience and any special business, financial, or other expertise; their reputation for honesty and integrity; and their ability to provide independent and objective oversight and supervision for matters which may impact CSB and the Bank. The Nominating Committee also considers applicable requirements of the CSB Code of Regulations and requirements of applicable law and regulations with respect to evaluating potential candidates, as well as other matters which the Nominating Committee deems appropriate in light of the specific circumstances and the potential candidate. To that end, the Nominating Committee may conduct its own analysis and may also seek information from a variety of outside sources in order to ascertain whether a potential candidate meets the referenced criteria.

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The Nominating Committee utilizes the same standards and criteria in considering and evaluating potential candidates for positions on the CSB Board of Directors who are recommended by CSB shareholders, when appropriate. The members of the Nominating Committee are independent, as defined by rules adopted by the National Association of Securities Dealers, Inc. (NASDAQ), listing standards. The Nominating Committee operates under a written charter, which is reviewed annually by the Committee and the Board and is available on the Company's website at [www.csb1.com](http://www.csb1.com).

The Compensation Committee was appointed to establish policies and levels of appropriate compensation for directors, officers and employees of CSB. The Compensation Committee currently consists of Robert K. Baker, Samuel M. Steimel, and Ronald E. Holtman. The members are considered independent for purposes of the NASDAQ listing requirements. The Compensation Committee operates under a written charter, which is reviewed annually by the Committee and the Board and is available on the Company's website at [www.csb1.com](http://www.csb1.com). Additional discussion of the Compensation Committee's role is set forth in the Compensation Discussion and Analysis section of this Proxy Statement.

The Audit Committee assists the Board of Directors in fulfilling its responsibility to oversee the accounting and financial reporting processes of the Company. The Audit Committee members are Ronald E. Holtman, Robert K. Baker, and Jeffery A. Robb, Sr. All of the members of the Audit Committee are independent directors, as defined by the NASDAQ listing standards. Among other things, the Audit Committee is responsible for the engagement of independent auditors, reviewing with the independent auditors the plans and results of the audit, and reviewing the adequacy of internal accounting controls. The Board of Directors has determined that Messrs. Baker and Robb meet the requirements of an audit committee financial expert as defined by the Securities and Exchange Commission. The Audit Committee operates under a written charter, which is reviewed annually by the Committee and the Board and is available on the Company's website at [www.csb1.com](http://www.csb1.com). The charter is incorporated herein by reference.

The Executive Committee monitors the lending activities of the subsidiary bank and helps assure that such activities are conducted in a manner consistent with CSB's credit policy. The Executive Committee consists of J. Thomas Lang, Dr. Daniel J. Miller, Jeffery A. Robb, Sr., Eddie L. Steiner, Rick L. Ginther, and John R. Waltman.



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**COMPENSATION DISCUSSION AND ANALYSIS**

The following discusses the material factors involved in the Company's decisions regarding the compensation of the Named Executive Officers (the NEOs as defined on page 16) during 2007.

The specific amounts paid or payable to the NEOs are disclosed in the tables and narrative beginning on page 16. The following discussion cross-references those specific tabular and narrative disclosures where appropriate.

**Compensation Overview**

**Compensation Philosophy and Objectives**

We believe that, in order to manage and grow a well run financial services organization, it is necessary to establish compensation programs and related opportunities that are attractive, motivating and rewarding to high quality executives, managers and staff. These programs and opportunities must be balanced with their cost to CSB and its shareholders. In order to arrive at the appropriate balance, CSB has established the following compensation philosophy and guidelines for its overall compensation program:

1. In order to attract and retain highly qualified management, we strive to provide target salaries close to the mean of the market rate paid for comparable positions by similarly sized bank holding companies.
2. Where practical, we establish performance-based compensation focused on individual results, team results, and contributions to CSB's overall performance.
3. We attempt to link and align the wealth creation interests of management and shareholders by utilizing CSB stock awards or options as a component of the compensation program.

**Components of Executive Compensation**

Total compensation for executives is comprised of base salaries, annual cash incentive awards, long-term equity awards, retirement saving plan contributions, severance protection, and other benefits and perquisites. To determine compensation levels for the NEOs and other officers, we review compensation survey data from independent sources to ensure that our total compensation program is competitive. We look at compensation data from companies in the financial services industry by using publicly available peer company disclosures. We target overall compensation levels competitive with our industry comparison peer group. The various components of executive compensation reflect the following policies:

**Base Salary**

The purpose of the base salary program is to pay for the qualifications, experience, and marketability of the position consistent with market practices. A pay range for each position is anchored around the mean of the labor market. Individual pay within the range is determined by individual performance, job proficiency and contributions over a period of years.

Pay adjustments are tied directly to CSB's performance appraisal process, which evaluates the employee on a series of performance criteria. This process is used for all CSB employees including the NEOs. Pay adjustments are typically made annually. In addition to these performance-based base pay adjustments, it is periodically necessary to make additional market adjustments in those instances where market base salary levels move faster than anticipated or where additional duties and responsibilities are added to the job.

For 2007, the base salary levels for all CSB NEOs are at or below the median of base salaries of peers in other similar-sized financial organizations. In 2007, an overall budget of 3.0% for base salary increases was established and base pay increases ranging from 3.0% to 3.16% were provided to the NEOs.

The amount of an NEO's base salary is the reference point for much of the other compensation. For example, the relative ranges of potential annual incentive awards for executives are fairly proportionate to the NEOs' respective base salaries. In addition, base salary is one component of the contribution formula under the Company's 401(k) and profit sharing plan and the key component in the Company's severance and change in control agreements.

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**Annual Incentive**

The purpose of the annual incentive program is to focus executives on achieving and possibly exceeding the Company's annual performance objectives. In 2007, the performance expectations were established around performance to current year budget, the attainment of specific performance ratios, and satisfactory compliance with regulatory and audit reviews.

Each component of the annual incentive program has a separate measurement. The Compensation Committee retains the flexibility to make discretionary adjustments up or down based on performance that may be subjective. This discretion is not used to change the targets under the plan, only the rewards.

The target annual incentive opportunity during the past fiscal year was 30% of actual base salary for each NEO. For 2007, the Company's target budget was \$3.27 million, target return on assets was greater than 1%, target return on equity was greater than 9% and the target efficiency ratio was less than 70%. All financial targets were met in 2007.

**Long-Term Incentive**

The purpose of CSB's long-term incentive plan is to align the interests of the NEOs and other executives with the shareholders by providing them the opportunity to benefit from share price increases in the future through share option grants or awards under the 2002 CSB Bancorp, Inc. Share Equity Incentive Plan.

In 2007, the Committee took into consideration the market pay practices of CSB peers, the performance of CSB, a general assessment of the contributions of the individual NEOs, the available shares, and the projected grant values in making its recommendations. The Committee also sought input from the Chief Executive Officer on his views of grants for his direct reports.

Finally, the accounting and tax treatment of stock options is different from cash-based payments. For awards under the plan, CSB accrues an expense computed using the Black-Scholes valuation model on the date of grant pro-ratably over the vesting period. There were no stock option or grant awards in 2007.

**Retirement and Other Post-Employment Benefits**

CSB maintains The Commercial & Savings Bank 401(k) Retirement Plan, (the Plan), a qualified 401(k) and profit sharing plan. The Plan provides a 50% match on the first 4% of cash compensation taking into account all compensation. There is also a discretionary profit sharing contribution and the amount may vary directly with CSB profits. The Plan provides investment alternatives in the following categories: CSB stock, large, small and mid cap, indexed, growth and bond funds.

**Other Benefits and Perquisites**

While the value of benefits including health and welfare, retirement, disability, and vacation benefits are not required to be reported in the tables that follow, these benefits are important to a comprehensive view of the CSB compensation and benefit program. All CSB employees, including the NEOs, participate in the same comprehensive benefit program, which is intended to provide financial protection to employees based on health and retirement needs as well as providing for well-deserved time off. CSB also provides a disability program to all employees including NEOs. Because financial services is a relationship-driven business, CSB pays country club dues for Mr. Ginther at a local country club to provide a facility to entertain CSB clients, community leaders and members of the management staff for business purposes. Certain consumer and primary residence mortgage loans granted by the Bank to directors, officers and all employees receive a 1% reduction to the standard loan interest rate during the period of service to CSB or the Bank.

**Table of Contents****Termination and Change in Control Terms**

The Company has employment agreements with Messrs. Ginther and Greig and Ms. Meiler. The employment agreements provide both CSB and the executives a mutual understanding of performance expectations, pay, opportunities and employment terms. The employment agreements discuss how disability and voluntary and involuntary terminations are handled. In addition, the employment agreements provide for severance payments in the event of employment termination following a change in control of the Company. The purpose of the change in control severance policy is to help participants seek to maximize the value of CSB's shares without concern about losing their job. The NEOs covered by these agreements and the maximum cost of these change in control payments at December 31, 2007 for each named executive is as follows:

R. Ginther, President and CEO, The Commercial & Savings Bank	\$334,227
P. Greig, Senior Vice President and COO/CIO	244,162
P. Meiler, Senior Vice President and CFO	235,162

**Compensation Committee Decision-Making Process**

The Compensation Committee is comprised of three non-management Board members whose responsibilities are the establishment of the Company's overall compensation philosophy, the assessment of the design of CSB compensation and benefit programs, the monitoring of external market pay levels and practices, review and approval of incentive award opportunities, actual payments and grants, and review and recommendation for Board of Director approval related to proposed implementation or material changes to pay or benefit programs.

With the participation of the Company's management including the Company's Chief Executive Officer, the Compensation Committee evaluated a survey of its pay practices for both directors and NEOs. The list of primary peers utilized in 2007 is as follows:

Central Federal Corporation	Fairlawn, Ohio
Cheviot Financial Corp.	Cheviot, Ohio
Commercial Bancshares, Inc.	Upper Sandusky, Ohio
Consumers Bancorp, Inc.	Minerva, Ohio
Cortland Bancorp Inc.	Cortland, Ohio
Croghan Bancshares Inc.	Fremont, Ohio
CSB Bancorp, Inc.	Millersburg, Ohio
First Franklin Corporation	Cincinnati, Ohio
Killbuck Bancshares Inc.	Killbuck, Ohio
Middlefield Banc Corp.	Middlefield, Ohio
National Bancshares Corporation	Orrville, Ohio
Ohio Legacy Corp	Wooster, Ohio
Wayne Savings Bancshares, Inc.	Wooster, Ohio

These financial services firms are all SEC reporting corporations ranging in size from approximately 62% of CSB's asset level to approximately one and one-half times CSB's asset level and are all located and doing business primarily in Ohio.

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**THE COMPENSATION COMMITTEE REPORT**

The Compensation Committee has reviewed and discussed the foregoing Compensation Discussion and Analysis with CSB's management. Based on this review and discussion, the Compensation Committee has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in CSB's proxy statement and Annual Report on Form 10-K.

**THE COMPENSATION COMMITTEE**

**Robert K. Baker, Chairman**

**Ronald E. Holtman**

**Samuel M. Steimel**

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**Executive Compensation and Other Information**

The following table shows information concerning the annual compensation paid or accrued for services to the Company in all capacities of the Chief Executive Officer, Chief Financial Officer and the other executive officers of the Company (collectively the NEO s ) during the last completed year.

**Summary Compensation Table**

<b>Name and Principal Position</b>	<b>Year</b>	<b>Salary</b>	<b>Bonus</b>	<b>Stock Option Awards</b>	<b>Stock Option Awards<sup>1</sup></b>	<b>Non-equity Incentive Plan Compensation</b>	<b>Change in Pension Value and Nonqualified Deferred Compensation</b>	<b>Other Compensation</b>	<b>Total</b>
Eddie L. Steiner, President and CEO	2007	\$164,800	\$41,000					\$15,964	\$221,764
Paula J. Meiler, Sr VP and CFO	2007	114,000	29,000	\$7,500				22,375	172,875
Rick L. Ginther, Sr VP; President and CEO, The Commercial & Savings Bank	2007	164,800	41,000					20,017	225,817
Paul D. Greig, Sr VP and COO/CIO	2007	120,000	30,000	7,500				7,696	165,196

<sup>1</sup> The option awards include amounts expensed in 2007 for stock option awards granted in 2006. For assumptions related to the valuation of the stock options, see Note 7 to the Company s financial statements in the Company s Annual Report on Form 10-K.

**Other Compensation Table**

Name	Year	Life	Disability	Qualified Plan Matching, Profit Sharing Contribution	Perquisites and Other Benefits	Total
		Insurance Premiums	Insurance Premiums			
Eddie L. Steiner	2007	\$ 480	\$ 535	\$ 9,301	\$ 5,648	\$ 15,964
Paula J. Meiler	2007	480	403	6,460	15,032	22,375
Rick L. Ginther	2007	480	535	9,301	9,701	20,017
Paul D. Greig	2007	480	423	6,793		7,696

**Perquisites and Other Benefits**

Name	Year	Health and Dental Benefits	Country Club Dues	Loan Interest Reduction of 1%	Relocation Expenses	Total
		Eddie L. Steiner	2007	\$ 5,347		
Paula J. Meiler	2007	7,882		1,395	\$ 5,755	15,032
Rick L. Ginther	2007	5,347	\$ 4,354			9,701
Paul D. Greig	2007					

**Table of Contents****Outstanding Equity Awards at Fiscal Year-end**

Name	Date	Option Awards				Stock Awards			
		Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Exercise Price (\$)	Option Expiration Date	Number of shares or units of stock that have not vested (#)	Number of shares or units of stock that have not vested (\$)	Equity Incentive Plan Awards: Market Awards: Market or Payout Value
Eddie L. Steiner									
Paula J. Meiler									
	11/29/2006	11,904	5,952		\$18.00				
	8/9/2004	1,000			\$19.00				
Rick L. Ginther									
	7/21/2003	1,000			\$17.50				
Paul D. Greig									
	11/29/2006	11,094			\$18.00				
	6/30/2003	1,000			\$17.50				

**Grants on Plan-Based Awards**

Information on 2007 Stock Option Grants, not through Plan-Based Awards, is included in the Outstanding Equity Awards Table at Fiscal Year-End.

**Option Exercises and Stock Vested**

There were no exercises of Stock Options or vesting of stock awards by Named Executive Officers during 2007.

**Pension Benefits**

The Company does not maintain a qualified or non-qualified pension plan.

**Non-Qualified Deferred Compensation**

The Company does not maintain a non-qualified deferred compensation plan.

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**Potential Payments Upon Termination or Change in Control**

Certain of the Company's NEOs are party to employment agreements that provide for certain salary and benefits upon termination of employment under various scenarios. The agreements are all described more fully in the narrative and tables below.

The tables below set forth the benefits that could be paid to the Named Executive Officer upon various termination events, which would only be known at the time that the benefits become payable. The tables reflect the multiples of base salary amounts that could be payable under the various arrangements if the event in question occurred as of December 31, 2007.

Upon a qualifying termination after a Change in Control, each Named Executive Officer will also be entitled to immediate vesting of all stock options.

The Named Executive Officers' employment agreements do not provide for any additional payments or benefits for death, disability, voluntary termination of employment by the executive or involuntary termination by the Company for cause. Under those scenarios, the Named Executive Officers are only entitled to their accrued and unpaid obligations, such as salary and unused vacation. The following tables contain common information about the Company's employment agreements and benefit plans.

Potential Payments – Change in Control

<b>Name</b>	<b>Change in Control Multiple Base Salary</b>	<b>Post Termination Health Care</b>
Rick L. Ginther	2.0	1 Year
Paula J. Meiler	2.0	1 Year
Paul D. Greig	2.0	1 Year
Potential Payments Upon Termination – Without Cause		

<b>Name</b>	<b>Termination-Without Cause</b>	<b>Post Termination Health Care</b>
Rick L. Ginther	Base Salary Unpaid under agreement + 6 Months	6 Months
Paula J. Meiler	Base Salary Unpaid under agreement + 6 Months	6 Months
Paul D. Greig	Base Salary Unpaid under agreement + 6 Months	6 Months



**Table of Contents****Employment Contracts and Other Arrangements**

This section discusses the employment contracts and severance agreements in place for Named Executive Officers.

*Rick L. Ginther, President and Chief Executive Officer, The Commercial and Savings Bank*

An employment agreement dated July 21, 2003, was entered into with Rick L. Ginther providing, among other things, for employment of Mr. Ginther as Senior Vice President and Chief Loan Officer of the Bank pursuant to the terms of the agreement. Mr. Ginther was promoted on April 19, 2006, to President and Chief Executive Officer of The Commercial and Savings Bank. The agreement is for a two-year term with annual renewals commencing at the first anniversary, and provides for compensation to Mr. Ginther consisting of an annual base salary of \$120,000, a bonus to be paid at the discretion of the Board of Directors, vacation, benefits, and certain stock options. In the event that Mr. Ginther's employment is terminated without cause (as defined in the agreement), the agreement entitles him to a severance payment equal to the unpaid amount otherwise due under the agreement plus six months of the base salary in effect on the date of termination and limited continued benefits for a six month period. The agreement also contains a non-compete provision, prohibiting Mr. Ginther from competing under terms defined by the agreement for a period of one year following the date of termination of the agreement, as well as a change in control provision which provides Mr. Ginther with certain benefits, including continuation of compensation, stock options, and certain health benefits for stated periods following a change in control as defined therein and termination of employment within a 90-day period before or after such change in control. Such change in control benefits are subject to being reduced so that no excess parachute payment (as defined in Section 280G(b)(1) of the Internal Revenue Code of 1986, as amended; the IRS Code ) is received by Mr. Ginther.

*Paul D. Greig, Senior Vice President, Chief Operating Officer and Chief Information Officer*

An employment agreement dated June 30, 2003, was entered into with Paul D. Greig providing, among other things, for employment of Mr. Greig as Senior Vice President, Chief Operations Officer, and Chief Information Officer of the Bank pursuant to the terms of the agreement. The agreement is for a two-year term with annual renewals commencing at the first anniversary, and provides for compensation to Mr. Greig consisting of an annual base salary of \$100,000, a bonus to be paid at the discretion of the Board of Directors, vacation, benefits, and certain stock options. In the event that Mr. Greig's employment is terminated without cause (as defined in the agreement), the agreement entitles him to a severance payment equal to the unpaid amount otherwise due under the agreement plus six months of the base salary in effect on the date of termination and limited continued benefits for a six month period. The agreement also contains a non-compete provision, prohibiting Mr. Greig from competing under terms defined by the agreement for a period of one year following the date of termination of the agreement, as well as a change in control provision which provides Mr. Greig with certain benefits, including continuation of compensation, stock options, and certain health benefits for stated periods following a change in control as defined therein and termination of employment within a 90-day period before or after such change in control. Such change in control benefits are subject to being reduced so that no excess parachute payment (as defined in Section 280G(b)(1) of the Internal Revenue Code of 1986, as amended; the IRS Code ) is received by Mr. Greig.

*Paula J. Meiler, Senior Vice President and Chief Financial Officer*

An employment agreement dated August 9, 2004, was entered into with Paula J. Meiler providing, among other things, for employment of Ms. Meiler as Senior Vice President and Chief Financial Officer of CSB and the Bank pursuant to the terms of the agreement. The agreement is for a two-year term with annual renewals commencing at the second anniversary, and provides for compensation to Ms. Meiler consisting of an annual base salary of \$100,000, a bonus to be paid at the discretion of the Board of Directors, vacation, benefits, relocation reimbursement up to a stated amount for a limited time, and certain stock options. On August 9, 2007 an amendment to the agreement provided that the agreement be for a two-year term with annual renewals commencing August 9, 2008. In the event that Ms. Meiler's employment is terminated without cause (as defined in the agreement), the agreement entitles her to a severance payment equal to the unpaid amount otherwise due under the agreement plus six months of the base salary in effect on the date of termination and limited continued benefits for a six month period. The agreement also contains a non-compete provision, prohibiting Ms. Meiler from competing under terms defined by the agreement for a period of one year following the date of termination of the agreement, as well as a change in control provision which provides Ms. Meiler with certain benefits, including continuation of compensation, stock options, and certain health benefits for

stated periods following a change in control as defined therein and termination of employment within a 90-day period before or after such change in control. Such change in control benefits are subject to being reduced so that no excess parachute payment (as defined in Section 280G(b)(1) of the Internal Revenue Code of 1986, as amended; the IRS Code ) is received by Ms. Meiler.

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**REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**

The following Audit Committee Report is provided in accordance with the rules and regulations of the Securities and Exchange Commission. The Audit Committee has reviewed and discussed the audited consolidated financial statements with management and the Board of Directors of CSB. Management of CSB is responsible for CSB's reporting process, including its system of internal control, and for the preparation of consolidated financial statements in accordance with U.S. generally accepted accounting principles. CSB's auditors are responsible for auditing those financial statements. The Audit Committee's responsibility is to monitor and review these processes. Mr. Robb and Mr. Baker are certified public accountants, and Mr. Holtman is an attorney licensed to practice law in the State of Ohio. Mr. Robb and Mr. Baker have been designated as financial experts under Section 407 of Regulation S-K.

The Audit Committee has reviewed and discussed with S.R. Snodgrass A.C. ( S.R.Snodgrass ), CSB's independent auditors for the year ended December 31, 2007 the matters required to be discussed by Statement of Accounting Standards 61, as may be modified or supplemented. The Audit Committee also has received the written disclosures and the letter from the independent accountants, as required, and has discussed with S.R. Snodgrass its independence. Based on the forgoing discussions, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in CSB's Annual Report on Form 10-K for the fiscal year ended December 31, 2007.

**THE AUDIT COMMITTEE**

**Ronald E. Holtman, Chairman**

**Robert K. Baker**

**Jeffery A. Robb, Sr.**

**Table of Contents****INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FEES**

The Audit Committee reviewed a report from the Company's independent registered public accounting firm, S.R. Snodgrass, A.C. (Snodgrass) and others regarding the aggregated fees received in the following categories in fiscal 2007 and 2006:

	2007	2006
Audit Fees (1)	\$54,584	\$60,591
Audit-Related Fees (2)	10,266	13,130
Tax Fees (3)	7,500	7,100
All Other Fees	0	0

(1) Audit fees consist of fees for professional services rendered for the audit of the Company's financial statements, the review of financial statements included in the Company's quarterly reports filed with the Securities and Exchange Commission on Form 10-Q, and for services normally provided by the independent auditor in connection with statutory and regulatory filings or engagements.

(2) Audit-related fees are fees principally for professional services for the audit of the Company's employee benefit plan as well as the FHLB collateral audit.

(3) Tax service fees consist of compliance fees for the preparation of original tax returns.

All of the above-mentioned services and fees were pre-approved by the Audit Committee.

Snodgrass acted as CSB's auditors for the 2007 fiscal year and will act in such capacity for the 2008 fiscal year.

During CSB's most recent fiscal year ended December 31, 2007 there were no disagreements with Snodgrass on any matter of accounting principals or practices, financial disclosure, or auditing scope or procedure.

One or more representatives of Snodgrass are expected to be present at the Annual Meeting of Shareholders and will have an opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions.

#### Audit Committee Procedures for Pre-Approval of Services by Independent Accountants

The Audit Committee will annually approve the scope of, and fees payable for, the year-end audit to be performed by CSB's independent accountants for the next fiscal year.

Management may not engage the independent accountants for any services unless the service contracts are approved by the Audit Committee in advance of the engagement.

If Management wishes to engage the independent accountants for any services, Management will define and present to the Audit Committee specific projects and categories of service, and fee estimates, for which the advance approval of the Audit Committee is required. The Audit Committee will review these requests and determine whether to pre-approve the engagement of the independent accountants for the specific projects and categories of service.

Management will report to the Audit Committee regarding the actual spending for these projects and services, compared to the approved amounts on a quarterly basis.

The Audit Committee Chairperson will report to the Committee at each regularly scheduled meeting the nature and amount of any non-audit services that the Chairperson has approved.

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**CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

CSB has engaged and intends to continue to engage in the lending of money through the Bank to various directors and officers of CSB and the Bank and their related interests. These loans were made in accordance with applicable law and regulation and in the ordinary course of business on substantially the same terms, including interest rates and collateral, as prevailing at the time for comparable transactions with other persons and did not involve more than a normal risk of collectibility or other unfavorable features.

In addition to those banking transactions conducted in the ordinary course, the following related transactions were conducted. Each of these transactions was made on terms similar to those that could have been negotiated with an unaffiliated third party.

CSB and the Bank hired Holmes County Title Co. from time to time during 2007 for title work and real estate closing services in connection with various matters arising in the ordinary course of the business of CSB and the Bank. Ronda P. Steimel, owner of Holmes County Title Co., is the wife of Director Samuel M. Steimel. CSB and the Bank contemplate using Holmes County Title Co. in the future on similar terms, as needed.

CSB and the Bank hired Critchfield, Critchfield & Johnston, Ltd. and Heartland Title Agency from time to time during 2007 for legal services, title work and real estate closing services in connection with various matters arising in the ordinary course of the business of CSB and the Bank. John R. Waltman is of counsel of both Critchfield, Critchfield & Johnston, Ltd. and Heartland Title Agency. CSB and the Bank contemplate using both Critchfield, Critchfield & Johnston, Ltd. and Heartland Title Agency in the future on similar terms, as needed.

CSB and the Bank hired Logee, Hostetler, Stutzman & Lehman from time to time prior to 2006 for legal services in connection with various matters arising in the ordinary course of the business of CSB and the Bank. Ronald E. Holtman is a partner of Logee, Hostetler, Stutzman & Lehman. CSB and the Bank contemplate using Logee, Hostetler, Stutzman & Lehman in the future on similar terms, as needed.

CSB and the Bank hired Steimel Law Office from time to time prior to 2006 for legal services in connection with various matters arising in the ordinary course of the business of CSB and the Bank. Samuel M. Steimel is the owner of Steimel Law Office. CSB and the Bank contemplate using Steimel Law Office in the future on similar terms, as needed.

**COMPENSATION AND NOMINATING COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION;  
CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

During 2007, none of CSB's NEOs or Directors was a member of the Board of Directors of any other company where the relationship would be construed to constitute a committee interlock within the meaning of the rules of the Commission.

**SHAREHOLDER NOMINATIONS**

The Nominating Committee of the Board will consider recommendations for nominations received from shareholders in accordance with the Company's Code of Regulations. Shareholder recommendations for nomination should be submitted in writing to the Company at its principal office in Millersburg, Ohio, and must include the shareholder's name, address and the number of shares of the Company beneficially owned by the shareholder. The recommendation must be provided to the Company in writing not less than fourteen nor more than fifty days prior to the date of the Meeting. The recommendation should also include the name, age, business address, residence address, principal occupation and number of shares of the Company beneficially owned by the recommended candidate for nomination. Shareholder recommendations must also include the information that would be required to be disclosed in the solicitation of proxies for the election of directors under federal securities laws. The Company may also require any nominee to furnish additional information regarding the eligibility and qualifications of the recommended candidate.

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**PROPOSALS OF SECURITY HOLDERS**

In order to be eligible for inclusion in CSB's proxy materials for the 2009 Annual Meeting of Shareholders, any shareholder's proposal to take action at such meeting must be received at CSB's main office at 91 North Clay Street, Millersburg, Ohio 44654, no later than November 21, 2008. Any such proposal shall be subject to the requirements of the proxy rules adopted under the Securities Exchange Act of 1934, as amended.

**SHAREHOLDER COMMUNICATION WITH BOARD OF DIRECTORS**

Shareholders interested in communicating directly with the Board of Directors may do so by writing to Ms. Margaret L. Conn, Secretary, CSB Bancorp, Inc., 91 North Clay Street, Millersburg, Ohio 44654. The mailing envelope and letter must contain a clear notation indicating that the enclosed letter is a Shareholder-Board of Directors Communication.

The Secretary will review all such correspondence and regularly forward to the Board of Directors a log and summary of all such correspondence and copies of all correspondence that, in the opinion of the Secretary, deals with the functions of the Board or Committees of the Board or that she otherwise determines requires their attention. Directors may at any time review a log of all correspondence received by CSB that is addressed to members of the Board and request copies of any such correspondence. Concerns relating to accounting, internal controls or auditing matters are immediately brought to the attention of CSB's internal audit department and handled in accordance with procedures established by the Audit Committee for such matters.

**OTHER BUSINESS**

The Board of Directors is not aware of any business to be addressed at the Meeting other than those matters described above in this Proxy Statement. However, if any business other than that set forth in the Notice of the Meeting should be properly presented at the Meeting, it is intended that the Common Shares represented by proxies will be voted with respect thereto in accordance with the judgment of the person voting them.

BY ORDER OF THE BOARD OF  
DIRECTORS

/s/ Eddie L. Steiner

Eddie L. Steiner

President and Chief Executive Officer

Millersburg, Ohio  
March 21, 2008

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**PROXY CARD**

CSB BANCORP, INC.

91 North Clay Street

Millersburg, Ohio 44654

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS.

The undersigned hereby appoints Ronald E. Holtman, Daniel J. Miller, Samuel M. Steimel and each of them, with full power of substitution, as proxies to vote, as designated below, for and in the name of the undersigned all shares of stock of CSB Bancorp, Inc. ( CSB ) which the undersigned is entitled to vote at the Annual Meeting for the Shareholders of said Company scheduled to be held on April 23, 2008 at 7:00 p.m. local time at the Carlisle Inn, Walnut Creek, Ohio, and at any adjournments or recesses thereof.

Shareholders have the right to vote cumulatively in the election of directors. In order to exercise the right to vote cumulatively, a shareholder must give written notice to the President, a Vice President or the Secretary of CSB not less than forty-eight hours before the time fixed for the meeting, and the shareholder's demand for cumulative voting must be announced at the commencement of the meeting by or on behalf of the shareholder. If cumulative voting is elected, a shareholder may cast as many votes in an election of directors as the number of directors to be elected multiplied by the number of shares held. If any shareholder demands cumulative voting for the election of directors at the Meeting, this proxy gives the individuals named on the proxy full discretion and authority to vote cumulatively, and in their sole discretion to allocate votes among any or all of the nominees, unless authority to vote for any or all of the nominees is withheld.

Please mark X in the appropriate box. The Board of Directors recommends a FOR vote on the proposal.

1. ELECTION OF DIRECTORS

FOR:

Robert K. Baker

J. Thomas Lang

WITHHOLD

AUTHORITY:

Robert K. Baker

J. Thomas Lang

2. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the meeting or an adjournment thereof.

This proxy when properly executed will be voted in the manner directed herein by the undersigned shareholder. If no direction is made, this proxy will be voted FOR the election of Directors.

ALL FORMER PROXIES ARE HEREBY REVOKED.

(Signature of Shareholder)

(Signature of Shareholder)

(Please sign exactly as your name appears on this proxy. All joint owners should sign. When signing in a fiduciary capacity or as a corporate officer, please give your full title as such.)

Dated: \_\_\_\_\_, 2008