

**Whistleblower Policy
Timberland Bank and Timberland Bancorp, Inc.**

Background

In response to the corporate accounting and ethics scandals surrounding Enron, WorldCom and a host of other companies, Congress enacted the Public Company Accounting Reform and Investor Protection Act of 2002 (also known as the Sarbanes-Oxley Act). The purpose of this act is to protect the interest of the investor by addressing the apparent failures that had occurred in the marketplace.

One of the many requirements of the Sarbanes-Oxley Act is for the Audit Committee of publicly traded companies to establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal control, auditing matters, suspected fraudulent activities, employee retaliation, etc. Each company must design procedures that allow for complaints from both company personnel and third parties (such as competitors, vendors, and customers) to be submitted. The rules also require that the system must provide measures that protect the anonymity of company employee making complaints.

Procedures

Any complaints from Timberland Bank (“Bank”) employees or other third parties regarding accounting, internal control, auditing matters, suspected fraudulent activities, employee retaliation, etc. are to be submitted to:

**NAVEX Global
(EthicsPoint)**



Mobile:

timberlandbankmobile.ethicspoint.com

Online:

timberlandbank.ethicspoint.com

Call Toll-free:

833-837-8917

NAVEX Global is a third party company that the Bank has contracted with to utilize its whistleblower platform, EthicsPoint. EthicsPoint is a comprehensive and confidential reporting tool created by

NAVEX Global to assist management and employees to work together in addressing fraud, abuse, and other misconduct in the workplace, all while cultivating a positive work environment. With EthicsPoint, you have the ability to file a confidential, anonymous report via the methods listed above. Reports are entered directly on the EthicsPoint secure server to prevent any possible breach in security. EthicsPoint makes these reports available only to specific individuals within the company who are charged with evaluating the report, based on the type of violation and location of the incident. Each of these report recipients have had training in keeping these reports in the utmost confidence.

Non-Retaliation Policy

The Bank prohibits any employee from retaliating against another employee who, in good faith, raises concerns about a possible violation of any Bank policies or other wrongdoing, or participates in any complaint resolution process. This non-retaliation policy applies to those who report an incident, file a complaint, or otherwise raise a concern about a policy violation or other wrongdoing; these individuals are sometimes called whistleblowers. The non-retaliation policy also protects those who review or investigate a complaint or concern, serve as a witness or provide background about the complaint or concern, or who make decisions or recommendations about sanctions in any of the Bank's complaint resolution procedures.

Retaliation is any adverse action, harassment, threats, or other conduct that would discourage a reasonable employee from making a report or participating in a complaint review process. Examples of possible retaliation include, but are not limited to the following:

- Adverse employment action (e.g., termination, demotion, reduction in pay, adverse change in schedule or work location, unwarranted negative reference, or exclusion from work-related opportunities, conferences, or other activities)
- Stalking, harassment, intimidation, threats, or engaging in physical violence
- Encouraging or asking a third party to engage in retaliatory conduct

Note that interim measures taken by the Bank to address a complaint, such as separating the parties, are generally not retaliation. Retaliation may occur even where there is no finding of a policy or other violation.

The Bank encourages employees to submit reports on act of retaliation through the Bank's third party whistleblower, NAVEX Global (EthicsPoint) platform. A finding of retaliation may lead to disciplinary action, up to and including termination of employment.

Complaint Resolution

The Audit Committee of the Bank has full authority to investigate any matters involving accounting, internal control, auditing matters, suspected fraudulent activity, employee retaliation, etc. The Internal Audit Department and the Audit Committee will review all reports submitted through EthicsPoint within 30 days of receipt and will make a determination within that time whether further investigation is warranted. In the event an investigation is conducted, all correspondence submitted through EthicsPoint are held in the same strict confidence as the initial report, continuing under the umbrella of anonymity. Copies of all reports along with any accompanying correspondence will be retained by the Audit Committee for a period of at least 5 years.