Wayne Savings
BANCSHARES, INC

March 13, 2020

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders of Wayne Savings Bancshares, Inc. The virtual annual meeting will be held on Thursday, April 30, 2020 at 8:30 a.m., Eastern Standard Time. The 2020 Annual Meeting will be our first time hosting a completely virtual meeting of stockholders, which will be conducted solely online via live webcast. You will be able to attend and participate in the Annual Meeting online, vote your shares electronically and submit your questions prior to and during the meeting by visiting: **www.meetingcenter.io/244909446** at the meeting date and time described in the accompanying proxy statement. The password for the meeting is: **WAYN2020**. There is no physical location for the annual meeting.

We have decided to hold our 2020 Annual Meeting virtually due to coronavirus (COVID-19); we are sensitive to the public health and travel concerns our shareholders may have and the protocols that federal, state and local governments may impose. We believe that hosting a virtual meeting will enable greater shareholder attendance and participation from any location around the world.

At the annual meeting, you will be asked to elect three (3) directors for a three-year term, approve the 2020 Stock Equity Plan, provide your advisory vote on executive compensation and ratify the appointment of BKD, LLP as our independent registered public accounting firm for the year ending December 31, 2020. Each of these matters is more fully described in the accompanying materials.

The Board of Directors of Wayne Savings has determined that the matters to be considered at the annual meeting are in the best interest of Wayne Savings and our stockholders. For the reasons set forth in the proxy statement, the Board of Directors unanimously recommends a vote "FOR" each director nominee, "FOR" the approval of the 2020 Stock Equity Plan, "FOR" the advisory vote on executive compensation of our named executive officers, and "FOR" the appointment of BKD, LLP as our independent registered public accounting firm for the year ending December 31, 2020.

We urge you to mark, sign, and date the enclosed proxy card today and return it in the envelope provided, even if you plan to attend the virtual annual meeting. Your vote is important, regardless of the number of shares that you own. Voting by proxy will not prevent you from voting virtually, but will assure that your vote is counted if you are unable to attend the virtual meeting.

If you would like more information on attending the virtual 2020 Annual Meeting, please contact our Corporate Secretary at brittanyhartzler@waynesavings.com or by calling 330-264-5767.

Your continued support of Wayne Savings Bancshares, Inc. is sincerely appreciated.

Sincerely,

James R. VanSickle
President and Chief Executive Officer

Wayne Savings Bancshares, Inc.
151 North Market Street
Wooster, Ohio 44691
(330) 264-5767

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held on April 30, 2020

Our 2020 Annual Meeting of Stockholders will be conducted solely online via live webcast on April 30, 2020 at 8:30 a.m., Eastern Standard Time. You will be able to attend and participate in the Annual Meeting online, vote your shares electronically and submit your questions prior to and during the meeting by visiting: **www.meetingcenter.io/244909446** at the meeting date and time described in the accompanying proxy statement. The password for the meeting is: **WAYN2020**.

A proxy card, the proxy statement, and the 2019 Annual Report to Shareholders for the meeting are enclosed.

The purpose of the meeting is:

(1) To elect three (3) directors for a three-year term, and until their successors are elected and qualified;
(2) To consider and approve the Wayne Savings Bancshares, Inc. 2020 Stock Equity Plan;
(3) To consider and vote upon a non-binding advisory resolution to approve the compensation of the Wayne Savings' named executive officers;
(4) To ratify the appointment of BKD, LLP as our independent registered public accounting firm for the year ending December 31, 2020;
(5) To transact such other business as may properly come before the meeting or at any adjournment thereof. We are not aware of any other such business.

Our stockholders of record as of the close of business on March 13, 2020, the voting record date, are entitled to notice of and to vote at the 2020 Annual Meeting and at any adjournment of the annual meeting.

EACH STOCKHOLDER, WHETHER HE OR SHE PLANS TO ATTEND THE MEETING, IS REQUESTED TO SIGN, DATE AND RETURN THE PROXY CARD WITHOUT DELAY IN THE ENCLOSED POSTAGE-PAID ENVELOPE. ANY PROXY GIVEN BY THE STOCKHOLDER MAY BE REVOKED AT ANY TIME BEFORE IT IS EXERCISED. A PROXY MAY BE REVOKED BY FILING WITH OUR SECRETARY A WRITTEN REVOCATION OR A DULY EXECUTED PROXY BEARING A LATER DATE OR BY FOLLOWING THE INTERNET OR PHONE INSTRUCTIONS ON THE ENCLOSED PROXY CARD. ANY STOCKHOLDER PRESENT AT THE MEETING MAY REVOKE HIS OR HER PROXY AND VOTE VIRTUALLY ON EACH MATTER BROUGHT BEFORE THE MEETING. HOWEVER, IF YOU ARE A STOCKHOLDER WHOSE SHARES ARE NOT REGISTERED IN YOUR OWN NAME, YOU WILL NEED ADDITIONAL DOCUMENTATION FROM YOUR RECORD HOLDER IN ORDER TO VOTE VIRTUALLY AT THE MEETING.

By Order of the Board of Directors

Brittany N. Hartzler

Brittany N. Hartzler
Corporate Secretary

Wooster, Ohio
March 13, 2020

Important Notice Regarding the Availability of Proxy Materials
For the Shareholder Meeting to be Held on April 30, 2020

This proxy statement and the annual report to shareholders are or will be available at:

www.envisionreports.com/wayn

You are cordially invited to attend the virtual annual meeting. For directions, please contact our Corporate Secretary at brittanyhartzler@waynesavings.com or call 330-264-5767. It is important that your shares be represented regardless of the number you own. Even if you plan to attend, you are urged to complete, sign, date and return the enclosed proxy card promptly in the envelope provided. If you attend the meeting, you may vote either virtually or by proxy. Any proxy given may be revoked by you in writing or in person at any time prior to the exercise of the proxy.

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PROXY STATEMENT
of
WAYNE SAVINGS BANCSHARES, INC.

ABOUT THE ANNUAL MEETING OF STOCKHOLDERS

This proxy statement is furnished to holders of common stock of Wayne Savings Bancshares, Inc., the parent bank holding company, registered with the Board of Governors of the Federal Reserve System, that owns all of the issued and outstanding common shares of Wayne Savings Community Bank. We are soliciting proxies on behalf of our Board of Directors to be used at the Annual Meeting of Stockholders and at any adjournment thereof, for the purposes set forth in the attached Notice of Annual Meeting of Stockholders.

The annual meeting will be held on Thursday, April 30, 2020 at 8:30 a.m., Eastern Standard Time. The 2020 Annual Meeting will be our first time hosting a completely virtual meeting of stockholders, which will be conducted solely online via live webcast. You will be able to attend and participate in the 2020 Annual Meeting online, vote your shares electronically and submit your questions prior to and during the meeting by visiting: **www.meetingcenter.io/244909446** at the meeting date and time described in the accompanying proxy statement. The password for the meeting is: **WAYN2020**. There is no physical location for the annual meeting.

We have decided to hold our 2020 Annual Meeting virtually due to coronavirus (COVID-19); we are sensitive to the public health and travel concerns our shareholders may have and the protocols that federal, state and local governments may impose. We believe that hosting a virtual meeting will enable greater shareholder attendance and participation from any location around the world.

This proxy statement is first being mailed to stockholders on or about March 23, 2020. In this proxy statement, “Wayne Savings”, the “Corporation”, the “Company”, “we”, “us”, and “our” refer to Wayne Savings Bancshares, Inc. and “Bank” refers to Wayne Savings Community Bank.

REVOCATION OF PROXIES

Stockholders who execute proxies as requested in this proxy statement retain the right to revoke them in the manner described below. Unless so revoked, the shares represented by such proxies will be voted at the meeting and all adjournments thereof. Proxies solicited on behalf of our Board of Directors will be voted in accordance with the directions given thereon. **Please sign and return your proxy card. In the absence of contrary instructions, signed proxies will be voted “FOR” the election of the nominees for director named herein, “FOR” the approval of the 2020 Stock Equity Plan, “FOR” the advisory vote on executive compensation of our named executive officers and “FOR” the ratification of BKD, LLP as our independent registered public accounting firm for the year ending December 31, 2020.**

A proxy may be revoked at any time prior to its exercise by sending written notice of revocation to our Corporate Secretary, Brittany N. Hartzler, at 151 North Market Street, Wooster, Ohio 44691, or by filing a duly executed proxy bearing a later date or by following the internet or phone instructions on the enclosed proxy card or by voting virtually at the meeting. The presence at the meeting of any stockholder who had given a proxy shall not revoke such proxy unless the stockholder votes virtually at the meeting or delivers a written revocation to our Corporate Secretary prior to the voting of such proxy.

If you have any question about giving your proxy or require assistance, please call:

Brittany N. Hartzler
151 North Market Street
Wooster, OH 44691

(330) 264-5767

SOLICITATION OF PROXIES

What is the purpose of the annual meeting?

At our annual meeting, stockholders will act upon the matters outlined in the notice of meeting on the cover page of this proxy statement, including the election of directors, approval of the 2020 Stock Equity Plan, and ratification of our independent registered public accounting firm. In addition, management will report on the performance of Wayne Savings and respond to questions from stockholders. Stockholders will also have the opportunity for the annual vote on a non-binding proposal to approve the executive compensation disclosed in this proxy statement, which we refer to as the say-on-pay proposal. The annual vote was adopted by resolution of the Board of Directors following the advisory vote at the 2013 Annual Meeting indicating a preference for an annual vote. The frequency of the vote was reaffirmed at the 2019 Annual Meeting.

Who is entitled to vote?

Only our stockholders of record as of the close of business on the record date for the meeting, March 13, 2020, are entitled to vote at the meeting. On the record date, we had 2,601,836 shares of common stock issued and outstanding and no other class of equity securities outstanding. For each issued and outstanding share of common stock you own on the record date, you will be entitled to one vote on each matter to be voted on at the meeting, virtually or by proxy.

In accordance with the provisions of our Certificate of Incorporation, record holders who beneficially own in excess of 10% of the outstanding shares of our common stock are not entitled to vote with respect to the shares held in excess of the 10% limit. Our Certificate of Incorporation authorizes the Board of Directors (a) to make all determinations necessary to implement and apply the 10% limit, including determining whether persons or entities are acting in concert, and (b) to demand that any person who is reasonably believed to beneficially own stock in excess of the 10% limit supply information to us to enable the Board of Directors to implement and apply the 10% limit.

How do I submit my proxy?

After you have carefully read this proxy statement, indicate on your enclosed proxy form how you want your shares to be voted. Then sign, date and mail your proxy form in the enclosed prepaid return envelope as soon as possible. This will enable your shares to be represented and voted at the annual meeting. Shareholders also have the ability to submit their vote online or by telephone by following the instructions included on the enclosed proxy cards.

If my shares are held in "street name" by my broker, could my broker automatically vote my shares for me?

"Street name" means that your shares are held in the name of your broker or another nominee, rather than in your own name. Under New York Stock Exchange Rule 452, which governs NYSE brokerage members, brokers are entitled to vote shares held by them for their customers on matters deemed "routine" under applicable rules, even though the brokers have not received voting instructions from their customers. Although Wayne Savings is listed on the OTCQX Market, Rule 452 affects us since shares of our common stock held in "street name" may be held with NYSE member-brokers. Brokerage firms may not vote on "non-routine" matters at their discretion on behalf of their clients if such clients have not furnished voting instructions. A broker "non-vote" occurs when a broker's customer does not provide the broker with voting instructions on "non-routine" matters for shares owned by the customer but held in the name of the broker. For such "non-routine" matters, the broker cannot vote either FOR or AGAINST a proposal or FOR or WITHHELD for the election of directors. In that case, the broker reports the number of such shares as "non-votes." The election of directors, amendments to charter documents, and executive compensation proposals are deemed to be "non-routine" matters, so your broker may not vote on these matters at its discretion. The proposal to ratify the appointment of our independent registered public accounting firm currently qualifies as the only "routine" matter to be voted upon at the annual meeting.

How can I attend the meeting and vote my shares?

The Annual Meeting will be a completely virtual meeting of stockholders, which will be conducted exclusively by webcast. You are entitled to participate in the Annual Meeting only if you were a stockholder of the Company as of the close of business on March 13, 2020, or if you hold a valid proxy for the Annual Meeting. No physical meeting will be held.

You will be able to attend the Annual Meeting online and submit your questions during the meeting by visiting: **www.meetingcenter.io/244909446**. You also will be able to vote your shares online by attending the Annual Meeting by webcast.

To participate in the Annual Meeting, you will need to review the information included on your notice, on your proxy card or on the instructions that accompanied your proxy materials. The password for the meeting is: **WAYN2020**.

If you hold your shares through an intermediary, such as a bank or broker, you must register in advance using the instructions below.

The online meeting will begin promptly at 8:30 a.m., Eastern Standard Time. We encourage you to access the meeting prior to the start time leaving ample time for the check in. Please follow the registration instructions as outlined in this proxy statement.

How do I register to attend the Annual Meeting virtually on the Internet?

If you are a registered shareholder (i.e., you hold your shares through our transfer agent, Computershare), you do not need to register to attend the Annual Meeting virtually on the Internet. Please follow the instructions on the notice or proxy card that you received.

If you hold your shares through an intermediary, such as a bank or broker, you must register in advance to attend the Annual Meeting virtually on the Internet.

To register to attend the Annual Meeting online by webcast you must submit proof of your proxy power (legal proxy) reflecting your Wayne Savings Bancshares, Inc. holdings along with your name and email address to Computershare. Requests for registration must be labeled as “Legal Proxy” and be received no later than 5:00 p.m., Eastern Standard Time, on April 27, 2020.

You will receive a confirmation of your registration by email after we receive your registration materials.

Requests for registration should be directed to us at the following:

By email:

Forward the email from your broker, or attach an image of your legal proxy, to **legalproxy@computershare.com**.

By mail:

Computershare
Wayne Savings Bancshares, Inc. Legal Proxy
P.O. Box 43001
Providence, RI 02940-3001

Can I change or revoke my vote after I return my proxy card?

Yes. If you have not voted through your broker or other nominee, there are three ways you can change your vote or revoke your proxy after you have sent in your proxy form.

- First, you may send a written notice to our Corporate Secretary, Wayne Savings Bancshares, Inc., 151 North Market Street, Wooster, Ohio 44691, stating that you would like to revoke your proxy.
- Second, you may complete and submit a new proxy form. Any earlier proxies will be revoked automatically.
- Third, you may attend the annual meeting and vote virtually. Any earlier proxy will be revoked. However, attending the annual meeting without voting virtually will not revoke your proxy.

If you have instructed a broker or other nominee to vote your shares, you must follow directions you receive from your broker or other nominee to change your vote.

What constitutes a quorum?

The presence at the meeting, virtually or by proxy, of the holders of a majority of the shares of common stock entitled to vote at the meeting as of the record date will constitute a quorum. Proxies received but marked as abstentions and broker non-votes will be included in the calculation of the number of votes considered to be present at the meeting for purposes of establishing a quorum.

What are the Board of Directors' recommendations?

The recommendations of the Board of Directors are set forth under the description of each proposal in this proxy statement. In summary, the Board of Directors recommends that you vote FOR the nominees for director described herein, FOR the 2020 Stock Equity Plan, FOR the advisory vote on executive compensation and FOR ratification of the appointment of BKD, LLP for the year ending December 31, 2020.

The proxy solicited hereby, if properly signed and returned to us and not revoked prior to its use, will be voted in accordance with your instructions contained in the proxy. If no contrary instructions are given, each proxy signed and received will be voted in the manner recommended by the Board of Directors and, upon the transaction of such other business as may properly come before the meeting, in accordance with the best judgment of the persons appointed as proxies. Proxies solicited hereby may be exercised only at the annual meeting and any adjournment of the annual meeting and will not be used for any other meeting.

Do you expect other candidates to be nominated for election as directors at the Annual Meeting in opposition to the Board's nominees?

No shareholders have notified the Company that they intend to run a nominee in opposition to one of the Company's recommended nominees at the 2020 annual meeting of stockholders.

Can I access the proxy statement and annual report electronically?

This proxy statement, form of proxy, and the annual report to shareholders are or will be available at: **www.envisionreports.com/wayn**

VOTING PROCEDURES AND METHOD OF COUNTING VOTES

As to the election of the directors, the enclosed proxy card provided by the Board of Directors enables a stockholder to vote "FOR" the election of the nominees proposed by the Board of Directors or to "WITHHOLD" authority to vote for the nominees being proposed. Under Delaware law and our Certificate of Incorporation and Bylaws, directors are elected by a plurality of the shares voted at the meeting without regard to either broker non-votes or proxies as to which the authority to vote for the nominee is withheld. Plurality means that individuals who receive the largest number of votes cast are elected, up to the maximum number of directors to be elected at the meeting.

A "WITHHOLD" vote will be counted as present for the purposes of establishing a quorum for the vote but are not counted as votes cast.

As to the vote on the 2020 Stock Equity Plan, by checking the appropriate box a stockholder may vote "FOR" the item, vote "AGAINST" the item or "ABSTAIN" from voting on the item. The vote on the 2020 Stock Equity Plan must be approved by a majority of the votes cast on this proposal. Abstentions and broker non-votes are not treated as votes cast, and therefore will have no effect on the proposal to approve the 2020 Stock Equity Plan.

As to the advisory vote on executive compensation of our named executive officers, by checking the appropriate box a stockholder may vote "FOR" the item, vote "AGAINST" the item or "ABSTAIN" from voting on the item. Approval of a majority of the votes cast will constitute approval of this proposal to approve the named executive officer compensation disclosed in this proxy statement.

As to the ratification of BKD, LLP as our independent registered public accountants, by checking the appropriate box a stockholder may vote "FOR" the item, vote "AGAINST" the item or "ABSTAIN" from voting on the item. The ratification of independent registered public accountants must be approved by a majority of the shares voted at the meeting. Abstentions and broker non-votes will not be counted as votes cast and therefore will not affect this proposal.

In the event at the time of the meeting there are not sufficient votes for a quorum or to approve or ratify any matter being presented, the meeting may be adjourned in order to permit the further solicitation of proxies.

PROPOSAL I - ELECTION OF DIRECTORS AND INFORMATION WITH RESPECT TO CONTINUING DIRECTORS AND EXECUTIVE OFFICERS

Election of Directors

Our Certificate of Incorporation and Bylaws provide that the Board of Directors shall be divided into three classes as nearly equal in number as possible. The directors are elected by our stockholders for staggered terms and until their successors are elected and qualified. The size of the Board is currently fixed at seven directors.

At this annual meeting, you will be asked to elect one class of directors, consisting of three directors, for a three-year term expiring in 2023 and until their respective successors are elected and qualified. Our nominating and corporate governance committee has recommended the re-election of Brian Hopkins, Debra A. Marthey and James R. VanSickle II as directors. Stockholders are not permitted to use cumulative voting for the election of directors.

Unless otherwise directed, each proxy executed and returned will be voted for the election of the nominees for director listed below. If any person named as a nominee should be unable to or for good cause will not stand for election at the time of the annual meeting, the Board of Directors will nominate and the proxy holder will vote for any replacement nominee or nominees recommended by our Board of Directors. At this time, the Board of Directors knows of no reason why any of the nominees listed below may not be able to serve as a director if elected. If the Board of Directors nominates a replacement nominee in the circumstances described above, we will deliver a revised proxy statement and related documentation identifying such replacement nominee.

The following tables present information concerning the nominees for director and each director whose term continues. None of the nominees nor any of the continuing directors are related to any other director or executive officer by blood, marriage or adoption. Ages are reflected as of March 13, 2020. Where applicable and as discussed further below, service as a director includes service as a director of Wayne Savings Community Bank.

Nominees for Director for a Three-Year Term Expiring in 2023

Name	Age	Positions Held with Wayne Savings	Director Since
Brian Hopkins	43	Director	2017
Debra A. Marthey	65	Director	2011
James R. VanSickle II	49	Director, President and Chief Executive Officer	2017

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU USE THE ENCLOSED PROXY CARD AND VOTE "FOR" THE WAYNE SAVINGS BANCSHARES, INC. NOMINEES LISTED IN THIS PROXY STATEMENT.

Members of the Board of Directors Continuing in Office

Directors Whose Term Expires in 2021

Name	Age	Positions Held with Wayne Savings	Director Since
David L. Lehman	73	Director	2012
Glenn W. Miller	56	Director	2012

Directors Whose Term Expires in 2022

Name	Age	Positions Held with Wayne Savings	Director Since
Jonathan Ciccotelli	54	Director	2010
Peggy J. Schmitz	68	Director	2008

Director Nominees

Brian Hopkins. Mr. Hopkins is a Managing Director and partner of Ancora Holdings, Inc. ("Ancora"), an investment management and family wealth advisory firm based in Cleveland, Ohio. Ancora holds a 7.2% ownership stake in the Company. Mr. Hopkins joined Ancora in 2003 and was the second partner of Ancora. He has been an integral part of a team that has grown the firm from $50 million in assets under management at inception in 2003 to $6.3 billion in assets under management today. Mr. Hopkins founded the firm's hedge fund practice and continues to be a portfolio manager of four investment partnerships, two of which focus significant elements of their investment strategy on investing in community banks. In addition, Mr. Hopkins is responsible for the firm's corporate development efforts, including mergers and acquisitions, joint ventures and capital raising. Mr. Hopkins provides the Board with a background in corporate finance, investment decision making, capital markets and strategic decision-making. He has invested in numerous community banks and his insight about the industry provides valuable insight on the Company's financial performance and capital management. Mr. Hopkins is the former Chairman and CEO of Regional Brands, an SEC-registered holding company located in Cleveland, Ohio, and has served as a director of Regional Brands since April 2016. Mr. Hopkins was a board member of First Menasha Bancshares and its bank subsidiary (First National Bank-Fox Valley), a community banking organization headquartered in Neenah, Wisconsin from 2014 to April 2017. Nicolet Bancshares, Green Bay, Wisconsin, acquired First Menasha Bancshares on April 28, 2017.

Debra A. Marthey. Ms. Marthey served as the Vice President and Treasurer for The J.M. Smucker Company, Orrville, Ohio until August 31, 2016. With over 38 years of experience in progressively more responsible finance positions with a large publicly traded company, Ms. Marthey served as Vice President and Treasurer for over 15 years and managed the company's liquidity resources, formulating and implementing the appropriate capital structure, corporate investment management, debt structure and management, and banking relationships with commercial banks. She also had responsibility for the company's risk and insurance function and the management of the company's retirement assets and 401(k) employee plans. The J.M. Smucker Company operates principally in the manufacturing and marketing of branded food and beverage products on a worldwide basis. Prior to joining Smuckers, Ms. Marthey was in the public accounting field working for PricewaterhouseCoopers. She received her Bachelor's degree in Accounting and Finance from Kent State University, and her Master's degree in Business from Baldwin Wallace College. Ms. Marthey has been extensively involved in community and professional organizations in Wayne Savings' market area. Ms. Marthey's extensive business and finance experience enhances the risk management and oversight functions of the Board.

James R. VanSickle II. Mr. VanSickle is President and Chief Executive Officer of the Company and the Bank, having been appointed to his position effective August 31, 2017. Previously, Mr. VanSickle spent 15 years gaining a wide variety of experience with the public accounting firm of Crowe Horwath, LLP in the firm's financial institutions group. Most recently Mr. VanSickle held the position of Chief Financial Officer at First National Bank of Orrville from 2007 to 2015 and served as the Chief Risk Officer and a member of the board of directors at Farmers National Bank of Canfield from 2015 to 2017. Mr. VanSickle's extensive banking industry experience, strength of character and ability to direct change led the Board of Directors to conclude that Mr. VanSickle should serve as a director in order to provide valuable insights to the Board, particularly in evaluating the business conditions in markets in which the Company operates as well as in setting corporate strategy.

Continuing Directors

Jonathan Ciccotelli. Mr. Ciccotelli is a Vice President in the Tax Services Group of Meaden and Moore, Ltd., a public accounting firm, and has been employed in such capacity since 2002. He has over 28 years of experience in taxation work with large public accounting firms. Mr. Ciccotelli serves as Chairman of the Company's Audit Committee. Mr. Ciccotelli is a Certified Public Accountant and has worked with publicly traded companies. Mr. Ciccotelli has been extensively involved in community and economic development activities in Wayne Savings' market area. Mr. Ciccotelli's business and accounting experience allow him to provide accounting and financial management expertise to the Board.

Peggy J. Schmitz. Ms. Schmitz is of counsel at Critchfield, Critchfield and Johnston, Ltd. in Wooster, Ohio. Ms. Schmitz has practiced law for more than 40 years and has been associated with her law firm for more than 30 years, following five years as an attorney and executive director of the Wooster-Wayne Legal Aid Society, and four years in public service as an assistant prosecuting attorney for Wayne County, Ohio. In 2016, she was appointed to the Ohio Board of Professional Conduct by the Supreme Court of Ohio. The Ohio Board of Professional Conduct is a 28-member quasi-judicial body appointed by the Supreme Court of Ohio that consists of 17 lawyers, seven active or retired judges, and four non-lawyers. The duties of the Ohio Board of Professional Conduct include adjudicating formal complaints of misconduct involving judges and lawyers and making recommendations to the Ohio Supreme Court on the appropriate sanction, and advising judges and lawyers on ethics compliance. In addition to the professional background and experience described above, Ms. Schmitz provides the Board with valuable experience and insight regarding Wayne Savings' customers and markets through her legal expertise and her extensive involvement with professional, economic development, and community organizations and activities. Additionally, Ms. Schmitz's extensive ties to the community, strength of character, mature judgment, familiarity with our business and industry, independence of thought and ability to work collegially with others led the Board of Directors to conclude that Ms. Schmitz should serve as a director.

David L. Lehman. Mr. Lehman served as President and Chief Executive Officer of the Company from December 20, 2016 to August 28, 2017 while the Board of Directors successfully searched for a permanent replacement. Mr. Lehman currently serves as a director of Mennonite Mutual Insurance Company, Orrville, Ohio. He previously was president of the Mennonite Mutual Insurance Company from 1990 through his retirement in February 2016. Mennonite Mutual Insurance Company is a property and casualty insurance company specializing in insurance coverage for farms, churches and small businesses. Mennonite Mutual Insurance Company primarily conducts its operations in Ohio and Indiana through independent insurance agents. In addition to this professional background and experience, the following experience, qualifications, attributes and/or skills led the Board of Directors to conclude that Mr. Lehman should serve as a director. Mr. Lehman has over 30 years of experience in the financial services industry and over 25 years leading a growing insurance company. Mr. Lehman has been extensively involved in community and leadership development activities in Wayne Savings' market area.

Glenn W. Miller. Mr. Miller is President and Chief Executive Officer of Holmes-Wayne Electric Cooperative, Millersburg, Ohio, and has been employed in such capacity since 2004. Holmes-Wayne Electric Cooperative, Inc. is a non-profit electric distribution utility. Holmes-Wayne Electric Cooperative, Inc. serves more than 18,000 accounts in Holmes, Wayne, Medina, Ashland, Stark, Tuscarawas, Knox and Coshocton counties. Mr. Miller is also a Certified Public Accountant. Mr. Miller has over 30 years of experience in business management and financial statement preparation. Mr. Miller has been extensively involved in community and economic development activities, including work in the oil and gas industry, in Wayne Savings' market area. Mr. Miller's extensive business management experience, community involvement, and service as a director of the Company since 2012 allow him to provide business and leadership expertise to the Board.

Executive Officers Who Are Not Directors

Set forth below is the information with respect to the principal occupations for the two executive officers of Wayne Savings who do not also serve as directors. Ages are reflected as of March 13, 2020.

Joel D. Beckler, who is 58 years of age, has served as Senior Vice President and Senior Loan Officer of Wayne Savings Community Bank since 2009. Previously, Mr. Beckler was Vice President and Commercial Loan Officer for Wayne Savings Community Bank since April 2005. Mr. Beckler has over 30 years of experience in the banking industry.

Myron L. Swartzentruber, who is 52 years of age, has served as Senior Vice President and Chief Financial Officer of the Company and the Bank since May, 2011 and added the title of Treasurer effective November 3, 2014. Previously, Mr. Swartzentruber was Vice President and Controller of Wayne Savings Community Bank since January 2001. Mr. Swartzentruber has over 25 years of experience in the banking industry and is a Certified Public Accountant.

Board Leadership Structure and Risk Oversight

Board of Directors Leadership Structure. Our Board of Directors has no fixed policy with respect to the separation of the offices of Chairman of the Board of Directors and Chief Executive Officer. Our Board retains the discretion to make this determination on a case-by-case basis from time to time as it deems to be in the best interests of Wayne Savings and our stockholders. The Board currently believes that separating the positions of CEO and Chairman is the best structure to fit Wayne Savings' needs. This structure ensures a greater role for the independent directors in the oversight of Wayne Savings and active participation of the independent directors in setting agendas and establishing priorities and procedures for the work of the Board. In July 2018, the Board of Directors changed the requirements for the nominating and corporate governance committee, audit committee and compensation committee to require that committee membership only include independent directors as defined in the NASDAQ Listing Rules. The Board believes this structure allows the committees to better objectively oversee management.

Board of Directors Risk Oversight. During 2013, the Board established a risk management committee to provide oversight to the Company's risk assessment and risk management processes. The committee's role in Wayne Savings' risk oversight process includes receiving regular reports from the Chief Risk Officer and other members of management on areas of material risk to Wayne Savings, including operational, financial, legal, regulatory, strategic and reputational risks. The full Board (or the appropriate committee in the case of risks that are under the purview of a particular committee) receives these reports from the appropriate "risk owner" within the organization to enable it to understand our risk identification, risk management and risk mitigation strategies. When a committee receives the report, the discussion is documented in the committee meeting minutes which are ratified by the full Board during the next board meeting. This enables the Board, the risk management committee and other board committees to coordinate the risk oversight role, particularly with respect to risk interrelationships.

Committees and Meetings of the Board of Directors

During the year ended December 31, 2019, the Board of Directors of Wayne Savings met 12 times. No director of Wayne Savings attended fewer than 75% of the total number of Board of Directors' meetings and all committees of the Board on which such director served during the periods that he or she served. Our Board of Directors has determined that a majority of our members are independent directors as defined in the NASDAQ Listing Rules. The current independent members are Mr. Ciccotelli, Mr. Hopkins, Ms. Marthey and Mr. Miller. Ms. Schmitz is not considered to be independent due to legal fees that her firm receives from the Company's subsidiary, Wayne Savings Community Bank. With his previous service as interim CEO and President from December 20, 2016 until August 28, 2017, Mr. Lehman is not considered to be independent under NASDAQ listing standards. As the President and Chief Executive Officer of the Company and the Bank, Mr. VanSickle is not considered to be independent.

Membership on Certain Board Committees. The Board of Directors of Wayne Savings has established an audit committee, executive committee, nominating and corporate governance committee, compensation committee, risk management committee, capital allocation committee and loan committee. The following table sets forth the membership of such committees as of the date of this proxy statement.

Directors	Audit	Compensation	Executive	Nominating and Corporate Governance	Risk Management	Capital Allocation	Loan
Jonathan Ciccotelli	**	*	*	*			
Brian Hopkins		*		*		*	*
Debra A. Marthey	*	*	*		**		**
Glenn W. Miller	*	**		**		*	*
Peggy J. Schmitz			**		*		
David L. Lehman					*	**	
James R. VanSickle II			*			*	*

* Member.
** Chair.

Audit Committee. The audit committee engages Wayne Savings' external auditor and reviews Wayne Savings' systems of internal control with management, the internal audit function and the external auditors. In addition, the audit committee reviews with the external auditors and management the annual audited consolidated financial statements), and monitors Wayne Savings' adherence to accounting principles generally accepted in the United States of America for financial reporting. The audit committee is comprised of three directors, all of whom are independent directors as defined in the NASDAQ Listing Rules. Mr. Ciccotelli has been designated as our Audit Committee Financial Expert. The audit committee of Wayne Savings met four times during the year ended December 31, 2019. The audit committee of Wayne Savings has adopted a charter, a copy of which can be viewed on our website at www.waynesavings.com.

Compensation Committee. The compensation committee meets on a periodic basis to review senior executive compensation including salaries, bonuses, perquisites, severance and retirement compensation. In addition, the compensation committee assists the Board of Directors in carrying out its responsibilities with respect to overseeing the Corporation's compensation policies and practices. The compensation committee met four times during the year ended December 31, 2019. All current members of the committee are independent within the meaning of the NASDAQ Listing Rules.

The compensation committee's charter sets forth the responsibilities of the compensation committee and reflects such committee's commitment to create a compensation structure that incentivizes senior management and aligns the interests of senior management with those of our stockholders. The compensation committee and the Board periodically review and revise the compensation committee charter, as appropriate. The full text of the compensation committee charter is available on our website at www.waynesavings.com. The compensation committee's membership is determined by the Board.

The compensation committee exercises exclusive authority over the compensation paid to the Corporation's President and Chief Executive Officer and reviews and approves salary increases and bonuses for all of the Corporation's officers as prepared and submitted to the compensation committee by the President and Chief Executive Officer. The types of compensation we offer our executives remain within the traditional categories: salary, cash bonus, standard executive benefits, and retirement and severance benefits.

Although the compensation committee does not delegate any of its authority for determining executive compensation, the compensation committee has the authority under its charter to engage the services of outside advisors, experts and others to assist the compensation committee. The Corporation's executive officers do not have any role in the setting of their own compensation. The Chief Executive Officer makes recommendations to the committee regarding the other named executive officers and the committee makes its own determination regarding the Chief Executive Officer's compensation without his participation. No outside consultants have been used by the committee in 2019. The committee relies on compensation surveys published by the Ohio Bankers League, along with a review of publicly available data for competitors in the Corporation's market area to establish ranges within which executive officer compensation is set based on individual and company performance.

Executive Committee. The executive committee is empowered to act in place of the full Board, with certain exceptions, between meetings of the full Board. The executive committee performs general control and supervision functions subject to the discretion of the full Board of Directors. The executive committee meets as needed and did not meet during the year ended December 31, 2019.

Nominating and Corporate Governance Committee. Wayne Savings has established a nominating and corporate governance committee to, among other things, review the composition of the Board, evaluate and make recommendations to the Board of Directors for the election of directors and recommend to the Board and monitor compliance with the corporate governance guidelines established by the Board. The nominating and corporate governance committee met two times during the year ended December 31, 2019. All of the nominating and corporate governance committee members are independent directors, as defined in the NASDAQ Listing Rules. Directors on the committee who are up for re-nomination are excused from the committee meetings where nominations are considered so that no director will be in a position to recommend himself or herself for nomination to the Board of Directors. The committee's charter can be viewed on our website at www.waynesavings.com.

Risk Management Committee. The Board of Directors established the risk management committee during 2013 to strengthen and formalize its oversight of the Company's risk assessment and risk management processes as part of an overall Enterprise Risk Management ("ERM") program. The risk management committee's charter can be viewed on our website at www.waynesavings.com. In accordance with the committee's charter, the committee has developed, and the full Board of Directors has approved, a risk appetite statement and a risk management policy to guide management's activities. The risk management committee met four times during the year ended December 31, 2019.

Capital Allocation Committee. The Board of Directors established the capital allocation committee during 2018 to assist with the responsibilities of the financial management of Wayne Savings Bancshares, Inc. capital structure. The committee reviews significant capital expenditures, investments, business acquisition, the dividend policy and stock buyback policy. The capital allocation committee met three times during the year ended December 31, 2019. The committee's charter can be viewed on our website at www.waynesavings.com.

Loan Committee. The Bank Board's Loan Committee meets throughout the year to approve loans to borrowers with significant exposure and monitor the lending activities of the Bank in order to ensure that such activities are conducted consistently with the Bank's credit policy. As credit risk represents the major risk component within the Bank, the Loan Committee oversees management's implementation and enforcement of the Bank's credit risk management framework.

Compensation Committee Interlocks and Insider Participation

Determinations regarding compensation of our executive officers are reviewed by Wayne Savings' compensation committee. Mr. Ciccotelli, Mr. Hopkins, Ms. Marthey and Mr. Miller (chair) serve as members of the compensation committee.

No person who served as a member of the compensation committee during the year ended December 31, 2019 was a current or former officer or employee of Wayne Savings or Wayne Savings Community Bank or engaged in certain transactions with Wayne Savings or Wayne Savings Community Bank required to be disclosed by regulations of the SEC. Additionally, there were no compensation committee "interlocks" during the year ended December 31, 2019, which generally means that no executive officer of Wayne Savings served as a director or member of the compensation committee of another entity, one of whose executive officers served as a director or member of our compensation committee.

Directors Attendance at Annual Meetings

Directors are expected to attend the annual meeting absent a valid reason for not doing so. We expect that a board meeting will typically be scheduled in conjunction with our annual meetings of stockholders, as is the case for this annual meeting. All current directors attended the 2019 annual meeting of stockholders.

Director Nominations

The charter of the nominating and corporate governance committee sets forth certain criteria the committee may consider when recommending individuals for nomination including: ensuring that the Board of Directors, as a whole, is diverse and consists of individuals with various and relevant career experience, relevant technical skills, industry knowledge and experience, financial expertise (including expertise that could qualify a director as a "financial expert," as that term is defined by the rules of the SEC), local or community ties, minimum individual qualifications, including strength of character, mature judgment, familiarity with our business and industry, independence of thought and an ability to work collegially. Though neither the Board of Directors nor the nominating and corporate governance committee has a formal policy concerning diversity, the Board of Directors values diversity on the Board and believes diversity should be considered in the director identification and nominating process. The committee also may consider the extent to which the candidate would fill a present need on the Board of Directors. The nominating and corporate governance committee will also consider candidates for director suggested by other directors, as well as our management and stockholders. Any stockholder wishing to make a nomination must follow our procedures for stockholder nominations, which are described under "Stockholder Proposals, Nominations and Communications with the Board of Directors."

The Bylaws include an age limitation on director service. Section 10 of Article II states that a person is no longer eligible for election as a director after attaining age 75. A director must retire at the first annual meeting after attaining age 75, regardless of whether his or her term expires at that meeting.

At its June 27, 2019 meeting the Board also adopted new stock ownership guidelines that are available at www.waynesavings.com. The guidelines require all directors to purchase the equivalent of $21,500 in Wayne Savings Bancshares, Inc. stock each calendar year until the director own 0.5% of shares outstanding. The purchase requirement must be completed no later than December 31st for the year of service. Share acquisitions which exceed the annual minimum value of $21,500 will count toward the minimum purchase requirement for the subsequent year. After attaining the required ownership level, the directors must maintain the minimum ownership level for as long as they remain a director of Wayne Savings Bancshares, Inc. As of December 31, 2019, the minimum purchase requirement under the stock ownership guidelines was $21,500 unless the director currently owns 0.5% of outstanding shares. Employee directors – who are not compensated for director service – are required to comply with the Director Stock Ownership guidelines . Fees payable to a director who does not comply with the ownership guidelines may be invested in Wayne Savings stock rather than being paid in cash, and a director who does not comply with the guidelines is ineligible for nomination by the nominating and corporate governance committee to serve as a director. Based on the minimum purchase requirement of $21,500, and the stock ownership listed within this Proxy, all directors were in compliance with the stock ownership guidelines as of December 31, 2019.

PROPOSAL II – Approval of the 2020 Stock Equity Plan

On February 27, 2020, our Board of Directors adopted, subject to shareholder approval, the Wayne Savings Bancshares, Inc. 2020 Stock Equity Plan that provides for the grant of stock options to our employees and non-employee directors. The goal of the 2020 Stock Equity Plan is to promote the long-term financial success of Wayne Savings Bancshares, Inc. and its related entities and increase stockholder value. Awards of stock options may be made to employees of Wayne Savings Bancshares, Inc. and employees of Wayne Savings Bancshares, Inc.'s related entities. The plan will enhance our ability to attract and retain the services of employees and directors upon whose judgment, skill, and efforts the successful conduct of our business depends. The awards that may be made under the plan gives us flexibility to respond to market-competitive changes in equity compensation practices.

The plan contains provisions that we believe are consistent with the interests of shareholders and principles of good corporate governance. For example, stock options must have an exercise price equal to or greater than the fair market value of Wayne Savings Bancshares, Inc. common stock on the date the award is made. Similarly, the plan prohibits repricing of stock options without stockholder approval. In other words, if the fair market value of Wayne Savings Bancshares, Inc. stock experiences a sustained decline to a price less than the exercise price of a stock option, for example, the exercise price of the option will not be adjusted to compensate for the loss of the option's value.

The principal features of the 2020 Stock Equity Plan are summarized below, but a copy of the plan is included as Appendix A. We encourage you to read Appendix A in its entirety. This summary of the plan is qualified in its entirety by reference to Appendix A. References in this summary to the Code mean the Internal Revenue Code of 1986, as amended.

Although the Board of Directors has adopted the 2020 Stock Equity Plan, the plan will not become effective unless it is also approved by stockholders. **We recommend that stockholders vote "*FOR*" approval of the 2020 Stock Equity Plan**.

Authorized Shares. The 2020 Stock Equity Plan authorizes the issuance of 130,092 shares of Wayne Savings Bancshares, Inc. common stock. Shares of common stock issued under the 2020 Stock Equity Plan may consist in whole or in part of treasury shares or authorized and unissued shares not reserved for any other purpose. If shares subject to an award made under the 2020 Stock Equity Plan are later forfeited, terminated, exchanged, or otherwise settled without the issuance of shares or the payment of cash, the shares associated with that award may again become available for future grants.

The proposed share reserve under the 2020 Stock Equity Plan represents 5% of the fully diluted shares of our common stock. The Board believes that this number of shares of common stock under the 2020 Stock Equity Plan represents a reasonable amount of potential equity dilution that will allow us to award stock options as an important component of the company's compensation program.

The Board estimates that the authorized shares under the 2020 Stock Equity Plan may be sufficient to provide us with an opportunity to grant stock rights for approximately five or more years. This is only an estimate, and circumstances could cause the share reserve to be used more quickly or more slowly. These circumstances include, but are not limited to, the future price of our common stock, grant amounts provided by the competitors, hiring activity, and promotions during the next few years.

The Board believes that the company's executive compensation program, and particularly the granting of stock options, allows us to align the interest of employees who are selected to receive awards with those of our stockholders. The Board believes that awards granted pursuant to the 2020 Stock Equity Plan will be a vital component of our compensation program and, accordingly, that it is important that an appropriate number of shares of stock be authorized for issuance under the 2020 Stock Equity Plan.

Awards. The terms of each award will be described in an award agreement. By accepting an award, a participant will agree to be bound by the terms of the plan and the award agreement. If there is a conflict between the terms of the plan and the terms of the associated award agreement, the terms of the plan will govern.

Plan Administration. The Compensation Committee will serve as the Plan Committee and will administer the plan. In order to administer the plan, the Plan Committee must consist of at least three individuals, each of whom must be (*x*) an outside director receiving no compensation from Wayne Savings Bancshares, Inc. or a related entity in any capacity other than as a director, except as permitted by the Code, (*y*) a non-employee director within the meaning of the SEC's Rule 16b-3, and (*z*) an independent director within the meaning of Nasdaq's Marketplace Rules, specifically Rule 5605(a)(2). Directors Glenn W. Miller (chair), Jonathan Ciccotelli, Brian Hopkins and Debra A. Marthey currently serve as members of the Plan Committee. The board believes that each of these individuals satisfies the independence requirements of SEC Rule 16b-3 and Nasdaq Rule 5605(a)(2).

The Plan Committee has final authority to make awards to employees and establish award terms. The amount and terms of equity awards to non-employee directors, however, must be established by the entire Board of Directors. Accordingly, when the term "Plan Committee" is used in reference to grants to non-employee directors, the term means the entire Board of Directors. The Plan Committee's authority includes the power to –

- construe and interpret the 2020 Stock Equity Plan,
- adopt, amend, and rescind rules and regulations relating to administration of the plan,
- determine the types of awards to be made to employees,
- designate the employees to whom the awards will be made, and
- specify the terms and conditions of awards, including the procedures for exercising an award.

Under section 11.5 of the 2020 Stock Equity Plan, directors of Wayne Savings Bancshares, Inc. are entitled to indemnification by Wayne Savings Bancshares, Inc. for liabilities arising under the plan.

Award Eligibility. The Plan Committee may make awards to any employee of Wayne Savings Bancshares, Inc. or any of its related entities. There currently are approximately 95 employees of Wayne Savings Bancshares, Inc. and related entities who will be eligible for an award. There currently are 6 non-employee directors of Wayne Savings Bancshares, Inc. and its related entities who also will be eligible for awards. Again, the board alone may make awards to non-employee directors, meaning any director of Wayne Savings Bancshares, Inc. or a related entity who is not also an employee of Wayne Savings Bancshares, Inc. or a related entity. The selection of participants and the nature and size of awards are within the discretion of the Plan Committee, or the discretion of the board in the case of awards to non-employee directors.

No awards have been made under the plan. Awards that may be made to directors and executive officers, including executive officers identified in the Summary Compensation Table, and to other employees currently are not determinable.

Award Limits. Of the shares authorized for issuance under the plan, up to 130,092 shares may be reserved for issuance under incentive stock options. The aggregate number of shares underlying awards granted to any non-employee director in a single year may not exceed 2,000 shares.

Adjustments. If a corporate transaction such as a stock dividend, stock split, recapitalization, merger, or other similar corporate change affects Wayne Savings Bancshares, Inc.'s outstanding shares of common stock, the Plan Committee will make adjustments to prevent dilution or enlargement of benefits provided under the plan, including adjustment of the number of shares authorized under the plan, adjustment of award limits, and adjustments of the terms of outstanding awards.

Options. An option is the right to acquire shares of Wayne Savings Bancshares, Inc. common stock during a stated period at a specified exercise price. An option may be an incentive stock option – or *ISO* – qualifying for favored tax treatment under Code section 422. ISOs may be granted to employees only. Any option that is not an ISO is known as a non-qualified stock option – or *NQSO*. To the extent that the aggregate fair market value, determined at the time of grant, of shares of our common stock with respect to which ISOs are exercisable for the first time by an option holder during any calendar year under the 2020 Stock Equity Plan exceeds $100,000, such options will not qualify as ISOs.

The exercise price of an option is determined by the Plan Committee. However, an option's exercise price may not be less than the fair market value of a share of Wayne Savings Bancshares, Inc. common stock on the date the option is granted. For this purpose fair market value is determined according to the following rules: (*x*) if Wayne Savings Bancshares, Inc. common stock is traded on an exchange or on an automated quotation system giving closing prices, fair market value means the reported closing price on the relevant date if it is a trading day and otherwise on the next trading day, (*y*) if Wayne Savings Bancshares, Inc. common stock is traded over-the-counter with no reported closing price, fair market value is the mean between the highest bid and the lowest asked prices on that quotation system on the relevant date if it is a trading day and otherwise on the next trading day, or (*z*) if neither clause (*x*) nor clause (*y*) applies, fair market value is determined by the Plan Committee in good faith and, for ISOs, consistent with Code section 422.

The Plan Committee may establish the term of each option, but the term of an ISO may not exceed ten years. Likewise, the term of an option granted to a non-employee director may not exceed ten years. But an NQSO granted to an employee may have any term specified in the award agreement. The exercise price of an option must be paid according to procedures specified in the award agreement, which may allow payment in cash or a cash equivalent, surrender of unrestricted shares of Wayne Savings Bancshares, Inc. common stock the participant has owned for at least six months before the exercise date, or a combination of these payment methods.

The aggregate fair market value of Wayne Savings Bancshares, Inc. common stock for which a participant's ISOs are exercisable for the first time in any calendar year may not exceed $100,000. For this purpose, fair market value is determined as of the date the option is granted. The exercise price of an ISO granted to an employee who owns stock possessing more than 10% of the voting power of Wayne Savings Bancshares, Inc. may not be less than 110% of the fair market value of a share of common stock on the date of grant. The term of an ISO may not exceed five years if the employee owns stock possessing more than 10% of the voting power of Wayne Savings Bancshares, Inc.

Effect of Termination of Service on Awards. Unless the participant's award agreement provides otherwise, when a participant employee's employment terminates or when a non-employee director participant's service terminates, the portion of any award held by the participant that is not exercisable is forfeited. All NQSOs and ISOs held by the participant that are exercisable shall be forfeited if not exercised before the earlier of the expiration date specified in the award agreement or 90 days after termination occurs. However, all of a participant's outstanding awards are forfeited if the participant's employment or director service terminates for cause or if in Wayne Savings Bancshares, Inc.'s judgment a basis for termination for cause exists, regardless of whether the awards are exercisable and regardless of whether the participant's employment or director service actually terminates. Defined in section 7.1(b) of the 2020 Stock Equity Plan, the term "cause" includes a violation of Wayne Savings Bancshares, Inc.'s or a related entity's code of ethics.

Effect of a Change in Control. If a change in control of Wayne Savings Bancshares, Inc. occurs, the Plan Committee has broad authority and sole discretion to take actions it deems appropriate to preserve the value of participants' awards. If a change in control occurs, the Plan Committee may for example –

- accelerate the exercisability or vesting of any or all awards, despite any limitations stated in the plan or in an award agreement,
- cancel any or all outstanding options in exchange for the kind and amount of consideration that the holder of the award would have received upon consummation of the change in control transaction had the award been converted into Wayne Savings Bancshares, Inc. stock before the change in control (less the exercise price of the award),
- convert any or all option awards into the right to receive at exercise or vesting the kind and amount of consideration that the holder of the award would have received had the award been converted into Wayne Savings Bancshares, Inc. stock before the change in control (less the exercise price of the award), or
- take such other action as it deems appropriate to preserve the value of the award to the participant.

The Plan Committee may provide for these results in advance in an award agreement or may provide for these results when a change in control actually occurs, or both. Alternatively, the Plan Committee also has the right to require the acquiring company in a change in control to take any of these actions.

Events that would constitute a change in control are defined in section 8.1 of the 2020 Stock Equity Plan, but the plan defers to any competing definition contained in another agreement to which a participant may be a party, such as a severance agreement that provides change-in-control benefits to a participant, or the competing definition contained in Code section 409A if that provision of the Federal tax code is deemed to apply to the participant's award. In general, a change in control means one or more of the following events occur –

- a change in the composition of Wayne Savings Bancshares, Inc.'s Board of Directors, after which the incumbent members of the board on the effective date of the 2020 Stock Equity Plan – including their successors whose election or nomination was approved by a vote of at least two-thirds of those incumbent directors and their successors – no longer represent a majority of the board

- a person (other than persons such as related entities or benefit plans) becomes a beneficial owner of Wayne Savings Bancshares, Inc. securities representing 25% or more of the combined voting power of all securities eligible to vote for the election of directors, excepting business combinations after which Wayne Savings Bancshares, Inc.'s stockholders own more than 50% of the resulting company and except for stock issuances approved by incumbent directors and their successors

- a merger, consolidation, share exchange, or similar form of business combination transaction requiring approval of Wayne Savings Bancshares, Inc.'s stockholders, excepting business combinations after which Wayne Savings Bancshares, Inc.'s stockholders own more than 50% of the resulting company

- Wayne Savings Bancshares, Inc.'s stockholders approve a plan of complete liquidation or dissolution or sale of all or substantially all of Wayne Savings Bancshares, Inc.'s assets

Amendment, Modification, and Termination of Plan. The 2020 Stock Equity Plan was approved by Wayne Savings Bancshares, Inc.'s Board of Directors at its meeting on February 27, 2020. But the plan will not become effective unless it is also approved by Wayne Savings Bancshares, Inc. stockholders. If approved, the plan will remain in effect until the tenth anniversary of the date the plan was approved by the board.

Wayne Savings Bancshares, Inc. may terminate, suspend, or amend the plan at any time without stockholder approval, unless stockholder approval is necessary to satisfy applicable requirements of SEC Rule 16b-3, the Code, or any securities exchange, market, or other quotation system on which Wayne Savings Bancshares, Inc.'s securities are listed or traded. But no amendment of the plan may (*x*) result in the loss of a Plan Committee member's status as a non-employee director as defined in SEC Rule 16b-3, (*y*) cause the plan to fail to satisfy the requirements of Rule 16b-3, or (*z*) adversely affect outstanding awards. However, Wayne Savings Bancshares, Inc. may amend the plan as necessary to comply with Code section 409A even if the amendment does adversely affect participants' rights.

Transfers. Awards made under the plan generally are not transferable except as specified in the plan. During a participant's lifetime, awards are exercisable solely by the participant or the participant's guardian or legal representative. Plan awards may be transferred by will and by the laws of descent and distribution.

U.S. Federal Income Tax Consequences. The following discussion briefly summarizes the U.S. federal income and employment tax consequences relating to the 2020 Stock Equity Plan. This summary is based on existing provisions of the Code, final, temporary, and proposed Treasury Regulations promulgated under the Code, existing judicial decisions, and current administrative rulings and practice, all of which are subject to change, possibly retroactively. Included for general informational purposes only, this summary is not a complete description of the applicable U.S. federal income or employment tax laws and it does not address state or local tax consequences and other tax consequences. Each taxpayer should seek from an independent tax advisor advice based upon the taxpayer's particular circumstances.

Generally, Wayne Savings Bancshares, Inc. will withhold from distributions under the plan the amount of cash or shares that it determines is necessary to satisfy applicable tax withholding obligations. Alternatively, Wayne Savings Bancshares, Inc. may require participants to pay to Wayne Savings Bancshares, Inc. the amount necessary to satisfy applicable tax withholding obligations.

Tax Consequences of ISOs. ISOs qualify for special treatment under Code section 422. A participant recognizes no income when an ISO is granted or exercised and Wayne Savings Bancshares, Inc. is entitled to no compensation deduction at either of those times. Also, ISOs are not subject to employment taxes. If a participant acquires Wayne Savings Bancshares, Inc. common stock by exercising an ISO and continues to hold that stock for one year or, if longer, until the second anniversary of the grant date, the amount the participant receives when he or she finally disposes of the stock – minus the exercise price – is taxed at long-term capital gain rates. This is referred to as a qualifying disposition. Wayne Savings Bancshares, Inc. is not entitled to a deduction for a qualifying disposition.

If a participant disposes of the common stock within one year after exercising the ISO or within two years after the grant date, this is referred to as a disqualifying disposition. When a disqualifying disposition occurs, the participant recognizes ordinary income equal to the excess of (*x*) the fair market value of the stock on the date the ISO is exercised, or the amount received on the disposition if less, over (*y*) the exercise price. Wayne Savings Bancshares, Inc. is entitled to a deduction equal to the income that the participant recognizes on the disqualifying disposition. Any increase in the value of the shares after the participant exercises the ISO is taxed at long-term or short-term capital gain rates, depending on whether the participant held the common stock for more than one year.

The rules that generally apply to ISOs do not apply when calculating any alternative minimum tax liability. When an ISO is exercised a participant must treat the excess, if any, of the fair market value of the stock on the date of exercise over the exercise price as a tax preference item for purposes of the alternative minimum tax. The rules affecting the application of the alternative minimum tax are complex and their effect depends on individual circumstances, including whether a participant has tax preference items other than those derived from ISOs.

Tax Consequences of NQSOs. NQSOs are not entitled to the special tax treatment granted to ISOs. Nevertheless, a participant recognizes no income when an NQSO is granted and Wayne Savings Bancshares, Inc. is entitled to no compensation deduction at that time. Unlike an ISO, when an NQSO is exercised the participant recognizes ordinary income equal to the excess of the stock's fair market value on the date of exercise over the exercise price. Also unlike an ISO, this same amount is subject to employment taxes, including social security and Medicare taxes. If a participant uses common stock or a combination of common stock and cash to pay the exercise price of an NQSO, he or she will have ordinary income equal to the value of the excess of the number of shares of common stock that the participant purchases over the number he or she surrenders, less any cash the participant uses to pay the exercise price. This same amount is subject to employment taxes, including social security and Medicare taxes. When an NQSO is exercised, Wayne Savings Bancshares, Inc. is entitled to a deduction equal to the ordinary income that the participant recognizes.

A participant's cost, also known as basis, for shares acquired by exercising an NQSO generally is the fair market value of the stock on the date the NQSO is exercised, recognizing that the participant is taxed at ordinary income rates at that time. And when the participant finally disposes of stock acquired by exercising an NQSO, the participant will have a long-term capital gain or loss or a short-term capital gain or loss, depending on whether the participant held the stock after option exercise for more than one year and whether the sale price exceeds the participant's cost basis.

Code Sections 280G and 4999. Code sections 280G and 4999 impose penalties on persons who pay and persons who receive so-called excess parachute payments. A parachute payment is the value of any amount that is paid to company officers or directors whose ownership exceeds 1% on account of a change in control. If total parachute payments from all sources – including but not limited to stock-based compensation plans – equal or exceed three times the individual's base amount, meaning his or her five-year average taxable compensation, a portion of the parachute payments will constitute an excess parachute payment. Because of Code section 4999 the recipient must pay an excise tax equal to 20% of the total excess parachute payments. This tax is in addition to other federal, state, and local income, wage, and employment taxes imposed on the individual's change-in-control payments. Moreover, because of section 280G the company paying the compensation is unable to deduct the excess parachute payment.

Benefits to which participants are entitled under the 2020 Stock Equity Plan and associated award agreements could constitute parachute payments under sections 280G and 4999 if a change in control of Wayne Savings Bancshares, Inc. occurs. If this happens, the value of each participant's parachute payment arising under the 2020 Stock Equity Plan must be combined with other parachute payments the same participant may be entitled to receive under other agreements or plans with Wayne Savings Bancshares, Inc. or a related entity, such as an employment agreement or a severance agreement.

Code Section 409A. Section 409A regulates the treatment for Federal income tax purposes of amounts deferred under nonqualified deferred compensation plans. Section 409A includes a broad definition of nonqualified deferred compensation plans, which could extend to awards granted under the 2020 Stock Equity Plan. The proceeds of any stock option grant that is subject to section 409A are subject to a 20% excise tax if those proceeds are distributed before the recipient separates from service or before the occurrence of other specified events such as death, disability, or a change of control, all as defined in section 409A. Awards under the 2020 Stock Equity Plan will be designed to meet the conditions under section 409A for avoiding section 409A's adverse tax consequences.

Under Treasury Rule 1.409A-1(b)(5), options to acquire stock generally are exempt from section 409A if the options are granted with an exercise price equal to or greater than the fair market value on the grant date of the stock acquirable by exercise of the option. Wayne Savings Bancshares common stock is readily tradeable on an established securities market. The fair market value on the option grant date of the company's common stock can be determined by a prevailing market price.

The Plan Committee intends to administer the 2020 Stock Equity Plan to avoid the impact of section 409A, which is borne principally by the employee, not the employer. By accepting an award, a participant agrees that the Plan Committee (or the Board of Directors, as appropriate) may amend an award agreement without any additional consideration if necessary to avoid penalties arising under section 409A, even if the amendment reduces, restricts, or eliminates rights that were granted under the plan, the award agreement, or both before the amendment.

Vote Required

Provided there is a quorum for the meeting, approval of the 2020 Stock Equity Plan requires the affirmative vote of a majority of the votes cast on this Proposal Two. Broker non-votes, if any, are not treated as votes cast, and therefore will have no effect on this Proposal Two to approve our 2020 Stock Equity Plan. Abstentions are not treated as votes cast for stockholder approval of the 2020 Stock Equity Plan.

The Board of Directors recommends a vote "FOR" the approval of the 2020 Stock Equity Plan.

EXECUTIVE COMPENSATION

Discussion of Executive Compensation Programs

The following discussion provides information regarding the compensation programs for Wayne Savings Bancshares, Inc's named executive officers, including: (i) the overall objectives of the Company's compensation programs; (ii) the material elements and factors of our compensation programs; and (iii) a discussion of the compensation committee's determinations during 2019 regarding such individuals. For 2019, the Company's named executive officers were:

James R. VanSickle	**President and Chief Executive Officer**
Joel D. Beckler	**Senior Vice President, Senior Loan Officer**
Myron S. Swartzentruber	**Senior Vice President, Chief Financial Officer**

The specific amounts paid or payable to the named executive officers are disclosed in the tables and narrative beginning on page 23 of this proxy statement.

Compensation Philosophy and Objectives

The compensation committee believes 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 Wayne Savings and its shareholders. In order to arrive at the appropriate balance, the Company has established the following compensation philosophy and guidelines for its overall compensation program:

1. In order to attract and retain highly qualified management, Wayne Savings strives to provide target base salaries close to the mean of the market rate paid for comparable positions by similarly sized bank holding companies.
2. Where practical, Wayne Savings establishes performance-based compensation focused on individual results, team results, and contributions to the Company's overall performance.

Compensation Committee Decision-Making Process

The compensation committee oversees the compensation of Wayne Savings' named executive officers and establishes the Company's overall compensation philosophy and objectives. In addition, the compensation committee evaluates and assesses the design of the Company's compensation and benefit programs and monitors external market pay levels and practices, in order to determine appropriate compensation adjustments and future compensation decisions. The compensation committee also reviews and approves incentive award opportunities, actual bonus payments and award grants and reviews and recommends for Board of Directors approval the proposed implementation or material changes to the Corporation's compensation programs. The compensation committee assesses such compensation programs within the context of applicable regulatory guidance, with the goal of establishing appropriate incentives to attract, retain and align executives' interests with established current and long-term objectives of the Company without incenting undue risk.

Outside Executive Compensation Consultants

Neither the compensation committee nor management engaged an outside executive compensation consultant in 2019.

Peer Group Evaluation

Total compensation for the named executive officers is comprised of base salaries, annual cash incentive awards, retirement plan contributions, long-term equity awards and other benefits and perquisites. To determine compensation levels for the directors, named executive officers, as well as other officers, the compensation committee reviews compensation survey data from independent sources to ensure that the total compensation program is competitive. During 2019 the compensation committee evaluated its pay practices for both directors and the named executive officers including but not limited to comparison against the following similarly situated financial institutions.

Farmers & Merchants Bancorp Inc.
Middlefield Banc Corp.
Croghan Bancshares, Inc.
United Bancshares Inc.
CSB Bancorp, Inc.
Cortland Bancorp
Central Federal Corporation
United Bancorp, Inc.
Consumers Bancorp, Inc.

Wayne Savings Community Bank completed a charter conversion from an Ohio-chartered savings association to an Ohio-chartered commercial bank on September 8, 2017 and thus Wayne Savings Bancshares, Inc. became a bank holding company. The peer group listed above includes publicly traded bank holding companies ranging in size from $500 million to approximately $1.6 billion in asset size. All of the holding companies are located in Ohio and within 120 miles of Wayne Savings Bancshares, Inc. headquarters in Wooster, Ohio. Each of the financial services institutions listed above range in size from approximately 325% of Wayne Savings' asset level to approximately 117% of the Company's asset level.

Summary Compensation Table

The following table sets forth a summary of certain information concerning the compensation awarded to or paid by the Corporation or its subsidiaries for services rendered in all capacities during the years ended December 31, 2019 and December 31, 2018 to our named executive officers.

Name and Principal Position	Year Ended	Salary (1)	Bonus	Non-Equity Incentive Plan Compensation (2)	Nonqualified Deferred Compensation Earnings(3)	All Other Compensation (4)(5)	Total
James R. VanSickle II	2019	$ 204,000	$ 60,500(6)	$	$	$ 46,033	$ 310,533
President and Chief Executive Officer	2018	$ 200,000	$ 70,250(7)	$ —	$ —	$ 25,699	$ 295,949
Joel D. Beckler	2019	$ 138,767	$ 20,250(8)	$ —	$ —	$ 25,524	$ 184,541
Senior Vice President and Senior Loan Officer	2018	$ 136,047	$ 30,450(9)	$ —	$ —	$ 23,551	$ 190,048
Myron L. Swartzentruber	2019	$ 115,260	$ 18,000(10)	$ —	$ —	$ 16,235	$ 149,495
Senior Vice President and Chief Financial Officer and Treasurer	2018	$ 111,864	$ 22,250(11)	$ —	$ —	$ 21,953	$ 156,067

(1) We periodically review, and may increase, base salaries in accordance with the terms of employment agreements or Wayne Savings' normal annual compensation review for each of our named executive officers. The salary amounts reflected above are for the years ended December 31, 2019 and December 31, 2018. Annual base salaries, as of the date of this proxy statement for 2020, are as follows: Mr. VanSickle: $210,000, Mr. Beckler: $136,046 and Mr. Swartzentruber: $113,000.
(2) The Bank does not have a Non-Equity Incentive Plan.
(3) With respect to the pension plan, Messrs. VanSickle and Beckler are not eligible for participation in the defined benefit plan since the plan was frozen prior to their employment by the Corporation or its subsidiaries. Mr. Swartzentruber is a participant in the defined benefit plan with a frozen benefit at December 31, 2003. None of the named executive officers received any above-market or preferential earnings on compensation that is deferred on a basis that is not tax-qualified.

(4) Includes employer matching contributions allocated to the accounts of Messrs. Beckler ($6,902 for 2019 and $6,802 for 2018), Swartzentruber ($5,733 for 2019 and $5,593 for 2018) and VanSickle ($10,146 for 2019) respectively, under the Bank's 401(k) plan, which provides for a maximum 5% employer match if the employee contributes a minimum of 6% of salary. Also includes the fair value computed under FASB ASC 718 of the employer contribution allocated to the accounts of Messrs. Beckler ($6,580 for 2019 and $5,726 for 2018), Swartzentruber ($5,354 for 2019 and $4,737 for 2018) and VanSickle ($10,298 for 2019) respectively, under the Bank's ESOP. Also includes the Net Periodic Postretirement Benefit Cost computed under FASB ASC 715-60 of life insurance policies under the Bank's Group Term Carve Out Plan providing split dollar life insurance for Mr. Beckler ($6,302 for 2019 and $5,912 for 2018) and Mr. Swartzentruber ($0 for 2019 and $6,046 for 2018). Also includes a stock incentive payment for Messrs. Swartzentruber ($4,790 for 2018) and VanSickle ($6,150 for 2019 and $5,853 for 2018) for company stock purchased up to 3,000 shares in 2018 and 2019. Also includes the payment of medical, dental and life insurance premiums for the benefit of the named executive officers. Also includes club dues for a corporate membership used for business development purposes for Messrs. Beckler ($362 for 2019 and $362 for 2018) and VanSickle ($9,943 for 2019 and $9,159 for 2018).
(5) The named executive officers, with the exception of Mr. VanSickle, are participants in the Bank's Group Term Carve Out Plan providing split dollar life insurance. Mr. Beckler became a participant in 2012 and Mr. Swartzentruber became a participant in 2002.
(6) $24,000 of the 2019 Bonus is scheduled to be paid on March 27, 2020. $36,000 of the 2019 Bonus amount will be paid in 4 quarterly installments of $9,000 provided Mr. VanSickle is employed and in good standing with the Bank on the scheduled payment dates. The first payment will occur in the third quarter of 2020 and the final payment is scheduled for the second quarter of 2021.
(7) $28,000 of the 2018 Bonus was paid on March 29, 2019. $42,000 of the 2018 Bonus was scheduled to be paid in 4 quarterly installments of $10,500 provided Mr. VanSickle is employed and in good standing with the Bank on the scheduled payment dates. The first payment occurred in the third quarter of 2019 and the final payment is scheduled for the second quarter of 2020.
(8) $8,000 of the 2019 Bonus amount is scheduled to be paid on March 27, 2020. $12,000 of the 2019 Bonus amount will be paid in eight quarterly installments of $1,500 provided Mr. Beckler is employed and in good standing with the Bank on the scheduled payment dates. The final payment is scheduled for the third quarter of 2022.
(9) 8,000 of the 2018 Bonus amount will be paid on March 29, 2019. $20,000 of the 2018 Bonus amount will be paid in quarterly installments. The final payment is scheduled for the third quarter of 2021. The quarterly installments will only be paid out while Mr. Beckler is employed and in good standing with the Bank on the scheduled payment dates.
(10) $4,000 of the 2019 Bonus amount was paid in December 2019. $5,600 of the 2019 Bonus amount will be paid on March 27, 2020. $8,400 of the 2019 Bonus amount will be paid in 4 quarterly installments of $2,100 provided Mr. Swartzentruber is employed and in good standing with the Bank on the scheduled payment dates. The first payment will occur in the third quarter of 2020 and the final payment is scheduled for the second quarter of 2021.
(11) $7,200 of the 2018 Bonus amount will be paid on March 29, 2019. $10,800 of the 2018 Bonus amount will be paid in 4 quarterly installments of $2,700 provided Mr. Swartzentruber is employed and in good standing with the Bank on the scheduled payment dates. The first payment will occur in the third quarter of 2019 and the final payment is scheduled for the second quarter of 2020.

Base Salary

The purpose of the base salary is to pay for the qualifications, experience, and marketability of the position consistent with market practices. A pay range for each position is established around the mean of the market rate paid for comparable positions by similarly-sized financial institutions. Individual pay within the range is determined by executive performance, job proficiency and contributions over a period of years.

Pay adjustments are tied directly to the Bank's performance appraisal process, which evaluates the employee on a series of performance criteria. This process is used for all Bank employees, including the named executive officers. 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.

Cash Bonus Plan

In addition to base salary, the Company has awarded discretionary cash bonuses tied to company and personal performance objectives. In 2018 and 2019 a $250 cash Holiday Bonus was awarded to all full-time staff members of Wayne Savings Community Bank. In 2020 a cash bonus was awarded based upon performance in 2019 to Messrs. VanSickle ($60,000), Beckler ($20,000) and Swartzentruber ($14,000). In 2019 a cash bonus was awarded based upon performance in 2018 to Messrs. VanSickle ($70,000), Beckler ($30,200) and Swartzentruber ($22,000). The cash bonus payments for 2018 and 2019 were based upon achievement of goals set related to return on equity, total loan growth, total deposit growth and the company's efficiency ratio.

Employee Stock Purchase Plan

In 2018, the Bank implemented the Employee Stock Purchase Plan in order to align the personal financial interests of Wayne Savings Community Bank employees with the interests of stockholders. All Bank employees who purchase up to 3,000 shares of Wayne Savings Bancshares, Inc. stock in a calendar year are eligible to receive an incentive in the amount of 10% of the cost of the employee's stock purchase excluding any brokerage fees related to the purchase.

Employment Agreement

Wayne Savings Community Bank entered into an employment agreement with President and Chief Executive Officer, James R. VanSickle II effective September 28, 2017. The initial term of the employment agreement with Mr. VanSickle was from August 29, 2017 through December 31, 2019. The Board of Directors will review the agreement annually thereafter and may renew the agreement for successive one-year terms in the Board's sole discretion. At the December 19, 2019 Board Meeting the Board of Directors unanimously agreed to renew the employment agreement with Mr. VanSickle through December 31, 2020.

The agreement provides a base annual salary of not less than $200,000, which shall be reviewed by the Board of Directors on or before January 1, 2019, and at least annually thereafter so long as the agreement and any renewals remain in effect. Mr. VanSickle is eligible for an annual bonus of up to 35% of his annual salary, based upon achievement of goals set related to return on equity, total loan growth, total deposit growth and the company's efficiency ratio.

The employment agreement provides for termination by the Company for cause at any time. For both involuntary termination without cause or resignation for good reason within the year following a change in control of the Company, Mr. VanSickle would be entitled to a lump-sum cash severance payment equal to three times Mr. VanSickle's annual base salary and bonus. For both involuntary termination without cause or resignation for good reason where there has been no change in control within the preceding year, Mr. VanSickle would be entitled to a lump-sum cash severance payment equal to one time Mr. VanSickle's annual base salary and bonus.

Group Term Carve Out Plan

In November 2002, the Bank purchased, with a single premium payment of approximately $5.0 million, life insurance on the lives of 20 officers of the Bank, including Mr. Swartzentruber, to establish a Group Term Carve Out Plan. In January 2012, the Bank, as part of an exchange transaction to improve the credit quality of the bank-owned life insurance portfolio, made an additional single premium payment of approximately $1.2 million to purchase life insurance on the lives of an additional five officers of the Bank, including Mr. Beckler, for the Group Term Carve Out Plan. Under group term split dollar endorsements, the Bank and the executives share the rights to death benefits payable under the life insurance policies. An executive's beneficiaries are entitled to one of the following death benefit amounts:

Pre-Retirement Death Benefit. If the executive dies while employed by the Bank, the death benefit is the lesser of three times the deceased executive's base annual salary at the date of death or the scheduled amount in the agreement; or

Post-Retirement Death Benefit. If the executive dies after terminating employment with the Bank with a vested insurance benefit at the date of death as specified in the agreement, the death benefit is two times the deceased executive's final base annual salary.

The Bank receives the remainder of the life insurance policy death benefits, which should be sufficient to recover in full the Bank's life insurance investment.

Employees also have life insurance benefits under the Bank's group term life insurance program, paying benefits of one and one half times the employee's current annual salary at the time of death to the employee's beneficiaries if the employee dies while employed by the Bank, but limited to $50,000 for participants in the Group Term Carve Out Plan. Messrs. Beckler and Swartzentruber are limited to the $50,000 cap.

Retirement Benefits

The Bank has a frozen noncontributory defined benefit pension plan covering all employees who met the eligibility requirements prior to December 31, 2003. Compensation and service accruals were frozen at the same date. The Bank's funding policy is to make the minimum annual contribution that is required by applicable regulations, plus such amounts as the Company may determine to be appropriate from time to time. The Bank contributed approximately $33,000 to the plan during 2019. The accumulated benefit obligation for the defined benefit pension plan was $1.5 million for both years ended December 31, 2019 and 2018, respectively.

In addition to the frozen defined benefit plan and the Bank's ESOP, the Bank has a 401(k) plan covering substantially all employees. The Bank's 401(k) matching percentage was 100% of the first 4% contributed by the employee and 50% of the employees' next 2% of contributions. Expense related to the 401(k) plan totaled $156,000 and $189,000 for the years ended December 31, 2019 and December 31, 2018, respectively.

Director Compensation

Retainer and Fees. Our non-employee directors, all of whom also serve on the Board of Wayne Savings Community Bank, do not receive fees for serving on the Board of Wayne Savings Community Bank. In 2019, the Compensation Committee reviewed and updated the fee schedule for non-employee directors. Each non-employee director serving on the Board of Wayne Savings Bancshares, Inc. receives a monthly retainer of $2,650. The Chair of the Board of Directors receives an additional monthly retainer of $350 and the Vice Chair receives an additional monthly retainer of $125. The chair of the Audit Committee receives an additional monthly retainer of $250. The chairs of the Nominating and Corporate Governance, Compensation, Risk, Capital Allocation and Bank Loan Committees receives an additional monthly retainer of $125.

The table below summarizes the total director compensation paid to our non-employee directors for the year ended December 31, 2019:

Name	Fees Earned or Paid in Cash	All Other Compensation	Total
Jonathan Ciccotelli	$ 36,550	$ —	$ 36,550
Brian Hopkins	31,800	—	31,800
David L. Lehman	30,850		30,850
Debra A. Marthey	35,000	—	35,000
Glenn W. Miller	35,100	—	35,100
Peggy J. Schmitz	34,300	—	34,300

Director Indemnification. In November 2011, the Board of Directors of the Corporation approved the form and use of indemnification agreements with directors and executive officers and on November 22, 2011, entered into indemnification agreements with each of the current directors and executive officers other than Mr. Lehman and Mr. Miller, who were not on the Board at that time. Mr. Lehman and Mr. Miller entered into indemnification agreements on August 23, 2012. On July 27, 2017, the Company entered into a revised form of indemnification agreement with the six individuals then serving as the Company's directors. Mr. VanSickle entered into the same form of indemnification agreement on September 28, 2017 at the time of his appointment as director. Mr. Hopkins entered into an indemnification agreement on November 21, 2017 at the time of his appointment as director.

Indebtedness of Management and Related Party Transactions

Wayne Savings Community Bank makes loans to its directors, officers and employees as well as members of their immediate families for the financing of their primary residences and certain other loans. These loans are generally made on substantially the same terms as those prevailing at the time for comparable transactions with outside customers. In accordance with a loan policy applicable to all employees of Wayne Savings Community Bank, except for the applicable officers and directors pursuant to the requirements of Regulation O of the Board of Governors of the Federal Reserve System, employees may obtain loans with a rate of interest 1/2% below rates for outside customers. According to a policy adopted by Wayne Savings Community Bank to ensure compliance with Regulation O, all loans made to a director or executive officer in excess of the greater of $25,000 or 5% of Wayne Savings' capital and surplus, must be approved in advance by a majority of the disinterested members of our Board of Directors. As of December 31, 2019, mortgage loans to executive officers, directors and their related business interests totaled $549,000. As of December 31, 2019, there were three extensions of credit available on lines of credit to executive officers, directors and their related business interests for a total of $245,000 with $92,000 outstanding and one consumer loan totaling $34,000.

PROPOSAL III – ADVISORY VOTE ON EXECUTIVE COMPENSATION

The say-on-pay vote is intended to be an advisory vote on the executive officer compensation that is disclosed in this proxy statement in accordance with the disclosure rules of the SEC. Although we are no longer subject to section 14A of the Securities Exchange Act of 1934, the say-on-pay vote required by section 14A is an advisory vote, which means that the vote is not binding on Wayne Savings, on our Board of Directors, or on the Compensation Committee of the Board of Directors.

The goals of our compensation arrangements are to provide fair and competitive compensation, to provide compensation that promotes the hiring and retention of the most talented personnel, to create incentives for and to reward superior performance, and to align the interests of our officers and employees with the interests of stockholders. We seek to avoid creating incentives for unnecessary or excessive risk-taking, creating incentives for excessive focus on stock price performance instead of fundamental business values, creating incentives to seek short-term benefits at the expense of long-term results, and creating incentives to achieve short-term benefits with long-term risks. With the assistance of the Compensation Committee, the Board of Directors believes that Wayne Savings has created compensation arrangements that successfully avoid creating these adverse incentives and that instead reward performance promoting our long-term prosperity, although the arrangements are continually evolving and are, and will remain, subject to ongoing review and evaluation by the Board and by the Compensation Committee. Accordingly, we ask our stockholders to vote on the following resolution at the 2020 annual meeting:

"RESOLVED, that the compensation paid to the company's named executive officers, as disclosed in Wayne Savings Bancshares, Inc.'s proxy statement for the 2020 annual meeting in compliance with Item 402 of the Securities and Exchange Commission's Regulation S-K, including the compensation tables and narrative discussion, is hereby APPROVED."

Approval of a majority of the votes cast will constitute approval of this proposal to approve the named executive officer compensation disclosed in this proxy statement. An abstention or broker non-vote is not counted as a vote cast, and as a result will have no effect on the vote to approve the proposal. A proxy that does not specify voting instructions will be voted in favor of this non-binding, advisory proposal. Although the results of the say-on-pay vote will not be binding on us, we expect to take the results into account in future compensation decisions.

Section 14A of the Securities Exchange Act of 1934 also requires that at least every six years we provide to stockholders the opportunity to specify a preference for the frequency of the say-on-pay vote. Commonly known as a "say-on-frequency" vote, the stockholder vote specifying a preference for the frequency of the say-on-pay vote is – like the say-on-pay vote itself – also non-binding and advisory only. An initial "say-on-frequency" vote was held at the 2013 meeting and was reaffirmed at the 2019 meeting, where stockholders voted for an annual vote on "say-on-pay." The Board of Directors thereafter adopted a resolution to submit the "say-on-pay" proposal to stockholders annually.

The Board of Directors recommends that you vote <u>FOR</u> approval of the compensation of our named executive officers, as disclosed in this proxy statement.

BENEFICIAL OWNERSHIP OF COMMON STOCK BY CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth as of March 13, 2020, the voting record date, certain information as to the common stock beneficially owned by the directors and director nominees of Wayne Savings, the executive officers named in the Summary Compensation Table, and all directors and certain executive officers of Wayne Savings as a group, and each person or entity, including any "group" as that term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, who or which was known to us to be the beneficial owner of more than 5% of the issued and outstanding common stock.

Name of Beneficial Owner or Number of Persons in Group	Amount and Nature of Beneficial Ownership as of March 13, 2020 (1)	Percent of Common Stock
Directors:		
Jonathan Ciccotelli (2)	7,944	*
Brian Hopkins (3)	4,841	*
David L. Lehman	9,800	*
Debra A. Marthey	11,177	*
Glenn W. Miller (4)	30,481	1.1%
Peggy J. Schmitz	8,280	*
James R. VanSickle II (5)	25,574	*
Executive Officers:		
Joel D. Beckler (6)	3,973	*
Myron L. Swartzentruber (7)	7,082	*
All directors and executive officers of Wayne Savings as a group (9 persons) (8)	109,152	4.2%
Five Percent Stock Holders:		
Stilwell Activist Investment		
Stilwell Activist Fund		
Stilwell Value Partners VII		
Stilwell Partners		
Joseph Stilwell 111 Broadway, 12th Floor New York, NY 10006	258,853	9.9%
Ancora Advisors LLC (9) 6060 Parkland Boulevard, Suite 200 Cleveland, OH 44124	186,877	7.2%
Wayne Savings Employee Stock Ownership Plan Trust (10) 151 North Market Street Wooster, Ohio 44691	111,922	4.3%

* Represents less than 1% of our outstanding common stock.

(1) Based upon filings made pursuant to the Securities Exchange Act of 1934 and information furnished by the respective individuals. Under regulations promulgated pursuant to the Securities Exchange Act of 1934, shares of common stock are deemed to be beneficially owned by a person if he or she directly or indirectly has or shares (i) voting power, which includes the power to vote or to direct the voting of the shares, or (ii) investment power, which includes the power to dispose or to direct the disposition of the shares. Unless otherwise indicated, the named beneficial owner has sole voting and dispositive power with respect to the shares.

(2) Includes 1,250 shares held jointly with Mr. Ciccotelli's spouse and 6,694 shares held in his individual retirement accounts.

(3) Includes 1,300 shares held in Mr. Hopkins' individual retirement accounts.

(4) Includes 30,231 shares held in a trust of which Mr. Miller is both trustee and a beneficiary and 250 shares held in Mr. Miller's individual retirement account.

(5) Includes 438 shares held in the ESOP as of December 31, 2019 (representing a 100% vested interest).
(6) Includes 3,973 shares held in the ESOP as of December 31, 2019 (representing a 100% vested interest).
(7) Includes 2,575 shares held in Mr. Swartzentruber's individual retirement account and 4,507 shares held in the ESOP as of December 31, 2019 (representing a 100% vested interest).
(8) Includes 8,912 shares allocated to executive officers pursuant to the ESOP as of December 31, 2019.
(9) Mr. Hopkins disclaims ownership of the shares held by Ancora, except to the extent of his pecuniary interest therein. These securities are owned by investment companies, trusts and accounts, to which Ancora Advisors, LLC serves as investment advisor and manager with power to direct investments and/or sole power to vote the securities. For purposes of the reporting requirements of the Exchange Act, Ancora is deemed to be a beneficial owner of such securities; however, Ancora expressly disclaims the fact that it is, in fact, the beneficial owner of such securities, except to the extent of its pecuniary interest therein. Information set forth above and in this note (9) is based upon The Company's FR Y-6 annual report filed with the FRB of Cleveland for the year ended December 31, 2019.
(10) The Wayne Savings Community Bank Employee Stock Ownership Plan Trust was established pursuant to the Wayne Savings Community Bank Employee Stock Ownership Plan ("ESOP"). Mrs. Jennifer Winter, VP Manager of Human Resources & Training, Mr. Myron Swartzentruber and Pentegra act as Trustees of the ESOP. As of December 31, 2019, 103,758 shares held in the ESOP Trust had been allocated to the accounts of participating employees. The remaining 8,164 shares held by the ESOP Trust were unallocated as of December 31, 2019. Under the terms of the ESOP, the Trustees must vote all allocated shares held in the ESOP in accordance with the instructions of the participating employees and unallocated shares will be voted in the same ratio on any matter as to those shares for which instructions are given. The amount of common stock beneficially owned by the officers who serve as Trustees of the ESOP and by all directors and executive officers as a group does not include the shares held by the ESOP Trust, other than those shares allocated to the accounts of the officers. The shares allocated and vested in the name of each executive officer are shown in the table for each executive officer and have been subtracted from the ESOP's total share ownership.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, required the executive officers and directors and persons who own more than 10% of our common stock to file reports of ownership and changes in ownership with the SEC through February 19, 2018. Executive officers, directors and greater than 10% stockholders were required by regulation to furnish us with copies of all Section 16(a) forms they file. We know of no person who owns 10% or more of Wayne Savings' common stock.

Based solely on our review of the copies of such forms furnished to us, or written representations from our executive officers and directors, we believe that during, and with respect to, the reporting period ended February 19, 2018, our executive officers and directors complied in all respects with the reporting requirements promulgated under Section 16(a) of the Securities Exchange Act of 1934.

PROPOSAL V - RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The audit committee of the Board of Directors of Wayne Savings has appointed BKD, LLP, independent registered public accounting firm, to perform the audit of our financial statements for the year ended December 31, 2019, and further directed that the selection of the independent registered public accounting firm be submitted for ratification by the stockholders at the annual meeting.

We have been advised by BKD, LLP that neither that firm nor any of its associates has any relationship with Wayne Savings or its subsidiaries other than the usual relationship that exists between independent registered public accounting firms and clients. BKD, LLP will have one or more representatives at the annual meeting who will have an opportunity to make a statement, if they so desire, and will be available to respond to appropriate questions.

In determining whether to appoint BKD, LLP as our independent registered public accounting firm, our audit committee considered whether the provision of services, other than auditing services, by BKD, LLP is compatible with maintaining the firm's independence. In addition to performing auditing services, our independent registered public accounting firm performed tax-related services, including the completion of Wayne Savings' corporate tax returns, for the year ended December 31, 2019. The audit committee believes that BKD, LLP's performance of these other services is compatible with maintaining the firm's independence. To the best of the Company's knowledge, none of the time devoted by BKD, LLP on its engagement to audit the Company's financial statements for the year ended December 31, 2019 is attributable to work performed by persons other than full-time, permanent employees of BKD, LLP.

Audit Fees

The following table sets forth the aggregate fees paid by us to BKD, LLP for professional services rendered in connection with the audit of our consolidated financial statements for the years ended December 31, 2019 and December 31, 2018, as well as the fees paid by us to BKD, LLP for audit-related services, tax services and all other services rendered by BKD, LLP to us during the years ended December 31, 2019 and December 31, 2018.

	Year Ended December 31,	
	2019	2018
Audit fees (1)	$ 61,600	$ 60,200
Audit-related fees	—	—
Tax fees (2)	14,900	14,600
Other fees	—	—
Total	$ 76,500	$ 74,800

(1) Audit fees consist of fees accrued in connection with the audit of our annual financial statements, the review of the interim financial statements included in our quarterly reports filed with the SEC and audits of certain employee benefit plans, as well as work generally only the independent registered public accounting firm can reasonably be expected to provide, such as statutory audits, consents and assistance with and review of documents filed with the SEC.

(2) Tax fees consist primarily of fees paid in connection with preparing federal and state income tax returns and other tax-related services.

As provided in its charter, the audit committee selects our independent registered public accounting firm and pre-approves all audit services to be provided by the independent registered public accounting firm to Wayne Savings. The audit committee also reviews and pre-approves all audit-related and non-audit related services rendered by our independent registered public accounting firm in accordance with the audit committee's Pre-Approval Policy. In its review of these services and related fees and terms, the audit committee considers, among other things, the possible effect of the performance of such services on the independence of our independent registered public accounting firm. The audit committee pre-approves certain audit-related services and certain non-audit related tax services which are specifically described by the audit committee on an annual basis and separately approves other individual engagements as necessary.

Each new engagement of BKD, LLP was approved in advance by the audit committee, and none of those engagements made use of the *de minimis* exception to pre-approval contained in the SEC rules.

We anticipate that a representative of BKD, LLP will be present at the annual meeting and available to respond to appropriate questions and to make a statement if he or she so desires.

The Board of Directors recommends that you vote FOR the ratification of the appointment of BKD, LLP as our independent registered public accounting firm for the year ending December 31, 2020.

STOCKHOLDER PROPOSALS, NOMINATIONS AND COMMUNICATIONS WITH THE BOARD OF DIRECTORS

Stockholder Proposals. Any proposal which a stockholder wishes to have brought before Wayne Savings' next annual meeting of stockholders, which is currently expected to be held in April 2021, must be received at the principal executive offices of Wayne Savings Bancshares, Inc., 151 North Market Street, Wooster, Ohio 44691, no later than December 23, 2020, which in accordance with the notice provision of Article I, section 6(b) of our Bylaws is 90 days prior to the anniversary date of the planned mailing of this proxy statement. The notice must include the information required by Article I, Section 6(b) of our Bylaws. If the proposal is in compliance with all of the requirements of our Bylaws, it will be brought before the annual meeting of stockholders. It is urged that any such proposals be sent certified mail, return receipt requested.

Stockholder Nominations. Our Bylaws provide that, subject to the rights of the holders of any class or series of stock having a preference over the common stock as to dividends or upon liquidation, all nominations for election to the Board of Directors, other than those made by the Board or the nominating committee thereof, shall be made by a stockholder who has complied with the notice provisions in Article I, section 6(c) of our Bylaws. Written notice of a stockholder nomination generally must be communicated to the attention of the Corporate Secretary and either delivered to, or mailed and received at, our principal executive offices not later than, with respect to an annual meeting of stockholders, 90 days prior to the anniversary date of the mailing of proxy materials by us in connection with the immediately preceding annual meeting of stockholders. For our annual meeting in 2021, this notice must be received by December 23, 2020. Each written notice of a stockholder nomination is required to set forth certain information specified in Article I, section 6(c) of our Bylaws.

Other Stockholder Communications. Our Board of Directors has adopted a formal process by which stockholders may communicate with the Board. Stockholders who wish to communicate with our Board of Directors may do so by sending written communications addressed to the Board of Directors of Wayne Savings Bancshares, Inc. c/o Corporate Secretary, 151 North Market Street, Wooster, Ohio 44691.

ANNUAL REPORTS

The Company mailed the 2019 Annual Report to persons who, as of the March 13, 2020 record date, were shareholders on that date. Additional copies may be obtained without charge by written request or by visiting https://www.otcmarkets.com. Until February 19, 2018, the Company filed information with the SEC under the Securities Exchange Act of 1934. The SEC maintains an Internet web site containing reports, proxy, and information statements, and other information regarding issuers that file electronically with the SEC. The address of that site is https://www.sec.gov.

If you and others who share your address own your shares in street name, your broker or other holder of record may be sending one copy only of the annual report and proxy statement to your address. Known as "householding," this practice reduces the Company's printing and postage costs. However, if you wish to receive a separate annual report or proxy statement in the future, you should contact your broker or other holder of record. If you own your shares in street name and are receiving multiple copies of our annual report and proxy statement, you can request householding by contacting your broker or other holder of record. Shareholders who share an address to which a single annual report or proxy statement is delivered may orally or in writing request a separate copy of the annual report or proxy statement. Wayne Savings will deliver the separate annual report or proxy statement promptly at your request.

OTHER MATTERS

Management is not aware of any business to come before the annual meeting other than the matters described above in this proxy statement. However, if any other matters should properly come before the meeting, it is intended that the proxies solicited hereby will be voted with respect to those other matters in accordance with the judgment of the persons voting the proxies.

The cost of the solicitation of proxies will be borne by Wayne Savings. Wayne Savings will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending the proxy materials to the beneficial owners of our common stock. In addition to solicitations by mail, directors, officers and employees of Wayne Savings may solicit proxies personally or by telephone without additional compensation.

APPENDIX A

2020 STOCK EQUITY PLAN
WAYNE SAVINGS BANCSHARES, INC.

ARTICLE 1
PURPOSE AND EFFECTIVE DATE

1.1 Purpose. The purpose of this 2020 Stock Equity Plan (the "Plan") of Wayne Savings Bancshares, Inc. is to promote the long-term financial success of Wayne Savings Bancshares, Inc., increasing stockholder value by providing employees the opportunity to acquire an ownership interest in Wayne Savings Bancshares, Inc. and enabling Wayne Savings Bancshares, Inc. and its related entities to attract and retain the services of the employees and directors upon whom the successful conduct of Wayne Savings Bancshares, Inc.'s business depends.

1.2 Effective Date. This Plan shall be effective when it is adopted by Wayne Savings Bancshares, Inc.'s Board of Directors and approved thereafter by the affirmative vote of Wayne Savings Bancshares, Inc. stockholders in accordance with applicable rules and procedures, including those in Internal Revenue Code section 422 and Treasury Regulation section 1.422-3. Any award granted under this Plan before stockholder approval shall be null and void if stockholders do not approve the Plan within 12 months after the Plan's adoption by Wayne Savings Bancshares, Inc.'s Board of Directors. Subject to Article 9, the Plan shall continue until the tenth anniversary of the date it is approved by Wayne Savings Bancshares, Inc.'s Board of Directors.

ARTICLE 2
DEFINITIONS

2.1 Award means a grant of the right under Article 6 to purchase Wayne Savings Bancshares, Inc. common stock at a stated price during a specified period of time (an "<u>Option</u>"), which Option may be (*x*) an Incentive Stock Option that on the date of the Award is identified as an Incentive Stock Option, satisfies the conditions imposed under Internal Revenue Code section 422, and is not later modified in a manner inconsistent with Internal Revenue Code section 422 or (*y*) a Nonqualified Stock Option, meaning any Option that is not an Incentive Stock Option.

2.2 Award Agreement means the written or electronic agreement between Wayne Savings Bancshares, Inc. and each Participant containing the terms and conditions of an Award and the manner in which it will or may be settled if earned. If there is a conflict between the terms of this Plan and the terms of the Award Agreement, the terms of this Plan shall govern.

2.3 Employee means any person who, on any applicable date, is a common law employee of Wayne Savings Bancshares, Inc. or a Related Entity. A worker who is not classified as a common law employee but who is subsequently reclassified as a common law employee for any reason and on any basis shall be treated as a common law employee solely from the date reclassification occurs. Reclassification shall not be applied retroactively for any purpose of this Plan.

2.4 Director means a person who, on the date an Award is made to him or to her, is not an employee but who is a member of Wayne Savings Bancshares, Inc.'s Board of Directors, a member of the Board of Directors of a Related Entity, or a member of the governing body of any unincorporated Related Entity. A director's status shall be determined as of the date an Award is made to him or to her.

2.5 Exercise Price means the amount, if any, a Participant must pay to exercise an Award.

2.6 Fair Market Value means the value of one share of Wayne Savings Bancshares, Inc. common stock, determined according to the following rules: (*x*) if Wayne Savings Bancshares, Inc. common stock is traded on an exchange or on an automated quotation system giving closing prices, the reported closing price on the relevant date if it is a trading day and otherwise on the next trading day, (*y*) if Wayne Savings Bancshares, Inc. common stock is traded over-the-counter with no reported closing price, the mean between the highest bid and the lowest asked prices on that quotation system on the relevant date if it is a trading day and otherwise on the next trading day, or (*z*) if neither clause (*x*) nor clause (*y*) applies, the fair market value as determined by the Plan Committee in good faith and, for Incentive Stock Options, consistent with the rules prescribed under Internal Revenue Code section 422.

2.7 Internal Revenue Code means the Internal Revenue Code of 1986, as amended or superseded after the date this Plan becomes effective under section 1.2, and any applicable rulings or regulations issued under the Internal Revenue Code of 1986.

2.8 Wayne Savings Bancshares, Inc. means Wayne Savings Bancshares, Inc., a Delaware corporation. Except for purposes of determining whether a Change in Control has occurred (according to Article 8), the term Wayne Savings Bancshares, Inc. also means any corporation or entity that is a successor to Wayne Savings Bancshares, Inc. or substantially all of its assets and that assumes the obligations of Wayne Savings Bancshares, Inc. under this Plan by operation of law or otherwise.

2.9 Non-Employee Director means a director of Wayne Savings Bancshares, Inc. who is not an active employee of Wayne Savings Bancshares, Inc. (as defined in Rule 16b-3 under the Securities Exchange Act of 1934).

2.10 Participant means an employee or director to whom an Award is granted, for as long as the Award remains outstanding.

2.11 Plan means this 2020 Stock Equity Plan of Wayne Savings Bancshares, Inc., as amended from time to time.

2.12 Plan Committee means a committee of Wayne Savings Bancshares, Inc.'s board of directors consisting entirely of individuals (*x*) who are non-employee directors within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, (*y*) who do not receive remuneration from Wayne Savings Bancshares, Inc. or any Related Entity in any capacity other than as a director, and (*z*) who are independent directors within the meaning of The Nasdaq Stock Market, Inc.'s rules. The Plan Committee shall consist of at least three individuals.

2.13 Plan Year means Wayne Savings Bancshares, Inc.'s fiscal year.

2.14 Related Entity means an entity that is or becomes related to Wayne Savings Bancshares, Inc. through common ownership, as determined under Internal Revenue Code section 414(b) or (c) but modified as permitted under Treasury Regulation section 1.409A-1(b)(5)(iii)(E) and any successor to those regulations.

ARTICLE 3
PARTICIPATION

3.1 Awards to Employees. Consistent with the terms of the Plan and subject to section 3.2, the Plan Committee alone shall decide which employees will be granted Awards, shall specify the types of Awards granted to employees, and shall determine the terms upon which Awards are granted and may be earned. The Plan Committee may establish different terms and conditions for each type of Award granted to an employee and for each employee receiving the same type of Award, regardless of whether the Awards are granted at the same or different times.

3.2 Awards to Directors. Consistent with the terms of the Plan and subject to section 3.3, Wayne Savings Bancshares, Inc.'s board of directors alone may grant to Directors Nonqualified Stock Options under section 6.1.

3.3 Conditions of Participation. By accepting an Award, each employee and director agrees (*x*) to be bound by the terms of the Award Agreement and the Plan and to comply with other conditions imposed by the Plan Committee, and (*y*) that the Plan Committee (or Wayne Savings Bancshares, Inc.'s Board of Directors, as appropriate) may amend the Plan and the Award Agreements without any additional consideration if necessary to avoid penalties arising under Internal Revenue Code section 409A, even if the amendment reduces, restricts, or eliminates rights that were granted under the Plan, the Award Agreement, or both before the amendment.

ARTICLE 4
ADMINISTRATION

4.1 Duties. The Plan Committee is responsible for administering the Plan and shall have all powers appropriate and necessary for that purpose. Consistent with the Plan's objectives, Wayne Savings Bancshares, Inc.'s Board of Directors and the Plan Committee may adopt, amend, and rescind rules and regulations relating to the Plan to protect Wayne Savings Bancshares, Inc.'s and Related Entities' interests. Consistent with the Plan's objectives, Wayne Savings Bancshares, Inc.'s Board of Directors and the Plan Committee shall have complete discretion to make all other decisions necessary or advisable for the administration and interpretation of the Plan. Actions of Wayne Savings Bancshares, Inc.'s Board of Directors and the Plan Committee shall be final, binding, and conclusive for all purposes and upon all persons.

4.2 Delegation of Duties. In its sole discretion, Wayne Savings Bancshares, Inc.'s Board of Directors and the Plan Committee may delegate ministerial duties associated with the Plan to any person that it deems appropriate, including an employee.

4.3 Award Agreement. As soon as administratively practical after the date an Award is made, the Plan Committee or Wayne Savings Bancshares, Inc.'s Board of Directors shall prepare and deliver an Award Agreement to each affected Participant. The Award Agreement shall –

(a) describe the terms of the Award, including the type of Award and when and how it may be exercised or earned,

(b) state the Exercise Price, if any, associated with the Award,

(c) state how the Award will or may be settled,

(d) if different from the terms of the Plan, describe (*x*) any conditions that must be satisfied before the Award is earned or may be exercised, (*y*) any objective restrictions placed on the Award and any performance-related conditions and performance criteria that must be satisfied before those restrictions will be released, and (*z*) any other applicable terms and conditions affecting the Award.

4.4 Restriction on Repricing. Regardless of any other provision of this Plan or an Award Agreement, neither Wayne Savings Bancshares, Inc.'s Board of Directors nor the Plan Committee may reprice (as defined under rules of the New York Stock Exchange or The Nasdaq Stock Market) any Award unless the repricing is approved in advance by Wayne Savings Bancshares, Inc.'s stockholders acting at a meeting.

ARTICLE 5
LIMITS ON STOCK SUBJECT TO AWARDS

5.1 Number of Authorized Shares of Stock. With any adjustments required by section 5.4, the maximum number of shares of Wayne Savings Bancshares, Inc. common stock that may be subject to Awards under this Plan is 130,092. The shares of Wayne Savings Bancshares, Inc. common stock to be delivered under this Plan may consist in whole or in part of treasury stock or authorized but unissued shares not reserved for any other purpose.

5.2 Award Limits and Annual Participant Limits. (a) *Award Limits*. Of the shares authorized under section 5.1, up to 130,092 may be reserved for issuance under Incentive Stock Options.

(b) *Awards to Directors*. The aggregate number of shares of Wayne Savings Bancshares, Inc. common stock underlying Awards granted under this plan to any one non-employee director in any Plan Year regardless of whether the Awards are thereafter canceled, forfeited, or terminated, shall not exceed 2,000 shares.

5.3 Share Accounting. (a) As appropriate, the number of shares of Wayne Savings Bancshares, Inc. common stock available for Awards under this Plan shall be absolutely reduced by the number of shares of Wayne Savings Bancshares, Inc. common stock issued through Option exercises.

(b) As appropriate, shares of Wayne Savings Bancshares, Inc. common stock subject to an Award that for any reason is forfeited, cancelled, terminated, relinquished, exchanged, or otherwise settled without the issuance of Wayne Savings Bancshares, Inc. common stock or without payment of cash equal to its Fair Market Value or the difference between the Award's Fair Market Value and its Exercise Price, if any, may again be granted under the Plan. If the Exercise Price of an Award is paid in shares of Wayne Savings Bancshares, Inc. common stock, the shares received by Wayne Savings Bancshares, Inc. shall not be added to the maximum aggregate number of shares of Wayne Savings Bancshares, Inc. common stock that may be issued under section 5.1.

5.4 Adjustment in Capitalization. If after the date this Plan becomes effective under section 1.2 there is a stock dividend or stock split, recapitalization (including payment of an extraordinary dividend), merger, consolidation, combination, spin-off, distribution of assets to stockholders, exchange of shares or other similar corporate change affecting Wayne Savings Bancshares, Inc. common stock, then consistent with the applicable provisions of Internal Revenue Code sections 409A, 422, and 424 and associated regulations and to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Plan, the Plan Committee shall, in a manner the Plan Committee considers equitable, adjust (*w*) the number of Awards that may be granted to Participants during a Plan Year, (*x*) the aggregate number of shares available for Awards under section 5.1 or subject to outstanding Awards, as well as any share-based limits imposed under this Plan, (*y*) the respective Exercise Price, number of shares, and other limitations applicable to outstanding or subsequently granted Awards, and (*z*) any other factors, limits, or terms affecting any outstanding or subsequently granted Awards.

ARTICLE 6
OPTIONS

6.1 Grant of Options. Subject to Article 7 and the terms of the Plan and the associated Award Agreement, at any time during the term of this Plan the Plan Committee may grant Incentive Stock Options and Nonqualified Stock Options to employees and Wayne Savings Bancshares, Inc.'s Board of Directors may grant Nonqualified Stock Options to directors. Unless an Award Agreement provides otherwise, Options awarded under this Plan are intended to satisfy the requirements for exclusion from coverage under Internal Revenue Code section 409A. All Option Award Agreements shall be construed and administered consistent with that intention.

6.2 Exercise Price. Except as necessary to implement section 6.6, each Option shall have an Exercise Price per share at least equal to the Fair Market Value of a share of Wayne Savings Bancshares, Inc. common stock on the date of grant, meaning the closing price on the date of grant if Wayne Savings Bancshares, Inc. common stock is traded on an exchange or on an automated quotation system giving closing prices (or the closing price on the next trading day if the grant date is not a trading day). However, the Exercise Price per share of an Incentive Stock Option shall be at least 110% of the Fair Market Value of a share of Wayne Savings Bancshares, Inc. common stock on the date of grant for any Incentive Stock Option issued to an employee who, on the date of grant, owns (as defined in Internal Revenue Code section 424(d)) Wayne Savings Bancshares, Inc. common stock possessing more than 10% of the total combined voting power of all classes of stock (or the combined voting power of any Related Entity), determined according to rules issued under Internal Revenue Code section 422.

6.3 Exercise of Options. Subject to Article 7 and any terms, restrictions, and conditions specified in the Plan and unless specified otherwise in the Award Agreement, Options shall be exercisable at the time or times specified in the Award Agreement, but no (*x*) Incentive Stock Option may be exercised more than ten years after it is granted, or more than five years after it is granted in the case of an Incentive Stock Option granted to an employee who on the date of grant owns (as defined in Internal Revenue Code section 424(d)) Wayne Savings Bancshares, Inc. common stock possessing more than 10% of the total combined voting power of all classes of stock or the combined voting power of any Related Entity, determined under rules issued under Internal Revenue Code section 422, (*y*) no Nonqualified Stock Option granted to a director shall be exercisable more than ten years after it is granted, and (*z*) Nonqualified Stock Options not granted to directors shall be exercisable for the period specified in the Award Agreement, but not more than ten years after the grant date if no period is specified in the Award Agreement.

6.4 Incentive Stock Options. Despite any provision in this Plan to the contrary –

(a) no provision of this Plan relating to Incentive Stock Options shall be interpreted, amended, or altered, nor shall any discretion or authority granted under the Plan be exercised, in a manner that is inconsistent with Internal Revenue Code section 422 or, without the consent of the affected Participant, to cause any Incentive Stock Option to fail to qualify for the federal income tax treatment provided by Internal Revenue Code section 421,

(b) the aggregate Fair Market Value of the Wayne Savings Bancshares, Inc. common stock (determined as of the date of grant) for which Incentive Stock Options are exercisable for the first time by a Participant in any calendar year under all stock option plans of Wayne Savings Bancshares, Inc. and all Related Entities shall not exceed $100,000 (or other amount specified in Internal Revenue Code section 422(d)), determined under rules issued under Internal Revenue Code section 422, and

(c) no Incentive Stock Option shall be granted to a person who is not an employee on the grant date.

6.5 Exercise Procedures and Payment for Options. The Exercise Price associated with each Option must be paid according to procedures described in the Award Agreement. These procedures may allow either or both of the following payment methods: (*x*) payment in cash or a cash equivalent or (*y*) surrender by the Participant of unrestricted shares of Wayne Savings Bancshares, Inc. common stock he or she has owned for at least six months before the exercise date as partial or full payment of the Exercise Price, either by actual delivery of the shares or by attestation, with each share valued at the Fair Market Value of a share of Wayne Savings Bancshares, Inc. common stock on the exercise date. In its sole discretion the Plan Committee may withhold its approval for any method of payment for any reason, including but not limited to concerns that the proposed method of payment will result in adverse financial accounting treatment, adverse tax treatment for Wayne Savings Bancshares, Inc. or the Participant, or a violation of the Sarbanes-Oxley Act of 2002, as amended from time to time, and related regulations and guidance. A Participant may exercise an Option solely by sending to the Plan Committee or its designee a completed exercise notice in the form prescribed by the Plan Committee along with payment, or designation of an approved payment procedure, of the Exercise Price.

6.6 Substitution of Options. In Wayne Savings Bancshares, Inc.'s discretion, persons who become employees as a result of a transaction described in Internal Revenue Code section 424(a) may receive Options in exchange for options granted by their former employer or the former Related Entity subject to the rules and procedures prescribed under Internal Revenue Code section 424.

6.7 Rights Associated with Options. A Participant holding an unexercised Option shall have no voting or dividend rights associated with shares underlying the unexercised Option. The Option shall be transferable solely as provided in section 11.1. Unless otherwise specified in the Award Agreement or as otherwise specifically provided in the Plan, Wayne Savings Bancshares, Inc. common stock acquired by Option exercise shall have all dividend and voting rights associated with Wayne Savings Bancshares, Inc. common stock and shall be transferable, subject to applicable federal securities laws, applicable requirements of any national securities exchange or system on which shares of Wayne Savings Bancshares, Inc. common stock are then listed or traded, and applicable blue sky or state securities laws.

ARTICLE 7
TERMINATION

7.1 Termination for Cause. (a) If a Participant's employment service terminates for Cause or if in Wayne Savings Bancshares, Inc.'s judgement a basis for termination for Cause exists, all Awards held by the Participant that are outstanding shall be forfeited, regardless of whether the Awards are exercisable and regardless of whether the Participant's employment or director service with Wayne Savings Bancshares, Inc. or a Related Entity actually terminates.

(b) The term "Cause" shall mean one or more of the acts described in this section 7.1. However, Cause shall not be deemed to exist merely because the Participant is absent from active employment during periods of paid time off, consistent with the applicable paid time-off policy of Wayne Savings Bancshares, Inc. or the Related Entity with which the Participant is employed, as the case may be, sickness or illness or while suffering from an incapacity due to physical or mental illness, including a condition that does or may constitute a Disability, or other period of absence approved by Wayne Savings Bancshares, Inc. or the Related Entity, as the case may be:

1) an act of fraud, intentional misrepresentation, embezzlement, misappropriation, or conversion by the Participant of the assets or business opportunities of Wayne Savings Bancshares, Inc. or a Related Entity,

2) conviction of the Participant of or plea by the Participant of guilty or no contest to a felony or a misdemeanor, excluding minor traffic offenses or minor misdemeanor offenses,

3) violation by the Participant of the written policies or procedures of Wayne Savings Bancshares, Inc. or the Related Entity with which the Participant is employed, including but not limited to violation of Wayne Savings Bancshares, Inc.'s or the Related Entity's code of ethics,

4) unless disclosure is inadvertent, disclosure to unauthorized persons of any confidential information not in the public domain relating to Wayne Savings Bancshares, Inc.'s or a Related Entity's business, including all processes, inventions, trade secrets, computer programs, technical data, drawings or

designs, information concerning pricing and pricing policies, marketing techniques, plans and forecasts, new product information, information concerning methods and manner of operations, and information relating to the identity and location of all past, present, and prospective customers and suppliers,

5) intentional breach of any contract with or violation of any legal obligation owed to Wayne Savings Bancshares, Inc. or a Related Entity,

6) dishonesty relating to the duties owed by the Participant to Wayne Savings Bancshares, Inc. or a Related Entity,

7) the Participant's willful and continued refusal to substantially perform assigned duties, other than refusal resulting from sickness or illness or while suffering from an incapacity due to physical or mental illness, including a condition that does or may constitute a Disability,

8) the Participant's willful engagement in gross misconduct materially and demonstrably injurious to Wayne Savings Bancshares, Inc. or a Related Entity,

9) the Participant's breach of any term of this Plan or an Award Agreement,

10) intentional cooperation with a party attempting a Change in Control of Wayne Savings Bancshares, Inc., unless Wayne Savings Bancshares, Inc.'s Board of Directors approves or ratifies the Participant's action before the Change in Control or unless the Participant's cooperation is required by law, or

11) any action that constitutes cause as defined in any written agreement between the Participant and Wayne Savings Bancshares, Inc. or a Related Entity.

7.2 Termination for any Other Reason. Unless specified otherwise in the Award Agreement or in this Plan and except as provided in section 7.1, the portion of a Participant's outstanding Award that is unvested and unexercisable when the Participant's employment or director service terminates shall be forfeited. Options that are exercisable when termination occurs shall be forfeited if not exercised before the earlier of (*x*) the expiration date specified in the Award Agreement or (*y*) 90 days after the termination date.

ARTICLE 8
EFFECT OF A CHANGE IN CONTROL

8.1 Definition of Change in Control. The term "Change in Control" shall have the meaning given in any written employment agreement between the employee and Wayne Savings Bancshares, Inc. or a Related Entity. However, if an Award is subject to Internal Revenue Code section 409A, the term Change in Control shall have the meaning given in section 409A. If an Award is not subject to Internal Revenue Code section 409A and if the term Change in Control is not defined in a written employment agreement between the employee and Wayne Savings Bancshares, Inc. or a Related Entity, any of the following events occurring on or after the date this Plan becomes effective under section 1.2 shall constitute a Change in Control –

(a) *Change in board composition*. If individuals who constitute Wayne Savings Bancshares, Inc.'s Board of Directors on the date this Plan becomes effective under section 1.2 (the "Incumbent Directors") cease for any reason to constitute at least a majority of the Board of Directors. A person who becomes a director after the date this Plan becomes effective and whose election or nomination for election is approved by a vote of at least two-thirds (2/3) of the Incumbent Directors on the Board of Directors shall be deemed to be an Incumbent Director. The necessary two-thirds approval may take the form of a specific vote on that person's election or nomination or approval of Wayne Savings Bancshares, Inc.'s proxy statement in which the person is named as a nominee for director, without written objection by Incumbent Directors to the nomination. A person elected or nominated as a director of Wayne Savings Bancshares, Inc. initially as the result of an actual or threatened director-election contest or any other actual or threatened solicitation of proxies by or on behalf of any person other than Wayne Savings Bancshares, Inc.'s Board of Directors shall never be considered an Incumbent Director unless at least two-thirds (2/3) of the Incumbent Directors specifically vote to treat that person as an Incumbent Director.

(b) *Significant ownership change*. If any person directly or indirectly is or becomes the beneficial owner of securities whose combined voting power in the election of Wayne Savings Bancshares, Inc.'s directors is –

1) 50% or more of the combined voting power of all of Wayne Savings Bancshares, Inc.'s outstanding securities eligible to vote for the election of Wayne Savings Bancshares, Inc. directors,

2) 25% or more, but less than 50%, of the combined voting power of all of Wayne Savings Bancshares, Inc.'s outstanding securities eligible to vote in the election of Wayne Savings Bancshares, Inc.'s directors, except that an event described in this paragraph (b)(2) shall not constitute a Change in Control if it is the result of any of the following acquisitions of Wayne Savings Bancshares, Inc.'s securities –

(a) by Wayne Savings Bancshares, Inc. or a Related Entity, reducing the number of Wayne Savings Bancshares, Inc. securities outstanding (unless the person thereafter becomes the beneficial owner of additional securities that are eligible to vote in the election of Wayne Savings Bancshares, Inc. directors, increasing the person's beneficial ownership by more than one percent),

(b) by or through an employee benefit plan sponsored or maintained by Wayne Savings Bancshares, Inc. or a Related Entity and described (or intended to be described) in Internal Revenue Code section 401(a),

(c) by or through an equity compensation plan maintained by Wayne Savings Bancshares, Inc. or a Related Entity, including this Plan and any program described in Internal Revenue Code section 423,

(d) by an underwriter temporarily holding securities in an offering of securities,

(e) in a Non-Control Transaction, as defined in section 8.1(c), or

(f) in a transaction (other than one described in section 8.1(c)) in which securities eligible to vote in the election of Wayne Savings Bancshares, Inc. directors are acquired from Wayne Savings Bancshares, Inc., if a majority of the Incumbent Directors approves a resolution providing expressly that the acquisition shall not constitute a Change in Control.

(c) *Merger*. Consummation of a merger, consolidation, share exchange, or similar form of corporate transaction involving Wayne Savings Bancshares, Inc. or a Related Entity requiring approval of Wayne Savings Bancshares, Inc.'s stockholders, whether for the transaction or for the issuance of securities in the transaction (a "Business Combination"), unless immediately after the Business Combination –

1) more than 50% of the total voting power of either (*x*) the corporation resulting from consummation of the Business Combination (the "Surviving Corporation") or, if applicable, (*y*) the ultimate parent corporation that directly or indirectly beneficially owns 100% of the voting securities eligible to elect directors of the Surviving Corporation (the "Parent Corporation") is represented by securities that were eligible to vote in the election of Wayne Savings Bancshares, Inc. directors and that were outstanding immediately before the Business Combination (or, if applicable, represented by securities into which the Wayne Savings Bancshares, Inc. securities were converted in the Business Combination), and that voting power among the holders thereof is in substantially the same proportion as the voting power of securities eligible to vote in the election of Wayne Savings Bancshares, Inc. directors among the holders thereof immediately before the Business Combination,

2) no person (other than any employee benefit plan sponsored or maintained by the Surviving Corporation or the Parent Corporation or any employee stock benefit trust created by the Surviving Corporation or the Parent Corporation) directly or indirectly is or becomes the beneficial owner of 25% or more of the total voting power of the outstanding voting securities eligible to elect directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation), and

3) at least a majority of the members of the board of directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation) were Incumbent Directors when the initial agreement providing for the Business Combination was approved by Wayne Savings Bancshares, Inc.'s Board of Directors.

A Business Combination satisfying all of the criteria specified in clauses (1), (2), and (3) of this section 8.1(c) shall constitute a "Non-Control Transaction," or

(d) *Sale of Assets*. If Wayne Savings Bancshares, Inc.'s stockholders approve a plan of complete liquidation or dissolution of Wayne Savings Bancshares, Inc. or a sale of all or substantially all of its assets, but in any case if and only if Wayne Savings Bancshares, Inc.'s assets are transferred to an entity not owned directly or indirectly by Wayne Savings Bancshares, Inc. or its stockholders.

8.2 Effect of Change in Control. If a Change in Control occurs, the Plan Committee shall have the right in its sole discretion to –

(a) accelerate the exercisability of any or all Options, despite any limitations contained in the Plan or Award Agreement,

(b) cancel any or all outstanding Options in exchange for the kind and amount of shares of the surviving or new corporation, cash, securities, evidences of indebtedness, other property, or any combination thereof that the holder of the Option would have received upon consummation of the Change-in-Control transaction (the "Acquisition Consideration") had the Option been exercised or converted into shares of Wayne Savings Bancshares, Inc. common stock before the transaction, less the applicable exercise or purchase price,

(c) cause the holders of any or all Options to have the right during the term of the Option to receive upon exercise the Acquisition Consideration receivable upon consummation of the transaction by a holder of the number of shares of Wayne Savings Bancshares, Inc. common stock that might have been obtained upon exercise or conversion of all or any portion thereof, less the applicable exercise or purchase price therefor, or to convert the Stock Option into a stock option, appreciation right, restricted share, or performance share relating to the surviving or new corporation in the transaction, or

(d) take such other action as it deems appropriate to preserve the value of the Award to the Participant.

The Plan Committee may provide for any of the foregoing actions in an Award Agreement in advance, may provide for any of the foregoing actions in connection with the Change in Control, or both. Alternatively, the Plan Committee shall also have the right to require any purchaser of Wayne Savings Bancshares, Inc.'s assets or stock, as the case may be, to take any of the actions set forth in the preceding sentence as such purchaser may determine to be appropriate or desirable. The manner of application and interpretation of the provisions of this section 8.2 shall be determined by the Plan Committee in its sole and absolute discretion. Despite any provision of this Plan or an Award Agreement to the contrary, a Participant shall not be entitled to any amount under this Plan if he or she acted in concert with any person to effect a Change in Control, unless the Participant acted at the specific direction of Wayne Savings Bancshares, Inc.'s Board of Directors and in his or her capacity as an employee of Wayne Savings Bancshares, Inc. or a Related Entity. For purposes of this Plan the term "person" shall be as defined in section 3(a)(9) and as used in sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934, and the terms "beneficial owner" and "beneficial ownership" shall have the meaning given in the Securities and Exchange Commission's Rule 13d-3 under the Securities Exchange Act of 1934.

ARTICLE 9
AMENDMENT, MODIFICATION, AND TERMINATION OF THIS PLAN

Wayne Savings Bancshares, Inc. may terminate, suspend, or amend the Plan at any time without stockholder approval, unless stockholder approval is necessary to satisfy applicable requirements imposed by (a) Rule 16b-3 under the Securities Exchange Act of 1934, or any successor rule or regulation, (b) the Internal Revenue Code, or (c) any securities exchange, market, or other quotation system on or through which Wayne Savings Bancshares, Inc.'s securities are listed or traded. However, no Plan amendment shall (*x*) result in the loss of a Plan Committee member's status as a "non-employee director," as that term is defined in Rule 16b-3 under the Securities Exchange Act of 1934 or any successor rule or regulation, (*y*) cause the Plan to fail to satisfy the requirements imposed by Rule 16b-3, or (*z*) without the affected Participant's consent (and except as specifically provided otherwise in this Plan or the Award Agreement), adversely affect any Award granted before the amendment, modification, or termination. Despite any provision in the Plan, including this Article 9, to the contrary, Wayne Savings Bancshares, Inc. shall have the right to amend the Plan and any Award Agreements without additional consideration to affected Participants if amendment is necessary to avoid penalties arising under Internal Revenue Code section 409A, even if the amendment reduces, restricts, or eliminates rights granted under the Plan, the Award Agreement, or both before the amendment.

ARTICLE 10
ISSUANCE OF SHARES AND SHARE CERTIFICATES

10.1 Issuance of Shares. Wayne Savings Bancshares, Inc. shall issue or cause to be issued shares of its common stock as soon as practicable upon exercise or conversion of an Award that is payable in shares of Wayne Savings Bancshares, Inc. common stock. No shares shall be issued until full payment is made, if payment is required by the terms of the Award. Until a stock certificate evidencing the shares is issued and except as otherwise provided in this Plan, no right to vote or receive dividends or any other rights as a stockholder shall exist for the shares of Wayne Savings Bancshares, Inc. common stock to be issued, despite the exercise or conversion of the Award payable in shares, except as may be otherwise provided in this Plan. Issuance of a stock certificate shall be evidenced by the appropriate entry on the books of Wayne Savings Bancshares, Inc. or of a duly authorized transfer agent of Wayne Savings Bancshares, Inc.

10.2 Delivery of Share Certificates. Wayne Savings Bancshares, Inc. shall not be required to issue or deliver any certificates until all of the following conditions are fulfilled –

(a) payment in full for the shares and for any tax withholding,

(b) completion of any registration or other qualification of the shares the Plan Committee in its discretion deems necessary or advisable under any Federal or state laws or under the rulings or regulations of the Securities and Exchange Commission or any other regulating body,

(c) if Wayne Savings Bancshares, Inc. common stock is listed on The Nasdaq Stock Market or another exchange, admission of the shares to listing on The Nasdaq Stock Market or the other exchange,

(d) if the offer and sale of shares of Wayne Savings Bancshares, Inc. common stock is not registered under the Securities Act of 1933, qualification of the offer and sale as a private placement under the Securities Act of 1933 or qualification under another registration exemption under the Securities Act of 1933,

(e) obtaining any approval or other clearance from any Federal or state governmental agency the Plan Committee in its discretion determines to be necessary or advisable, and

(f) the Plan Committee is satisfied that the issuance and delivery of shares of Wayne Savings Bancshares, Inc. common stock under this Plan complies with applicable Federal, state, or local law, rule, regulation, or ordinance or any rule or regulation of any other regulating body, for which the Plan Committee may seek approval of Wayne Savings Bancshares, Inc.'s counsel.

10.3 Applicable Restrictions on Shares. Shares of Wayne Savings Bancshares, Inc. common stock issued may be subject to such stock transfer orders and other restrictions as the Plan Committee may determine are necessary or advisable under any applicable Federal or state securities law rules, regulations and other requirements. Certificates for the common stock may bear any restrictive legends the Plan Committee considers appropriate.

10.4 Book Entry. Instead of issuing stock certificates evidencing shares, Wayne Savings Bancshares, Inc. may use a book entry system in which a computerized or manual entry is made in the records of Wayne Savings Bancshares, Inc. to evidence the issuance of shares of Wayne Savings Bancshares, Inc. common stock. Wayne Savings Bancshares, Inc.'s records are binding on all parties, unless manifest error exists.

ARTICLE 11
MISCELLANEOUS

11.1 Assignability. Except as described in this section or as provided in section 11.2, an Award may not be transferred except by will or by the laws of descent and distribution, and an Award may be exercised during the Participant's lifetime solely by the Participant or by the Participant's guardian or legal representative. However, with the permission of the Plan Committee a Participant or a specified group of Participants may transfer Awards other than Incentive Stock Options to a revocable *inter vivos* trust of which the Participant is the settlor, or may transfer Awards other than Incentive Stock Options to a member of the Participant's immediate family, a revocable or irrevocable trust established solely for the benefit of the Participant's immediate family, a partnership or limited liability company whose only partners or members are members of the Participant's immediate family, or an organization described in Internal Revenue Code section 501(c)(3). An Award transferred to one of these permitted transferees shall continue to be subject to all of the terms and conditions that applied to the Award before the transfer and to any other rules prescribed by the Plan Committee. A permitted transferee may not retransfer an Award except by will or by the laws of descent and distribution, and the transfer by will or by the laws of descent and distribution must be a transfer to a person who would be a permitted transferee according to this section 11.1.

11.2 Beneficiary Designation. Each Participant may name a beneficiary or beneficiaries to receive or to exercise any vested Award that is unpaid or unexercised at the Participant's death. Beneficiaries may be named contingently or successively. Unless otherwise provided in the beneficiary designation, each designation made shall revoke all prior designations made by the same Participant. A beneficiary designation must be made on a form prescribed by the Plan Committee and shall not be effective until filed in writing with the Plan Committee. If a Participant has not made an effective beneficiary designation, the deceased Participant's beneficiary shall be his or her surviving spouse or, if none, the deceased Participant's estate. None of Wayne Savings Bancshares, Inc., its Board of Directors, or the Plan Committee is required to infer a beneficiary from any other source. The identity of a Participant's designated beneficiary shall be based solely on the information included in the latest beneficiary designation form completed by the Participant and shall not be inferred from any other evidence.

11.3 No Implied Rights to Awards or Continued Services. No potential participant has any claim or right to be granted an Award under this Plan, and there is no obligation of uniformity of treatment of participants under this Plan. Nothing in the Plan guarantees or shall be construed to guarantee that any Participant will receive a future Award. Neither this Plan nor any Award shall be construed as giving any individual any right to continue as an employee of Wayne Savings Bancshares, Inc. or a Related Entity. Neither the Plan nor any Award shall constitute a contract of employment, and Wayne Savings Bancshares, Inc. expressly reserves to itself and all Related Entities the right at any time to terminate employees free from liability or any claim under this Plan, except as may be specifically provided in this Plan or in an Award Agreement.

11.4 Tax Withholding. (a) Wayne Savings Bancshares, Inc. shall withhold from other amounts owed to the Participant or require a Participant to remit to Wayne Savings Bancshares, Inc. an amount sufficient to satisfy federal, state, and local withholding tax requirements on any Award, exercise, or cancellation of an Award or purchase of stock. If these amounts are not to be withheld from other payments due to the Participant or if there are no other payments due to the Participant, Wayne Savings Bancshares, Inc. shall defer payment of cash or issuance of shares of stock until the earlier of (*x*) 30 days after the settlement date, or (*y*) the date the Participant remits the required amount.

(b) If the Participant does not remit the required amount within 30 days after the settlement date, Wayne Savings Bancshares, Inc. shall permanently withhold from the value of the Awards to be distributed the minimum amount required to be withheld to comply with applicable federal, state, and local income, wage, and employment taxes, distributing the balance to the Participant.

(c) The Plan Committee may permit a Participant to reimburse Wayne Savings Bancshares, Inc. for this tax withholding obligation through one or more of the following methods, subject to conditions the Plan Committee establishes –

1) Unless otherwise set forth in an applicable Award Agreement, a Participant may elect, no later than the date as of which the value of an Award becomes includible in the gross income of the Participant for Federal income tax purposes (the "withholding date"), to have Wayne Savings Bancshares, Inc. withhold vested whole shares of common stock deliverable upon the exercise of an Option no less than the amount, if any, that Wayne Savings Bancshares, Inc. or any subsidiary is required to withhold for federal state or local taxes (including the Participant's FICA, employment tax or other social security contribution obligation); <u>provided</u>, <u>however</u>, that the Fair Market Value (as of the withholding date) of the shares of common stock so withheld does not exceed the amount that would be withheld if the Maximum Statutory Tax Rate were used as the applicable tax withholding rate. "Maximum Statutory Tax Rate" means the applicable maximum statutory federal, state and local tax rates in the Participant's jurisdiction (including the Participant's share of payroll and similar taxes), even if the maximum rate exceeds the highest rate that may be applicable to the specific Participant. Any such election shall be irrevocable,

2) delivering to Wayne Savings Bancshares, Inc. previously acquired shares of Wayne Savings Bancshares, Inc. common stock that the Participant has owned for at least six months,

3) remitting cash to Wayne Savings Bancshares, Inc., or

4) remitting a personal check immediately payable to Wayne Savings Bancshares, Inc.

11.5 Indemnification. Each individual who is or was a member of Wayne Savings Bancshares, Inc.'s Board of Directors or Plan Committee shall be indemnified and held harmless by Wayne Savings Bancshares, Inc. against and from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be made a party or in which he or she may be involved by reason of any action taken or not taken under the Plan as a director of Wayne Savings Bancshares, Inc. or as a Plan Committee member and against and from any and all amounts paid, with Wayne Savings Bancshares, Inc.'s approval, by him or her in settlement of any matter related to or arising from the Plan as a Wayne Savings Bancshares, Inc. director or as a Plan Committee member or paid by him or her in satisfaction of any judgment in any action, suit or proceeding relating to or arising from the Plan against him or her as a Wayne Savings Bancshares, Inc. director or as a Plan Committee member, but only if he or she gives Wayne Savings Bancshares, Inc. an opportunity at its expense to handle and defend the matter before he or she undertakes to handle and defend it in his or her own behalf. The right of indemnification described in this section is not exclusive and is independent of any other rights of indemnification to which the individual may be entitled under Wayne Savings Bancshares, Inc.'s organizational documents, by contract, as a matter of law, or otherwise.

11.6 No Limitation on Compensation. Nothing in the Plan shall be construed to limit the right of Wayne Savings Bancshares, Inc. to establish other plans or to pay compensation to its employees or directors in cash or property in a manner not expressly authorized under the Plan.

11.7 Governing Law. The Plan and all agreements hereunder shall be construed in accordance with and governed by the laws, other than laws governing conflict of laws, of the State of Delaware. This Plan is not intended to be governed by the Employee Retirement Income Security Act of 1974. The Plan shall be construed and administered in a manner consistent with that intent.

11.8 No Impact on Benefits. Plan Awards are not compensation for purposes of calculating a Participant's rights under any employee benefit plan that does not specifically require the inclusion of Awards in benefit calculations.

11.9 Securities and Exchange Commission Rule 16b-3. The Plan is intended to comply with all applicable conditions of Securities and Exchange Commission Rule 16b-3 under the Securities Exchange Act of 1934, as that rule may be amended from time to time. All transactions involving a Participant who is subject to beneficial ownership reporting under section 16(a) of the Securities Exchange Act of 1934 shall be subject to the conditions set forth in Rule 16b-3, regardless of whether the conditions are expressly set forth in this Plan, and any provision of this Plan that is contrary to Rule 16b-3 shall not apply to that Participant.

11.10 Successors. All obligations of Wayne Savings Bancshares, Inc. under Awards granted under this Plan are binding on any successor to Wayne Savings Bancshares, Inc., whether as a result of a direct or indirect purchase, merger, consolidation, or otherwise of all or substantially all of the business or assets of Wayne Savings Bancshares, Inc.

11.11 Severability. If any provision of this Plan or the application thereof to any person or circumstances is held to be illegal or invalid, the illegality or invalidity shall not affect the remaining parts of this Plan or other applications, and this Plan is to be construed and enforced as if the illegal or invalid provision had not been included.

11.12 No Golden Parachute Payments. Despite any provision in this Plan or in an Award Agreement to the contrary, Wayne Savings Bancshares, Inc. shall not be required to make any payment under this Plan or an Award Agreement that would be a prohibited golden parachute payment within the meaning of section 18(k) of the Federal Deposit Insurance Act.

11.13 Section 409A of the Code. Notwithstanding any provision in the Plan to the contrary, no payment or distribution under this Plan that constitutes an item of deferred compensation under section 409A of the

Internal Revenue Code and becomes payable by reason of a Participant's termination of employment with Wayne Savings Bancshares, Inc. will be made to such Participant unless such Participant's termination of employment constitutes a "separation from service" (as defined in section 409A of the Internal Revenue Code). For purposes of this Plan, each amount to be paid or benefit to be provided shall be construed as a separate identified payment for purposes of section 409A of the Internal Revenue Code. If a participant is a "specified employee" (as defined in section 409A of the Internal Revenue Code), then to the extent necessary to avoid the imposition of taxes under section 409A of the Internal Revenue Code, such Participant shall not be entitled to any payments which are deferred compensation under section 409A of the Internal Revenue Code upon a termination of his or her employment until the earlier of: (i) the expiration of the six-month period measured from the date of such Participant's "separation from service" or (ii) the date of such Participant's death. Upon the expiration of the applicable waiting period set forth in the preceding sentence, all payments and benefits deferred pursuant to this Section 11.14 (whether they would have otherwise been payable in a single lump sum or in installments in the absence of such deferral) shall be paid to such Participant in a lump sum as soon as practicable, but in no event later than 60 calendar days, following such expired period, and any remaining payments due under this Plan will be paid in accordance with the normal payment dates specified for them herein.

This 2020 Stock Equity Plan of Wayne Savings Bancshares, Inc. was adopted by Wayne Savings Bancshares, Inc.'s Board of Directors on February 27, 2020. This 2020 Equity Plan was thereafter approved by stockholders of Wayne Savings Bancshares, Inc. at a meeting on April 30, 2020.