

CSB BANCORP INC /OH

Form DEF 14A

March 18, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by

Rule 14a-6(e)(2)) Definitive Proxy Statement Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

CSB BANCORP, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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

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

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

(4) Proposed maximum aggregate value of transaction:

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(4) Date Filed:

**CSB BANCORP, INC.
6 West Jackson Street
Millersburg, Ohio 44654**

**NOTICE OF
ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON
APRIL 27, 2005**

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders (the Meeting) of CSB Bancorp, Inc. (CSB) will be held at the Carlisle Inn, Walnut Creek, Ohio, on Wednesday, April 27, 2005, at 7:00 p.m. local time, for the following purposes:

- To elect three directors for three-year terms ending in 2008;
- To amend the CSB Bancorp, Inc. Share Equity Incentive Plan to increase the number of shares available for grant from 75,000 to 200,000 shares; and
- To transact any other business that may properly come before the Meeting or any adjournments thereof.

Shareholders of record at the close of business on March 1, 2005, are entitled to vote at the Meeting and at any adjournments thereof.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ John J. Limbert

John J. Limbert

President and Chief Executive Officer

Millersburg, Ohio
March 24, 2005

THE PROMPT RETURN OF PROXIES WILL SAVE CSB THE EXPENSE OF A FURTHER REQUEST FOR PROXIES IN ORDER TO INSURE A QUORUM. PLEASE NOTE THAT YOUR VOTE CANNOT BE COUNTED UNLESS YOU SIGN AND RETURN THE PROXY CARD OR ATTEND THE MEETING AND VOTE IN PERSON.

**CSB BANCORP, INC.
6 West Jackson Street
Millersburg, Ohio 44654**

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

April 27, 2005

GENERAL

The enclosed proxy is solicited by the Board of Directors of CSB Bancorp, Inc. (CSB), the principal executive offices of which are located at 6 West Jackson Street, Millersburg, Ohio 44654, in connection with the Annual Meeting of Shareholders (the Meeting) of CSB to be held on Wednesday, April 27, 2005, at the Carlisle Inn, Walnut Creek, Ohio, at 7:00 p.m. local time. This proxy statement and the accompanying notice of meeting are first being mailed to shareholders on or about March 24, 2005.

The Meeting has been called for the following purposes: (i) to elect three directors, each for a three-year term; (ii) to amend the CSB Bancorp, Inc. Share Equity Incentive Plan to increase the number of shares available for grant from 75,000 to 200,000 shares; and (iii) to transact any other business that may properly come before the Meeting or any adjournment thereof.

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

Shares of CSB s common stock, par value \$6.25 per share (the Common Shares), can be voted at the Meeting only if the shareholder is represented by proxy or is present in person. Shareholders who execute proxies retain the right to revoke them at any time. Unless so revoked, the shares represented by such proxies will be voted at the Meeting and all adjournments thereof. Proxies may be revoked by written notice to the Secretary of CSB (addressed to: CSB Bancorp, Inc., 6 West Jackson Street, Millersburg, Ohio 44654, Attention: Ms. Margaret L. Conn, Secretary) or by the filing of a later dated proxy prior to a vote being taken on a particular proposal at the Meeting. A proxy will not be voted if a shareholder attends the Meeting and votes in person. Proxies solicited by the Board of Directors will be voted in accordance with the directions given therein. Where no instructions are indicated, proxies will be voted for the nominees for directors set forth below or as otherwise described herein in the event cumulative voting for directors is properly requested. The proxy confers discretionary authority on the persons named therein to vote with respect to (i) the election of any person as a director where the nominee is unavailable or unable to serve, (ii) matters incident to the conduct of the Meeting and (iii) any other business that may properly come before the Meeting or any adjournment thereof. At this time, it is not known whether there will be cumulative voting for the election of directors at the Meeting. If any shareholder demands cumulative voting for the election of directors at the Meeting, your proxy will give the individuals named on the proxy full discretion and authority to vote cumulatively, and in their sole discretion to allocate votes among any or all of the nominees for director, unless authority to vote for any or all of the nominees is withheld.

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

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Shareholders of record as of the close of business on March 1, 2005, (the Record Date), are entitled to (i) notice of the Meeting and (ii) one vote on each matter to be considered at the Meeting for each Common Share held on that date. As of the Record Date, there were 2,644,968 Common Shares issued and outstanding. The presence at the Meeting in person or by proxy of at least a majority of such shares will be required to constitute a quorum at the Meeting. Common Shares held by holders who abstain from voting and all Common Shares held by brokers who do not have the discretionary authority to vote on certain matters will be included in determining the presence of a quorum. Consequently, an abstention or a broker non-vote has the same effect as a vote against a proposal or Director nominees, as each abstention or broker non-vote would be one less vote in favor of a proposal or for a Director nominee. Shareholders will not be entitled to dissenter's rights with respect to any matter to be considered at the Meeting.

The following table sets forth the Common Shares beneficially owned by each person, group or entity owning more than five percent of CSB's outstanding Common Shares as of the Record Date. This information was obtained from a Schedule 13D/A filed with the Securities and Exchange Commission by the Committee of Concerned CSB Shareholders for a Better Bank on January 3, 2002.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Common Shares Outstanding
The Committee of Concerned CSB Shareholders for a Better Bank, 1450 Fox Run Lane, Canfield, Ohio 44406 ¹	231,836.594	8.8% ²

¹ The Committee consists of Richard G. Elliott, Ted W. DeHass, Don E. Sprankle, Gloria L. Miller, Darwin L. Snyder and Victor R. Snyder. This information is based on the January 3, 2002 Schedule 13D/A filing by the Committee.

² The percent of Common Shares outstanding was determined based on the January 3, 2002 Schedule 13D/A filing evidencing ownership of the Committee, and the number of CSB Common Shares outstanding on the Record Date.

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

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Common Shares	Director
	¹	Outstanding	
Robert K. Baker ²	2,235.7545	*	Yes
Ronald E. Holtman ³	1,000.0000	*	Yes
J. Thomas Lang ⁴	5,904.5763	*	Yes
John J. Limbert ⁵	25,454.3860	*	Yes
Daniel J. Miller ⁶	38,831.7402	1.47 %	Yes
Jeffery A. Robb, Sr. ⁷	1,281.2575	*	Yes
Samuel M. Steimel ⁸	25,305.6094	*	Yes
Eddie L. Steiner ⁹	1,084.8946	*	Yes
John R. Waltman ¹⁰	14,839.2629	*	Yes
Rick L. Ginther	2,000.0000	*	No
Paul D. Greig	2,000.0000	*	No
A. Lee Miller ¹¹	4,276.8384	*	No
Paula J. Meiler	1,000.0000	*	No
Total of current Directors and Executive Officers as a Group (15) persons	128,113.0518	4.84 %	

* Represents less than 1% of Common Shares outstanding as of the Record Date.

¹ The Securities and Exchange Commission has defined beneficial owner of a security to include any person who has or shares voting power or investment power with respect to any such security or who has the right to acquire beneficial ownership of any such security within sixty days.

² Includes 485.5581 shares owned by Bonnie L. or Robert K. Baker in joint tenancy with right of survivorship, 450 shares owned by Bonnie L. Baker, 500 shares owned by the Robert K. Baker IRA, and 800.1964 shares owned by Bakerwell, Inc., of which Mr. Baker is co-owner.

- ³ These shares are owned by the Ronald E. Holtman IRA.
- ⁴ Includes 442.1652 shares owned by J. Thomas Lang, 4,530.9279 shares owned by Karen J. Lang, 253.0717 shares owned by Kendra S. Lang, 482.1773 shares owned by the J. Thomas Lang IRA and 196.2342 shares owned by the Karen J. Lang IRA.
- ⁵ Includes 15,000 shares owned by Mr. Limbert's IRA and 10,000 stock options granted to Mr. Limbert that are currently exercisable and 454.3860 owned by Mr. Limbert's 401(k) plan.

- 6 Includes 9,786 shares owned by Daniel J. Miller, 10,111 shares owned by Mary F. Miller, 1,000 shares owned by Daniel J. or Mary F. Miller in joint tenancy with right of survivorship and 17,934.7402 shares owned by the East Holmes Family Care Employees Pension Plan.
- 7 Includes 100 shares owned by Jeffery A. Robb, Sr., and 1,181.2575 shares owned by the Jeffery A. Robb, Sr. IRA.
- 8 Includes 16,767.4203 shares owned by Samuel M. Steimel, 7,012 shares owned by Ronda P. Steimel, 881 shares owned by the Samuel M. Steimel IRA, 119.1513 shares owned by the Ronda P. Steimel IRA, 11.3032 shares owned by Samuel M. Steimel, custodian for Benjamin Steimel Ladrach and William Frederick Ladrach and 514.7346 shares owned by Ronda P. Steimel, custodian for Zaccary Allen Patterson, Cassandra Faye Patterson, Skylar J. Patterson, and Brogan M. Steimel.
- 9 These shares are owned by Eddie L. Steiner or Jane M. Steiner in joint tenancy with right of survivorship.
- 10 Includes 6,871.9396 shares owned by John R. Waltman, 7,639.0289 shares owned by the John R. Waltman IRA and 328.2944 shares owned by Ruth A. Waltman.
- 11 Includes 302 shares owned by A. Lee Miller, 223.0675 shares owned by the A. Lee Miller IRA, 3,351.7709 shares owned by the A. Lee Miller 401(k), and 400 stock options granted to Mr. Miller that are currently exercisable. While no longer an Executive Officer of CSB Bancorp, information regarding Mr. Miller is provided pursuant to requirements of the Securities and Exchange Commission.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires CSB's officers, directors and persons who own more than ten percent of a registered class of CSB's equity securities to file reports of ownership and changes in ownership with the Securities and Exchange Commission. Officers, directors and greater than ten percent shareholders are required to furnish CSB with copies of all Section 16(a) forms they file. During 2004, with the exception of one Form 4 filing for Mr. Lang with respect to the acquisition of shares, and based solely on CSB's review of the copies of such forms received by it and by statements of officers and directors that they complied with all applicable filing requirements, CSB's officers, directors and greater than ten percent beneficial owners have complied with all filing requirements applicable to them.

PROPOSAL 1: ELECTION OF DIRECTORS

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

Assuming that at least a majority of the issued and outstanding Common Shares are present at the Meeting so that a quorum exists, the three nominees for director of CSB receiving the most votes will be elected as directors. Shareholders have the right to vote cumulatively in the election of directors. In order to exercise the right to vote cumulatively, a shareholder must give written notice to the President, a Vice President or the Secretary of CSB not less than forty-eight hours before the time fixed for the meeting, and the shareholder's demand for cumulative voting must be announced at the commencement of the meeting by or on behalf of the shareholder. If cumulative voting is elected, a shareholder may cast as many votes in an election of directors as the number of directors to be elected multiplied by the number of shares held. The Board of Directors has nominated Messrs. Robert K. Baker, J. Thomas

Lang, and John J. Limbert to serve until the 2008 Annual Meeting of Shareholders, and until their respective successors are elected and qualified. Messrs. Baker, Lang, and Limbert are incumbent directors whose present terms expire at the Meeting.

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

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

The following table sets forth information concerning nominees for director of CSB, including their principal occupation or employment during the past five years. Each nominee, if elected, will serve for a term expiring at the Annual Meeting of Shareholders in 2008.

NOMINEES FOR DIRECTOR

Name	Age	Principal Occupation ¹	Positions Held with CSB	Year First Elected or Appointed Director	Current Term to Expire
Robert K. Baker	50	Co-owner and Controller, Bakerwell, Inc.	Director	2001	2005
J. Thomas Lang	61	Veterinarian, Dairy Farmer, Spring Hill Farm, Inc.	Director	1993	2005
John J. Limbert ²	57	President and Chief Executive Officer, CSB Bancorp, Inc. ²	President, Chief Executive Officer and Director	2003	2005

¹ Unless otherwise noted herein, each of the Nominees for Director has been engaged in the occupation and employment described above for the past five years.

² Mr. Limbert was hired as President of the Commercial & Savings Bank and CSB Bancorp, Inc. as of May 20, 2003. Mr. Limbert was appointed Chief Executive Officer of the Commercial & Savings Bank and CSB Bancorp, Inc. effective August 1, 2003. Mr. Limbert held the position of Vice President of Heartland Mortgage Company from 2001 to 2003 and the position of Executive Vice President of CheckFree Corporation from 1998 to 2001. From 1977 to 1998, Mr. Limbert held various positions with Bank One Corporation.

The following table sets forth information concerning (i) incumbent directors of CSB who are not nominees for election at the Meeting and (ii) the other current executive officers of CSB (including Mr. Miller who was Chief Financial Officer until August 8, 2004). Included in the table is information regarding each person's principal occupation or employment during the past five years.

DIRECTORS AND EXECUTIVE OFFICERS

Name	Age	Principal Occupation ¹	Positions Held with CSB	Year First Elected or Appointed Director or Officer, As Applicable	Current Term to Expire
Ronald E. Holtman	62	Attorney, Logee, Hostetler, Stutzman and Lehman	Director	2001	2006
Daniel J. Miller	65	Retired Physician, East Holmes Family Care, Inc.	Director	1979	2006
Jeffery A. Robb, Sr.	56	President and Chairman, Robb Companies, Inc. ²	Director	2001	2007
Samuel M. Steimel	47	Attorney, The Steimel Law Office	Director	1989	2007
Eddie L. Steiner	49	Vice President, Production, Smith Dairy Products	Director	2001	2006
John R. Waltman	63	Attorney, Critchfield, Critchfield & Johnston, LLC.	Director	2001	2007
Rick L. Ginther ³	54	Banker	Senior Vice President and Chief Lending Officer	2003	N/A
Paul D. Greig ⁴	59	Banker	Senior Vice President and Chief Operations/Information Officer	2003	N/A
Paula Meiler ⁵	50	Banker	Senior Vice President and Chief Financial Officer	2004	N/A
A. Lee Miller ⁶	46	Banker	Senior Vice President and Chief Financial Officer	1997	N/A

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- 1 Unless otherwise noted herein, each of the Directors has been engaged in the occupations and employment described above for the past five years.
 - 2 Mr. Robb held the position of Chairman and Manager of Robb, Dixon & Company until 2000, and President and Chief Executive Officer of Robb Companies, Inc. from 2000 to present. In 2002, he was named Interim President and Chief Executive Officer of Exchange Bancshares, Inc. and The Exchange Bank. He held that position until December 31, 2003.
 - 3 Mr. Ginther held the position of President of the Canton region of Bank One from 2002 to 2003 and various positions with Bank One Corporation or predecessor from 1973 to 2002.
 - 4 Mr. Greig retired from Bank One, Corporation in 2002 from the position of National Retail Support Services Manager. During retirement from 2002 through 2003 he was a substitute teacher in the two public school systems.
 - 5 Ms. Meiler has served as Senior Vice President and Chief Financial Officer of CSB Bancorp since August 9, 2004. Previous positions include Chief Financial Officer and Treasurer of Consumers Bancorp Inc. from 1999 through 2004 and Comptroller of The Citizens Banking Company (nka Sky Bank) and Citizens Bancshares Inc. from 1981 to 1999.
 - 6 Mr. Miller held the position of Senior Vice President and Chief Financial Officer of CSB Bancorp until August 8, 2004, and since that date has served as Vice President of Cash Management and Special Projects. While no longer an Executive Officer of CSB Bancorp, information regarding Mr. Miller is provided pursuant to requirements of the Securities and Exchange Commission.

The Board of Directors conducts its business through meetings of the Board and its committees. Regular meetings of the Board of Directors are held on a monthly basis. The Board of Directors held 12 regular, and no special meetings during the year ended December 31, 2004. Each incumbent director attended at least 75% of the aggregate of the total meetings of the Board of Directors and the total number of meetings held by all committees of the Board on which directors served in 2004. Directors receive no compensation from CSB. In addition, each director of CSB also serves as a director of The Commercial & Savings Bank, a wholly-owned banking subsidiary of CSB (the Bank), for which outside directors were compensated at a rate of \$10,000 annually, plus \$500 per Board Meeting attended and \$500 per Committee Meeting. Mr. Limbert, an inside Director, received no compensation for director fees in 2004.

CSB has a Nominating Committee, which recommends to the Board the nominees for election as directors. The Nominating Committee currently consists of Messrs. Miller, Steimel and Waltman. The Nominating Committee will consider candidates for nomination as a director, which are recommended by shareholders, directors and other sources. The Nominating Committee met one time in 2004. Under the terms of the Nominating Committee Charter, which is available on the Company's website, the Committee is responsible for developing and implementing a process and guidelines for the selection of individuals for nomination to the Board of Directors and considering incumbent directors for nomination and re-election.

In considering and evaluating potential candidates for positions on the CSB Board of Directors, and consistent with its Charter, the Nominating Committee considers, among other things, the potential candidates' knowledge of the communities in which CSB and the Bank operate; their experience and any special business, financial, or other expertise; their reputation for honesty and integrity; and their ability to provide independent and

objective oversight and supervision for matters which may impact CSB and the Bank. The Nominating Committee also considers applicable requirements of the CSB Code of Regulations and requirements of applicable law and regulations with respect to evaluating potential candidates, as well as other matters which the Nominating Committee deems appropriate in light of the specific circumstances and the potential candidate. To that end, the Nominating Committee may conduct its own analysis and may also seek information from a variety of outside sources in order to ascertain whether a potential candidate meets the referenced criteria.

The Nominating Committee utilizes the same standards and criteria in considering and evaluating potential candidates for positions on the CSB Board of Directors who are recommended by CSB shareholders, when appropriate. The majority of the members of the Nominating Committee are independent, as defined by the National Association of Securities Dealers, Inc., listing standards.

The Compensation Committee develops and recommends executive compensation principles, policies and programs to the CSB Board of Directors. The Compensation Committee currently consists of Messrs. Steimel, Baker and Waltman. The Compensation Committee met two times in 2004.

CSB has an Audit Committee, the members of which currently consist of Messrs. Steiner, Holtman and Robb. All of the members of the Audit Committee are independent directors. Among other things, the Audit Committee is responsible for the engagement of independent auditors, reviewing with the independent auditors the plans and results of the audit, and reviewing the adequacy of internal accounting controls. The Audit Committee met a total of 12 times in 2004. The Board of Directors has determined that Messrs. Robb and Steiner meet the requirements of an audit committee financial expert as defined by the Securities and Exchange Commission

PROPOSAL 2:

APPROVAL AND ADOPTION OF AN INCREASE IN THE NUMBER OF COMMON SHARES AVAILABLE TO BE GRANTED UNDER THE CSB BANCORP, INC. SHARE EQUITY INCENTIVE PLAN

On April 24, 2002, the shareholders of CSB approved and adopted the CSB Bancorp, Inc. Share Equity Incentive Plan (the Plan). The Plan currently authorizes the grant of share incentives involving up to 75,000 of CSB's Common Shares through ownership incentives to eligible employees, consultants and directors of CSB and its subsidiaries. CSB and its subsidiaries currently have approximately 143 employees and nine directors. The term eligible person refers to any person who in the opinion of the Board of Directors can and does contribute significantly to the growth and successful operations of CSB and its subsidiaries.

The Board of Directors may amend the Plan. The Board of Directors may also, by a resolution adopted by a majority of the entire Board of Directors, discontinue the Plan. However, no amendment or discontinuance of the Plan by the Board of Directors may, without the consent of the eligible person, adversely affect any share incentive previously granted to the eligible person.

On January 27, 2005, the Board of Directors of CSB approved an amendment to the Plan increasing the total number of Common Shares available to be granted as share incentive awards under the Plan from 75,000 Common Shares to 200,000 Common Shares.

The proposal to amend the total number of Common Shares available to be granted as share incentives under the Plan from 75,000 Common Shares to 200,000 Common Shares is contained in the following resolution that will be submitted to the shareholders for adoption at the Annual Meeting. The affirmative vote of the holders of a majority of CSB's Common Shares present in person or by proxy at the Meeting and entitled to vote is required to adopt the

resolution. Proxies will be voted in favor of the following resolution unless otherwise instructed by the shareholders. The Board of Directors recommends that the shareholders vote FOR the adoption of the following resolution.

The resolution states:

RESOLVED, that the CSB Bancorp, Inc. Share Equity Incentive Plan be, and hereby is, amended to provide that the total number of Common Shares of CSB Bancorp, Inc., available for grant under the terms of the Plan, is increased from 75,000 shares to 200,000 shares effective immediately.

**REPORT OF THE COMPENSATION COMMITTEE OF THE
BOARD OF DIRECTORS ON EXECUTIVE COMPENSATION**

The Compensation Committee is responsible for developing and recommending CSB's executive compensation principles, policies and programs to the Board of Directors. The Compensation Committee believes that in representing the Board of Directors, it must act in the best interest of the shareholders as it reviews and determines CSB's executive compensation principles, policies and programs. The Compensation Committee's essential goal is to create a balance by which CSB is able to attract and retain qualified management personnel, while at the same time providing for maximization of CSB's financial performance and safeguarding CSB's assets. In compensating CSB's executive officers, the Committee seeks to achieve the following goals:

1. motivate executive officers to strive for and achieve outstanding corporate performance that provides a direct benefit to shareholders;
2. attract highly-qualified key management personnel; and
3. reward superior performance in reaching corporate objectives with aggressive compensation levels and provide that a significant portion of compensation will be dependent on CSB's annual performance.

Base salaries for executive officers in 2004 were determined after review of an analysis of salaries paid for comparable positions and consideration of the competition for executive talent within CSB's industry. CSB's review included a survey of public filings made by industry peers. CSB's compensation philosophy is to target executive salaries close to the mean of the market rate paid for comparable positions by similarly sized bank holding companies. CSB's senior officers recommend to the Board of Directors an aggregate amount of cash and options to purchase Common Shares to offer as bonuses to employees each fiscal year, based upon the performance of CSB and the Bank during the prior fiscal year, and an allocation of these bonuses among the employees of CSB and the Bank. After consideration of this recommendation, the Compensation Committee approves the issuance of bonuses each year. The Chief Executive Officer only participates in the evaluation of compensation of the other executive officers.

THE COMPENSATION COMMITTEE

Robert K. Baker
Samuel M. Steimel
John R. Waltman

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

The following Audit Committee Report is provided in accordance with the rules and regulations of the Securities and Exchange Commission. The Audit Committee has reviewed and discussed the audited consolidated financial statements with management and the Board of Directors of CSB. Management of CSB is responsible for CSB's reporting process, including its system of internal control, and for the preparation of consolidated financial statements in accordance with U.S. generally accepted accounting principles. CSB's auditors are responsible for auditing those financial statements. The Audit Committee's responsibility is to monitor and review these processes.

Mr. Robb and Mr. Steiner are certified public accountants, and Mr. Holtman is an attorney licensed to practice law in the State of Ohio. Mr. Robb and Mr. Steiner have been designated as financial experts under Section 401(h) of Regulation S-K.

The Audit Committee has reviewed and discussed with Clifton Gunderson LLP (Clifton Gunderson), CSB's independent auditors for the year ended December 31, 2004, the matters required to be discussed by Statement of Accounting Standards 61, as may be modified or supplemented. The Audit Committee also has received the written disclosures and the letter from the independent accountants, as required, and has discussed with Clifton Gunderson its independence. Based on the forgoing discussions, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in CSB's Annual Report on Form 10-K for the fiscal year ended December 31, 2004.

THE AUDIT COMMITTEE

Ronald E. Holtman
Jeffery A. Robb, Sr.
Eddie L. Steiner

CERTIFIED PUBLIC ACCOUNTANTS

Clifton Gunderson, certified public accountants, acted as CSB's auditors for the 2004 fiscal year and will act in such capacity for the 2005 fiscal year. During CSB's two most recent fiscal years (ended December 31, 2003 and 2004), there were no disagreements with CSB's auditors on any matter of accounting principles or practices, financial disclosure, or auditing scope or procedure. A representative of Clifton Gunderson is expected to be present at the Meeting, will have the opportunity to make a statement if he or she desires to do so and will be available to respond to appropriate questions.

Audit Fees. Fees for audit services totaled \$64,700 in 2004 and \$61,100 in 2003, including fees associated with the annual audit and the reviews of CSB's quarterly reports on Form 10-Q.

Audit-Related Fees. Fees for audit-related services totaled \$7,400 in 2004 and \$6,450 in 2003. Audit-related services related to an audit of CSB's 401(k) Plan.

Tax Fees. Fees for tax services, including tax compliance, tax advice and tax planning, totaled \$16,200 in 2004 and \$16,850 in 2003.

All Other Fees. There were no other fees paid to Clifton Gunderson in 2004 or 2003.

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

Audit Committee Procedures for Approval of Services by Independent Accountants

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

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

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

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

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

EXECUTIVE COMPENSATION

The following table sets forth the compensation received for the three years ended December 31, 2004 by CSB's Chief Executive Officer and the persons who were, at December 31, 2004, the four other most highly paid executive officers.

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation			Long Term Compensation	
		Salary(\$)	Bonus(\$)	Other Annual Compensation(\$)	Options/ SARs (# of Shares)	All Other Compensation(\$)
John J. Limbert President and Chief Executive Officer	2004	150,503	40,000	-0-	-0-	5,400(1)
	2003	92,308	30,000	-0-	10,000	35,688(2)
Rick L. Ginther Senior Vice President and Chief Lending Officer	2004	123,269	20,000	-0-	-0-	4,140(3)
Paul D. Greig Senior Vice President, Chief Operations and Information Officer	2004	106,503	20,000	-0-	-0-	3,630(4)
Paula J. Meiler Senior Vice President and Chief Financial Officer	2004	38,462	5,000	-0-	1,000	-0-
A. Lee Miller Senior Vice President and Chief Financial Officer until August 8, 2004	2004	99,894	2,000	-0-	-0-	3,502(5)
	2003	116,308	15,000	-0-	-0-	5,815(6)
	2002	112,000	10,000	600(7)	1,000	6,126(8)

(1) Includes the following amounts paid to Mr. Limbert: (i) \$3,600 contributed to Mr. Limbert's 401(k) account by the Bank and (ii) \$1,800 contributed to Mr. Limbert under the Bank's profit sharing plan.

(2) Includes the following amounts paid to Mr. Limbert: (i) \$2,019 contributed to Mr. Limbert's 401(k) account by the Bank, (ii) \$3,669 contributed to Mr. Limbert under the Bank's profit sharing plan, and (iii) a \$30,000 relocation bonus.

(3) Includes the following amounts paid to Mr. Ginther: (i) \$2,760 contributed to Mr. Ginther's 401(k) account by the Bank, and (ii) \$1,380 contributed to Mr. Ginther under the Bank's profit sharing plan.

(4) Includes the following amounts paid to Mr. Greig: (i) \$2,420 contributed to Mr. Greig's 401(k) account by the Bank, and (ii) \$1,210 contributed to Mr. Greig under the Bank's profit sharing plan.

(5) Includes the following amounts paid to Mr. Miller: (i) \$2,335 contributed to Mr. Miller's 401(k) account by the Bank, and (ii) \$1,167 contributed to Mr. Miller under the Bank's profit sharing plan. While no longer an Executive Officer of CSB Bancorp, information regarding Mr. Miller is provided pursuant to requirements of the Securities and Exchange Commission.

(6) Includes the following amounts paid to Mr. Miller: (i) \$2,326 contributed to Mr. Miller's 401(k) account by the Bank, and (ii) \$3,489 contributed to Mr. Miller under the Bank's profit sharing plan.

(7) Includes fees paid to Mr. Miller for a club membership.

(8) Includes the following amounts paid to Mr. Miller: (i) \$2,450 contributed to Mr. Miller's 401(k) account by the Bank, and (ii) \$3,676 contributed to Mr. Miller under the Bank's profit sharing plan.

Option/SAR Grants in Last Fiscal Year

Name	Individual Grants		Exercise Price Per Share	Expiration Date	Potential Realizable Value at Assumed Rates of Stock Price Appreciation for Option Term (2)	
	Number of Securities	% of Total Options			5%	10%
	Underlying Options/SARs Granted (1)	Granted to Employees in Fiscal Year				
John J. Limbert	-0-	N/A	N/A	N/A	N/A	N/A
Rick L. Ginther	-0-	N/A	N/A	N/A	N/A	N/A
Paul D. Greig	-0-	N/A	N/A	N/A	N/A	N/A
Paula J. Meiler	1,000	100%	\$ 19.00	8/09/09	\$ 5,249	\$ 11,600
A. Lee Miller ⁽³⁾	-0-	N/A	N/A	N/A	N/A	N/A

(1) The options were granted pursuant to Ms. Meiler's employment agreement. All options granted in 2004 were qualified stock options. No stock appreciation rights were granted under the Plan in 2004.

(2) The dollar amounts under these columns are the result of calculations at the 5% and 10% rates set by the Securities and Exchange Commission and are not intended to forecast possible future appreciation, if any, in the market value of the common stock.

(3) While no longer an Executive Officer of CSB Bancorp, information regarding Mr. Miller is provided pursuant to requirements of the Securities and Exchange Commission.

**Aggregated Option/SAR Exercises in Last Fiscal Year
and Fiscal Year-End Option/SAR Values**