

INVESTORS BANCORP, INC.
COMPENSATION COMMITTEE CHARTER

The compensation committee of the Board of Directors (the “Board”) of Investors Bancorp, Inc. (the “Company”), shall consist of a minimum of three directors, as determined by the Board. Members of the committee shall be appointed by the Board and may be removed by the Board. All members of the committee shall be independent directors, and shall satisfy the applicable Nasdaq Stock Market listing standards for independence. In addition, all members of the committee shall be “non-employee directors” as defined by Rule 16b-3 under the Securities Exchange Act of 1934, as amended.

The purpose of the committee shall be to assist the Board in carrying out the Board’s overall responsibility relating to executive compensation.

In furtherance of this purpose, the committee shall have the following authority and responsibilities:

1. To assist the Board in developing and evaluating potential candidates for executive positions and to oversee the development of executive succession plans.
2. To recommend to the Board for approval the Chief Executive Officer’s annual compensation, including salary, bonus, incentive and equity compensation. The Chief Executive Officer may not be present during the committee’s deliberations or voting on his compensation.
3. To review and recommend to the Board for approval on an annual basis the evaluation process and compensation structure for the Company’s executive officers and to coordinate compensation determinations for all employees of the Company and its subsidiaries. The committee shall evaluate the performance of the Company’s senior executive officers and shall recommend to the Board the annual compensation, including salary, bonus, incentive and equity compensation, for such executive officers. The committee shall also provide oversight of management’s decisions concerning the performance and compensation of other Company officers.
4. To review the Company’s incentive compensation and other stock-based plans and recommend changes in such plans to the Board as needed. The committee shall make recommendations to the Board as to grant of stock options and stock awards (including to which directors, officers and employees such stock options and stock awards should be granted), the amounts of such grants and whether or not the grant of stock options shall be in the form of incentive stock options) pursuant to any stock-based incentive plan adopted by the Company. The committee shall have and shall exercise all the authority of the Board with respect to the administration of such plans.
5. To prepare and publish an annual executive compensation report in the Company’s proxy statement.

6. To review, as appropriate and in consultation with the Nominating and Corporate Governance Committee, director compensation and benefits.

The committee shall have the authority to delegate any of its responsibilities to subcommittees as the committee may deem appropriate in its sole discretion.

The committee shall have authority to retain such compensation consultants, outside counsel and other advisors as the committee may deem appropriate in its sole discretion. The committee shall have sole authority to approve related fees and retention terms.

The committee shall report its actions and any recommendations to the Board after each committee meeting. The committee shall review at least annually the adequacy of this charter and recommend any proposed changes to the board for approval.

Adopted on July 26, 2005.