

WASHINGTON FEDERAL INC  
Form DEF 14A  
December 05, 2018

SCHEDULE 14A INFORMATION  
Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934

Filed by the Registrant   
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
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- Soliciting Material Pursuant to 240.14a-11(c) or 240.14a-12

Washington Federal, 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.

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- (1) Amount Previously Paid:
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- (3) Filing Party:
- (4) Date Filed:



WASHINGTON FEDERAL, INC.  
425 PIKE STREET  
SEATTLE, WASHINGTON 98101-2334  
(206) 624-7930

December 5, 2018

Dear Shareholder:

You are invited to attend our Annual Meeting of Shareholders to be held on Wednesday, January 16, 2019 at 2:00 p.m., Pacific Time, at the Company's headquarters, 425 Pike Street, Seattle, WA 98101.

We are using the Internet as our primary means of furnishing proxy materials to our shareholders. Consequently, most shareholders will not receive paper copies of our proxy materials. We will instead send these shareholders a notice with instructions for accessing the proxy materials and voting via the Internet. The notice also provides information on how shareholders may obtain paper copies of our proxy materials if they so choose.

We hope that you will attend the meeting in person, but even if you are planning to come, we strongly encourage you to cast your vote in advance of the meeting. This will ensure that your common stock is represented at the meeting. The proxy statement explains more about proxy voting. Please read it carefully. We look forward to your participation.

If you have any questions, please do not hesitate to contact us.

Sincerely,  
Thomas J. Kelley  
Chairman of the Board

WASHINGTON FEDERAL, INC.  
PROXY STATEMENT  
ANNUAL MEETING OF SHAREHOLDERS  
January 16, 2019

WASHINGTON FEDERAL, INC.  
425 PIKE STREET  
SEATTLE, WASHINGTON 98101-2334  
(206) 624-7930

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON WEDNESDAY, JANUARY 16, 2019

NOTICE IS HEREBY GIVEN that an Annual Meeting of Shareholders of Washington Federal, Inc. (the "Company") will be held at the Company's headquarters located at 425 Pike Street, Seattle, WA 98101, on Wednesday, January 16, 2019 at 2:00 p.m. Pacific Time, for the following purposes:

1. To elect two directors for a three-year term ending in 2022 or until their successors are elected and qualified;
2. To approve, by a non-binding advisory vote, the compensation of the Named Executive Officers of the Company;
3. To ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accountants for fiscal year 2019; and
4. To transact such other business as may properly come before the meeting or any adjournment thereof.

The Board of Directors of the Company has fixed November 23, 2018 as the record date for the determination of shareholders entitled to notice of and to vote at the Annual Meeting. Only those shareholders of record as of the close of business on that date will be entitled to vote at the Annual Meeting or at any such adjournment.

By Order of the Board of Directors  
Cathy Cooper  
Executive Vice President & Retail Group Manager and  
Corporate Secretary  
December 5, 2018  
Seattle, Washington

YOU ARE CORDIALLY INVITED TO ATTEND THE ANNUAL MEETING. IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED REGARDLESS OF THE NUMBER YOU OWN. EVEN IF YOU PLAN TO BE PRESENT, YOU ARE URGED TO CAST YOUR VOTE AS SOON AS POSSIBLE. INSTRUCTIONS ON HOW TO VOTE VIA THE INTERNET, TELEPHONE OR BY MAIL ARE CONTAINED BELOW UNDER "PROXY VOTING." IF YOU ATTEND THIS MEETING, YOU MAY VOTE EITHER IN PERSON OR BY YOUR PROXY. ANY PROXY GIVEN MAY BE REVOKED BY YOU IN WRITING OR IN PERSON AT ANY TIME PRIOR TO THE EXERCISE THEREOF.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON WEDNESDAY, JANUARY 16, 2019

This Proxy Statement relating to the 2019 Annual Meeting of Shareholders and the Annual Report to Shareholders for the year ended September 30, 2018 are available for viewing, printing and downloading at

[www.washingtonfederal.com](http://www.washingtonfederal.com).

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This Proxy Statement is furnished to the holders of the common stock ("Common Stock"), of Washington Federal, Inc. ("Washington Federal" or the "Company"), the holding company of Washington Federal, National Association, a national bank, in connection with the solicitation of proxies by the Board of Directors ("Board") of the Company, to be used at the Annual Meeting of Shareholders to be held at the Company's headquarters located at 425 Pike Street, Seattle, WA 98101, on Wednesday, January 16, 2019 at 2:00 p.m. Pacific Time, and at any adjournment thereof (the "Annual Meeting"), for the purposes set forth in the Notice of Annual Meeting of Shareholders. This Proxy Statement is first being sent to shareholders on or about December 5, 2018.

The proxy solicited hereby, if properly signed and returned and not revoked prior to its use, will be voted in accordance with the instructions provided. If no instructions are specified, the proxy will be voted FOR each of the persons nominated to be directors, FOR the approval of the compensation of the Company's Named Executive Officers, FOR the ratification of the appointment of Deloitte & Touche LLP as the Company's independent registered public accountants for fiscal 2019, and upon the transaction of such other business as may properly come before the Annual Meeting, in accordance with the best judgment of the persons appointed as proxies. Other than the matters listed on the attached Notice of Annual Meeting of Shareholders, the Board knows of no additional matters that will be presented for consideration at the Annual Meeting.

Any shareholder giving a proxy has the power to revoke it at any time before it is exercised by: (i) filing written notice with the Secretary of the Company (Secretary, Washington Federal, Inc., 425 Pike Street, Seattle, Washington 98101); (ii) submitting a duly executed proxy bearing a later date; or (iii) appearing at the Annual Meeting and notifying the Secretary of his or her intention to vote in person (although attendance at the Annual Meeting will not in and of itself constitute a revocation of a proxy). Proxies solicited hereby may be exercised only at the Annual Meeting and any adjournment thereof and will not be used for any other meeting.

The Company's fiscal year end is September 30. All references to 2018 and 2017 represent amounts as of September 30, 2018 and September 30, 2017, or activity for the fiscal years then ended, respectively.

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

### Voting Securities

Only shareholders of record at the close of business on November 23, 2018 (the "Voting Record Date") will be entitled to vote at the Annual Meeting. On the Voting Record Date, 81,495,521 shares of Common Stock were issued and outstanding. Each share of Common Stock is entitled to one vote at the Annual Meeting on matters other than the election of directors, for which cumulative voting is permitted, as discussed below under "Proposal One: Election of Director Nominees." A majority of the votes entitled to be cast by shareholders represented in person or by proxy is necessary to constitute a quorum.

### Vote Required

The election of the Company's directors requires a plurality of the votes represented in person or by proxy at the Annual Meeting. However, the Company's Board of Directors has adopted a majority vote policy which provides that, in an uncontested election, if an incumbent Director nominee fails to receive a greater number of votes cast "for" the director's election than "withheld" for such election, the director is required to immediately tender their resignation from the Board to the Company. Upon receipt of the director's resignation, the Nominating and Governance Committee will make a recommendation to the Board about whether to accept or reject the resignation. The Board will act on the Nominating and Governance Committee's recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date that the election results were certified.

The affirmative vote of the holders of a majority of the total votes cast in person or by proxy at the Annual Meeting is required to (i) approve the non-binding resolutions regarding the compensation of the Company's Named Executive Officers, (ii) ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accountants for fiscal 2019, and (iii) approve any other business that properly may come before the Annual Meeting.

Because the vote to approve the resolution on Named Executive Officer compensation is non-binding, it will not be binding on the Board. However, the Company will consider the outcome of the votes when determining future executive compensation.

### Effect of Abstentions and Broker Non-Votes

Shareholders who abstain from voting on any or all proposals and broker non-votes will be included in the number of shareholders present at the Annual Meeting for the purpose of determining the presence of a quorum. Abstentions will not be counted either in favor of or against the election of the nominees or any other proposal. Consequently, abstentions will have no effect on the votes required to approve the nominees for director or the other proposals being considered at the Annual Meeting.

Banks, brokers or other nominees who hold shares of our common stock for a beneficial owner have the discretion to vote on routine proposals when they have not received voting instructions from the beneficial owner of the shares at least ten days prior to the Annual Meeting. A broker non-vote occurs when a bank, broker or other nominee does not receive voting instructions from the beneficial owner and does not have the discretion to direct the voting of the shares. Broker non-votes will be counted for purposes of calculating whether a quorum is present at the Annual Meeting.

If you are a beneficial owner and you do not provide voting instructions to the bank, broker or other nominee that holds your shares, the bank, broker or other nominee will determine if it has the discretionary authority to vote on the particular matter. Banks, brokers and other nominees have the discretion to vote on routine matters, such as the ratification of the selection of our independent registered public accounting firm (Proposal 3), but do not have

discretion to vote on non-routine matters such as the election of directors (Proposal 1), or the non-binding advisory proposal on executive compensation (Proposal 2). A broker non-vote will not affect the outcome of the vote on Proposals 1 or 2. Therefore, if you do not provide voting instructions to your bank, broker or other nominee, your bank, broker or other nominee may only vote any other routine matters properly presented for a vote at the Annual Meeting.



## PROXY VOTING

## Voting in Person at the Annual Meeting, via the Internet, by Telephone or Mail

Record holders of shares of Company common stock may vote in person at the annual meeting, via the Internet, by telephone or, for those shareholders who receive a paper proxy card in the mail, by mailing a completed proxy card. For those record shareholders who receive a paper proxy card, instructions for voting via the Internet, telephone or by mail are set forth on the proxy card. Shareholders electing to vote by mail should sign and mail the proxy card in the addressed, postage paid envelope that was enclosed with the proxy materials, and your shares will be voted at the annual meeting in the manner you direct.

Shareholders whose shares are not registered in their own name are beneficial holders of shares held in street name. Such shares may be held in an account at a bank or at a brokerage firm (your record holder). As the beneficial holder, you have the right to direct your record holder on how to vote your shares, and you will receive instructions from your record holder that must be followed in order for your record holder to vote your shares per your instructions. Many banks and brokerage firms have a process for their beneficial holders to provide instructions via the Internet or by telephone. Shares held beneficially in street name may be voted by you in person at the annual meeting only if you obtain a legal proxy from your record holder giving you the right to vote such shares in person at the annual meeting.

For those shareholders who receive a Notice of Internet Availability of Proxy Materials, the Notice of Internet Availability of Proxy Materials provides information on how to access your proxy on the Internet, which contains instructions on how to vote via the Internet or by telephone. If you received a Notice of Internet Availability, you can request a printed copy of your proxy materials by following the instructions contained in the notice.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information with respect to: any person or entity known by the Company to be the beneficial owner of 5% or more of the issued and outstanding Common Stock.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage Ownership	
Blackrock, Inc. and Subsidiaries 400 Howard Street San Francisco, California, 94105	11,686,660	(1) 14.13	%
Vanguard Group, Inc. 100 Vanguard Boulevard Valley Forge, Pennsylvania, 19482	9,278,642	(1) 11.22	%
Dimensional Fund Advisors 6300 Bee Cave Road Austin, Texas, 78746	7,118,501	(1) 8.61	%

1. As disclosed on Forms 13F filed with the SEC for the quarter ended September 30, 2018.

The following table sets forth information as of November 23, 2018 regarding the beneficial ownership by shares of Common Stock by each of the (i) directors, (ii) executive officers named in the Summary Compensation Table and (iii) all directors and executive officers as a group.

Name	Title	# of Shares (1)	Percentage Ownership
David K. Grant	Director	34,400	0.04
Anna C. Johnson	Director	30,590	0.04
Thomas J. Kelley	Chairman of the Board	22,385	0.03
Barbara L. Smith	Director	22,100	0.03
S. Steven Singh	Director	30	—
Mark N. Tabbutt	Director	68,900	0.08
Randall H. Talbot	Director	29,850	0.04
Roy M. Whitehead	Director, Former Executive Chairman of the Board	225,710	(2)0.28
Brent J. Beardall	President and Chief Executive Officer	250,229	(3)0.31
Vincent L. Beatty	Executive Vice President and Chief Financial Officer	51,994	(4)0.06
Cathy E. Cooper	Executive Vice President and Retail Banking Group Manager	47,320	(5)0.06
Robert D. Peters	Executive Vice President and Commercial Banking Group Manager	52,808	(6)0.06
Kim E. Robison	Executive Vice President and Operations Manager	31,648	(7)0.04
Mark A. Schoonover	Executive Vice President and Chief Credit Officer	137,717	(8)0.17
All Directors and Named Executive Officers as a group (14 persons)		1,005,681 (9)	1.23 %

Except as indicated in the footnotes to this table, each shareholder named in the table above has sole voting and investment power for the shares shown as beneficially owned by them. This information is based on information furnished by the respective directors and executive officers. The percentage of outstanding shares of Common Stock is based on the 81,495,521 shares of Common Stock issued and outstanding on November 23, 2018.

1. Mr. Whitehead's ownership includes 25,000 shares of unvested restricted and performance-based Common Stock.
2. Mr. Beardall's ownership includes 95,833 shares of unvested restricted and performance-based Common Stock and 18,102 shares of Common Stock held in the Washington Federal 401(k) and Stock Ownership Plan (the "Retirement Plan").
3. Mr. Beatty's ownership includes 37,500 shares of unvested restricted and performance-based Common Stock.
4. Mrs. Cooper's ownership includes 33,000 shares of unvested restricted and performance-based Common Stock and 7,508 shares of Common Stock held in the Retirement Plan.
5. Mr. Peters' ownership includes 35,500 shares of unvested restricted and performance-based Common Stock.
6. Mrs. Robison's ownership includes 29,100 shares of unvested restricted and performance-based Common Stock.
7. Mr. Schoonover's ownership includes 45,000 shares of unvested restricted and performance-based Common Stock.
8. This includes an aggregate of 25,610 shares held by the Retirement Plan for the benefit of executive officers of the Company's wholly-owned subsidiary, Washington Federal, N.A. (the "Bank"). Directors, unless current or former employees of the Bank, do not participate in the Retirement Plan. The Retirement Plan is a qualified, defined contribution profit sharing and employee stock ownership plan maintained for all eligible employees of the Bank. The shares of Common Stock held by the Retirement Plan are voted by the trustees of such plan at their discretion, but the disposition of such shares can be directed only by the employee to whose account the shares are allocated. The trustees of the Retirement Plan are Larry Berg, Brice Bolen, Ryan Mauer, Lisa King and Robert Zirk, who are

all employees of the Bank.

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#### Insider Ownership and Trading Guidelines

Each Director is expected to own Common Stock in the amount equivalent to 3 times the annual amount of director fees received during the fiscal year. Director fees are defined to include all cash received for director and committee meetings attended, all retainer fees received and the market value of any stock awards. All common stock over which the Director has voting rights count toward the ownership guideline. The expectation is that the ownership levels will be reached within 5 years of appointment to the Board.

The Chief Executive Officer is expected to own Common Stock in the amount equivalent to 5 times his annual base salary. The base salary does not include the value of any retirement contributions, insurance payments, cash bonus payments, or stock options or stock awards. All common stock over which the Chief Executive Officer has voting rights, including unvested restricted stock, count toward the ownership guideline. The expectation is that this ownership level will be reached within 5 years of appointment.

Named Executive Officers ("NEOs"), excluding the Chief Executive Officer, are expected to own Common Stock in the amount equivalent to 2 times their annual base salary. The base salary does not include the value of any retirement contributions, insurance payments, cash bonus, stock options or stock awards. All shares over which the NEO has voting rights, including unvested restricted stock, count toward the ownership guideline. The expectation is that this ownership level will be reached within 5 years of appointment.

All Directors and NEOs are in compliance with the aforementioned ownership guidelines as of the record date.

Directors and employees may not "hedge" their Company stock by engaging in short sales or by trading in any options contracts or other derivative securities relating to Company stock or pledge their Company stock in margin accounts.

## PROPOSAL ONE: ELECTION OF DIRECTORS

### General

The Restated Articles of Incorporation of the Company provide that the Board shall be divided into three classes as nearly equal in number as possible, and that the members of each class shall be elected for terms of three years and until their successors are elected and qualified, with one of the three classes of directors to be elected each year. The number of directors currently authorized by the Company's Amended and Restated Bylaws for the Board is up to nine.

Pursuant to the Company's Restated Articles of Incorporation, at each election of directors every shareholder entitled to vote has the right to vote, in person or by proxy, the number of shares owned by him or her for as many persons as there are directors to be elected. A shareholder may also cumulate his or her votes by giving one candidate as many votes as the number of such directors to be elected multiplied by the number of his or her shares shall equal, or by distributing such votes on the same principle among any number of candidates.

At the Annual Meeting, shareholders will be asked to elect two directors for a three-year term, to continue to serve until their successors are elected and qualified. The Board, upon the recommendation of the Nominating and Governance Committee, has nominated Thomas J. Kelley and Barbara L. Smith to a three-year term. Erin N. Lantz, who was previously a member of this class of directors, resigned from the Board on August 29, 2018 as a result of an acquisition by her current employer which could represent a conflict of interest.

Each of the nominees currently serves as a director of the Company, and Thomas J. Kelley is Chairman of the Board, effective October 22, 2018. There are no arrangements or understandings between the persons named and any other person concerning selection as a nominee for election as a director at the Annual Meeting, and no director or nominee for director is related to any other director or executive officer of Washington Federal by blood, marriage or adoption.

Per the terms of a Transition Agreement dated January 23, 2017 and the previously announced succession plan, Mr. Whitehead transitioned the position of Chairman of the Board to Mr. Kelley on October 22, 2018, and will remain a member of the Board of Directors through December 31, 2018.

If any person named as nominee should be unable or unwilling to stand for election at the time of the Annual Meeting, the proxies will nominate and vote for any replacement nominee or nominees recommended by the Board of the Company. Alternatively, under such circumstances, the Board may reduce the number of directors of the Company. The Company knows of no reason why any of the nominees may not be able to serve as director if elected.

## Information with Respect to Nominees for Director and Continuing Directors

The following tables set forth information relating to continuing directors of the Company and the nominees for election as directors.

## Nominees for Three Year Terms Expiring In 2022

Name	Age	Positions with Washington Federal and Principal Occupation During Past Five Years	Director Since
Thomas J. Kelley	70	Chairman of the Board; Former Managing Partner of the Moscow Russia office of Arthur Andersen from 1997 to 2002 with overall management responsibility for the audit, tax and consulting practices in Moscow and the audit practice in nine offices in the former Soviet Union countries. From 2002 to 2012 Mr. Kelley served as an instructor in the Department of Accounting Albers School of Business at Seattle University. Mr. Kelley's financial expertise is a necessary component of the board. His career in finance and public accounting was centered on the audit of financial services firms.	2005
Barbara L. Smith	69	Director; Owner Barbara Smith Consulting since 1992 providing expertise in leadership development, strategic planning, group dynamics, organization change and executive coaching. Ms. Smith has a Ph.D. in organizational psychology from the University of Washington and has taught classes at the University of Washington and Seattle University in these subjects. Her background is most useful to the board in assessing the leadership ability of management, the health of the corporate culture and overall effectiveness of the organization.	2006

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS  
A VOTE "FOR" THE DIRECTOR NOMINEES LISTED ABOVE

## Directors with Terms Expiring In 2020

Name	Age	Positions with Washington Federal and Principal Occupation During Past Five Years	Director Since
David K. Grant	65	Director; Managing Partner of Catalyst Storage Partners, a real estate investment and asset management business since November 2007. Former Chief Executive Officer of Shurgard, Inc. until acquired by Public Storage in August 2006. In addition to his operating experience in managing complex and successful businesses, Mr. Grant is a former Certified Public Accountant with substantial experience reviewing and understanding financial statements, SEC reporting, complex real estate transactions and internal controls.	2012
Anna C. Johnson	67	Director; Consultant to Travel Leaders Scan East West Travel, a travel agency based in Seattle, WA, previously known as Scan East West Travel. Ms. Johnson founded and served as President of Scan Travel Ltd. in 1971, which merged with Scan East West Travel in 1992. Ms. Johnson served as a partner and Managing Director of Scan East West Travel from 1992 to early 2017. Ms. Johnson was a successful business owner who built a first-quality travel agency. Ms. Johnson's experience in operating a small business brings important commercial insights to the Board.	1995
Randall H. Talbot	65	Director; Managing Director of Talbot Financial LLC, an investment advisory firm since June 2010. Mr. Talbot served as Director, Chief Executive Officer and President of Symetra Financial Corporation from 2004 to June 2010, and as Director of Concur Technologies, Inc. from March 2008 to November 2014. Mr. Talbot joined the former parent of Symetra	2012

Financial Corporation, Safeco Corporation, in 1998, and from 1998 to 2004 he served as President of Safeco Life Insurance Company. Mr. Talbot has experience in the areas of commercial real estate finance, investments, insurance, risk management, SEC reporting and financial management.

## Directors with Terms Expiring In 2021

Name	Age	Positions with Washington Federal and Principal Occupation During Past Five Years	Director Since
Roy M. Whitehead (1)	66	Director; Former Executive Chairman of the Board, Mr. Whitehead served as the Company's Chief Executive Officer from October 2000 to March 2017 and President from March 1999 to March 2017. With over forty years in banking, Mr. Whitehead provides valuable industry expertise. As Executive Chairman, he coordinates the activities of the Board and its interactions with Management, and oversees the transition of the Company's leadership.	1999
Mark N. Tabbutt	54	Director; Chairman of Saltchuk since October 2008. Saltchuk is a Seattle-based family of transportation and distribution companies focused on North America and is one of the largest privately held companies in the State of Washington. Mr. Tabbutt has experience in acquisitions, strategic planning, financing, capital allocation and managing a diversified group of companies.	2011
Brent J. Beardall	47	Director; President and Chief Executive Officer since April 2017; President since July 2016; Executive Vice President and Interim Chief Financial Officer from September 2015 to May 2016 and Chief Banking Officer from March 2014 to April 2017; Executive Vice President and Chief Financial Officer from October 2003 to March 2014. Mr. Beardall has worked in the banking industry for over 25 years and has experience in virtually all aspects of the business. As Chief Executive Officer he provides practical advice on the operational impact of board policy making and strategy development.	2017
S. Steven Singh	57	Director; Since May 2017, Mr. Singh has served as the Chairman and Chief Executive Officer of Docker, Inc., a privately held provider of an open source software container platform. Prior to Docker, Mr. Singh was CEO of Concur Technologies, Inc. from 1996 to 2014, a travel and expense management software company and one of the first SaaS solutions on the market, and Chairman from 1999 to 2014. Mr. Singh has over 20 years of senior executive experience in building and scaling world-class software companies including some of the most successful brands in technology, including serving as President of Business Networks & Applications and a member of the Executive Board of SAP SE, which acquired Concur in 2014. Mr. Singh has been a member of the board of directors of DocuSign, Inc., a publicly traded company enabling business to digitally prepare and execute agreements, since August 2018, Chairman of the Board of Directors of Talend SA, a publicly traded enterprise data integration software vendor, since November 2017 and a member of its board since October 2016, and serves as Chairman of the Board of Center ID, which offers small business spend management solutions, and Modumental Inc., a materials manufacturer.	2018

(1) As discussed above, Mr. Whitehead will retire from the Board effective December 31, 2018.



## Executive Officers

The following table sets forth information concerning the executive officers of the Company as of September 30, 2018 (excluding the President and CEO Brent J. Beardall, whose information is included above under Directors). Executive officers of the Company are elected by the Board on an annual basis and serve until their successors have been duly elected and qualified.

Name	Age	Positions with Washington Federal and Principal Occupation During Past Five Years
Vincent L. Beatty	58	Executive Vice President and Chief Financial Officer since October 2017; Senior Vice President and Chief Financial Officer from May 2016 to October 2017; Chief Financial Officer for the Federal Home Loan Bank of Seattle from 2008 to June 2015.
Cathy E. Cooper	52	Executive Vice President and Retail Banking Group Manager since September 2016; Corporate Secretary since October 2018; Senior Vice President and Retail Client Experience February 2016 to September 2016; Senior Vice President and Marketing Communications Manager from 2009 to February 2016.
Robert D. Peters	57	Executive Vice President and Commercial Banking Group Manager since December 2016; Senior Vice President and Director of Corporate Banking from February 2015 to December 2016; Commercial Banking Market Executive from May 2007 through October 2013 and Washington State President from 2010 to 2013 for Bank of America.
Kim E. Robison	48	Executive Vice President and Operations Group Manager since April 2017; Senior Vice President and Deposit Operations Group Manager from January 2016 to April 2017; Senior Vice President and Training Manager from October 2014 to January 2016; Vice President and Training Manager from October 2010 to October 2014.
Mark A. Schoonover	60	Executive Vice President and Chief Credit Officer since March 2008.

## Section 16(a) Beneficial Ownership Reporting Compliance

Under Section 16(a) of the Exchange Act, the Company's directors and executive officers and any persons holding more than 10% of the outstanding Common Stock ("Reporting Person") of the Company must report their ownership of the Company's securities and any change in that ownership to the SEC by specific dates. Based solely on reviewing the reports filed by the Reporting Persons and the written representations from the Company's directors and executive officers, the Company believes that during the fiscal year ended September 30, 2018 the Reporting Persons met all applicable Section 16(a) filing requirements.

## CORPORATE GOVERNANCE

### The Board of Directors and Its Committees

The Board held a total of 8 meetings and acted by unanimous written consent 1 time during the last fiscal year. No incumbent director attended fewer than 75% of the Board meetings and Board committee meetings (for committees on which he or she served) held during his or her tenure in office during the last fiscal year. Although the Company does not have a formal policy regarding attendance by directors at annual meetings of shareholders, directors are expected to attend such meetings. All directors who were on the Board at the time of the 2018 Annual Meeting were present.

The Board has established various committees, including an Executive Committee, an Audit Committee, a Nominating and Governance Committee, a Regulatory Compliance Committee, a Risk Management Committee and a Compensation Committee. A copy of each of the Committee's Charters is available on the Company's website at [www.washingtonfederal.com](http://www.washingtonfederal.com). The Board has affirmatively determined that a majority of the Company's directors are independent pursuant to the listing requirements of the Nasdaq Stock Market LLC ("NASDAQ"). The current independent directors are Messrs. Kelley - Chair, Grant, Tabbutt, Talbot and Singh and Mses. Johnson and Smith. The independent directors held two regularly scheduled executive sessions during the past fiscal year. The Board also has affirmatively determined that each member of the Audit Committee, Regulatory Compliance Committee, Compensation Committee, Nominating and Governance Committee and Risk Management Committee of the Board is independent within the meaning of applicable laws and regulations and the listing requirements of NASDAQ. The Board also has affirmatively determined that each member of the Audit Committee is an audit committee financial expert as defined by the SEC.

The Board selects certain members to serve on its Executive Committee. The present Executive Committee consists of Messrs. Kelley - Chair, Tabbutt and Talbot. The Executive Committee is authorized to exercise all the authority of the Board in the management of the Company between board meetings unless otherwise provided by the Amended and Restated Bylaws. The Executive Committee did not meet during the past fiscal year.

The Audit Committee during fiscal year 2018 consisted of Messrs. Kelley - Chair, Grant and Talbot. Effective October 22, 2018, the Audit Committee consists of Messrs. Grant - Chair, Talbot and Singh. The Audit Committee's primary responsibilities include review of all financial reports, oversight of the internal audit and loan review functions, appointment of independent auditors, pre-approval of all services performed by the independent registered public accountants and review of all related party transactions. The Audit Committee met on four occasions during the past fiscal year.

The Compensation Committee consists of Dr. Smith - Chair and Ms. Johnson and Mr. Grant. No member of the Compensation Committee has served as an officer or an employee of Washington Federal or its subsidiaries. The Compensation Committee is responsible for all personnel and compensation related matters and makes policy recommendations to the Board. Further, the Compensation Committee is authorized to act under the Company's stock benefit plans to grant stock options and restricted shares. The Compensation Committee met twice during the past fiscal year.

The Risk Management Committee during fiscal year 2018 consisted of Messrs. Talbot - Chair and Tabbutt and Ms. Lantz, who resigned effective August 29, 2018. Effective October 22, 2018, the Risk Management Committee consists of Messrs. Talbot - Chair, Tabbutt and Singh. The Risk Management Committee is responsible for providing ongoing review, guidance and oversight of the Company's enterprise risk management function, including recommending risk tolerance limits to the Board. The Risk Management Committee met four times during the past fiscal year.

The Nominating and Governance Committee consists of Ms. Johnson - Chair and Messrs. Kelley and Tabbutt. The Nominating and Governance Committee is responsible for establishing and overseeing the general responsibilities and functions of the Board, to assist the Board in identifying and qualifying individuals to serve as directors and to approve nominations for their election. For the present Annual Meeting, the Board appointed Ms. Johnson - Chairman and Messrs. Kelley and Tabbutt to continue to serve on the Nominating and Governance Committee. The Nominating and Governance Committee met once during the past fiscal year.

The Regulatory Compliance Committee during fiscal year 2018 consisted of Mr. Tabbutt - Chair, Dr. Smith and Ms. Lantz, who resigned effective August 29, 2018. Effective October 22, 2018, the Regulatory Compliance Committee consists of Mr. Tabbutt - Chair, Dr. Smith and Mr. Kelley. The primary responsibility of the Regulatory Compliance Committee is to monitor the Company's and all subsidiaries compliance with all applicable laws and regulations. The Regulatory Compliance Committee met nine times during the past fiscal year.

## Board Leadership Structure and the Board's Role in Risk Oversight

The leadership structure of the Board currently consists of a Chairman of the Board. Mr. Tom Kelley brings to his role as Chairman knowledge regarding the history, strategy, business and operations of the Company. Chairman Kelley coordinates the agenda and previously acted as Chair for periodic meetings of the independent directors and served as their liaison with the former Chairman of the Board, Roy M. Whitehead and the Chief Executive Officer. Mr. Whitehead served in the role as Chairman through October 22, 2018 and will continue as a member of the Board until the end of 2018, at which time he will retire.

The Company's Board endorses the view that one of its primary functions is to protect shareholders' interests by providing oversight of management, including the Chief Executive Officer. With the promotion of a new Chief Executive Officer, and the increasing amount of responsibility placed on our Board of Directors, the Company determined it would be beneficial to have a separate chairman whose sole job was leading the Board. Accordingly, in 2017 we separated the positions of Chairman of the Board and the Chief Executive Officer. However, the Board does not believe that mandating a particular structure is necessary to achieve effective oversight, and the Board retains the authority to modify this structure when and if appropriate in the best interest of our shareholders.

Risk is inherent with every business, and how well a business manages risk can ultimately determine its success. The Company faces a number of risks, including credit risk, interest rate risk, liquidity risk, operations risk, regulatory risk, strategic risk and reputation risk. The Board is responsible for establishing the Company's risk appetite and setting appropriate risk policies. Management is responsible for managing the Company's risks on a day-to-day basis.

The Risk Management Committee is responsible for providing ongoing review, guidance and oversight of the Company's enterprise risk management function. The Company's Chief Risk Officer reports directly to the Risk Management Committee. In addition, the Managers of the Company's Internal Audit and Loan Review Departments report directly to, and meet regularly with, the Audit Committee. Executive Management attends all board meetings and is available to address any questions or concerns raised by the Board on risk management and any other matters. Executive Management and the Board work together to provide strong oversight of the Company's management and affairs through its standing committees, Board meetings and Independent director meetings.

## Selection of Nominees for the Board

The Nominating and Governance Committee considers candidates for director suggested by its members, other directors of the Company, as well as management and shareholders. The Nominating and Governance Committee also may solicit prospective nominees. In addition, nominees for election as director may be obtained in connection with acquisitions by the Company. A shareholder who desires to recommend a prospective nominee for the Board should notify the Company's Corporate Secretary or any member of the Nominating and Governance Committee in writing with whatever supporting material the shareholder considers appropriate. The Nominating and Governance Committee also considers whether to nominate any person recommended pursuant to the provision of the Company's Amended and Restated Bylaws relating to shareholder nominations, which is described under "Shareholder Nominations" below. The Nominating and Governance Committee has the authority to retain a third-party search firm to help identify and evaluate potential nominees.

## Director Qualifications

In making recommendations for nominees to the Board, the Nominating and Governance Committee reviews and considers the qualifications, strengths and abilities of the potential candidate for nomination. In deciding whether to recommend the re-nomination of an incumbent director whose term is expiring at an upcoming meeting or the nomination of new directors who may have previously served as officers of Washington Federal, the Nominating and

Governance Committee considers their prior performance as directors of the Company in addition to the candidates' other qualifications. For new candidates, the review process may require additional evaluation and consideration.

The Nominating and Governance Committee works with the Board to identify the particular qualities and abilities that Washington Federal seeks in its directors generally, and the mix of experience, expertise and attributes that are sought or required for the Board as a whole. Desirable personal qualities include integrity, business acumen and industry knowledge. Accordingly, the Board in selecting nominees will consider criteria such as financial, regulatory and business experience; familiarity with, and participation in, local communities served by the Company; integrity, honesty and reputation; dedication to the Company and its shareholders; and any other factors the Board deems relevant, including age, diversity, size of the Board and regulatory disclosure obligations. All candidates for nomination are evaluated against these target qualities and attributes, as well as the Board's particular needs at the time.

Director Retirement

The Board has adopted a director retirement policy that provides that no person will be nominated by the board of directors to serve as a director following the date he or she turns 72.

#### Shareholder Nominations

Pursuant to Article IV, Section 4.15 of the Company's Amended and Restated Bylaws, shareholders may nominate persons for election to the Board by submitting such written nominations to the Secretary of the Company at least ninety (90) days prior to the anniversary date of the mailing of proxy materials by the Company in connection with the immediately preceding Annual Meeting of Shareholders of the Company. The Secretary of the Company will promptly forward all nominations to the Nominating and Governance Committee. Such shareholder's notice shall set forth: (a) the name and address of the shareholder making the nomination and of the person or persons to be nominated; (b) a representation that the shareholder is a holder of record of stock of the Company entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (c) a description of all arrangements or understandings between the shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder; (d) such other information regarding each nominee proposed by such shareholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the SEC; and (e) the consent of each nominee to serve as a director, if elected. Once the Nominating and Governance Committee receives the nomination of a candidate and the candidate has complied with the minimum procedural requirements set forth in the Company's Amended and Restated Bylaws, such candidacy will be evaluated and a recommendation with respect to such candidate will be delivered to the Board. If a nomination is made in accordance with applicable requirements, then ballots will be provided for use by shareholders at the shareholder meeting bearing the name of such nominee or nominees. No nominations for election as a director at the upcoming Annual Meeting were submitted to the Company in accordance with the foregoing requirements.

#### Communications with the Board

The Board provides every shareholder the ability to communicate with the Board as a whole and with individual directors on the Board. Shareholders who wish to do so may send written communications to the following address: Board of Directors-Shareholder Communications, c/o Secretary, 425 Pike Street, Seattle, Washington 98101. The Secretary will forward such communication to the director or directors to whom they are addressed.

#### Code of Conduct and Ethics

The Company maintains a Code of Ethics that covers all directors, officers and employees of Washington Federal and its subsidiaries. The Code of Ethics requires, among other things, that the directors, officers and employees exhibit and promote the highest standards of honesty and ethical conduct; avoid conflicts of interest; comply with laws, rules and regulations; and otherwise act in the best interest of the Company and its subsidiaries. In addition, the Company maintains a separate Code of Ethics for Senior Financial Officers that imposes specific standards of conduct on persons with financial reporting responsibilities at the Company. Each senior financial officer of the Company, including its Chief Executive Officer and Chief Financial Officer, is required to annually certify in writing his or her compliance during the prior year with the Code of Ethics for Senior Financial Officers. A copy of the Director and Employee Code of Ethics and Code of Ethics for Senior Financial Officers can be viewed on Washington Federal's website at [www.washingtonfederal.com](http://www.washingtonfederal.com). A waiver of such codes for an executive officer or director may be made only by the Board and must be promptly disclosed as required by SEC or NASDAQ rules. The Company will disclose any such waivers, as well as any amendments to the code on its website. No such waivers were requested or granted during 2018 or 2017.

#### Compensation Committee Interlocks And Insider Participation

No member of the Compensation Committee was an employee or former employee of the Company or any of its subsidiaries. During fiscal 2018, none of the Company's executive officers served as: (1) a member of the compensation committee (or other committee of the board of directors performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another entity one of whose executive officers served on the Compensation Committee; (2) a director of another entity one of whose executive officers served on the Compensation Committee; or (3) a member of the compensation committee (or other committee of the board of directors performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another entity, one of whose executive officers served as a director on the Company's Board.

## Related Person Transactions

The Company's wholly-owned subsidiary, Washington Federal, National Association (the "Bank") will from time to time make loans to directors, executive officers and employees at prevailing market interest rates. Such loans are made in the ordinary course of business on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons not related to the Bank or the Company and that do not involve more than the normal risk of collectability or present other unfavorable features. As of September 30, 2018, there are six loans outstanding to, or guaranteed by, directors. The loans were made at market terms to the directors or their affiliates. The loans are performing in accordance with contractual terms. There is additionally outstanding one residential loan to a Named Executive Officer that existed prior to their appointment as an executive officer of the Company. This loan was made at market terms and is performing in accordance with contractual terms.

The Company is also subject to Regulation O of the Board of Governors of the Federal Reserve System, 12 C.F.R. § 215, which governs extensions of credit by the Company to its executive officers and directors, and has in place a Regulation O policy to ensure any extension of credit to an executive officer or director is in compliance with the requirements of Regulation O. The policy requires that all extensions of credit to executive officers or directors be approved by a majority of the disinterested members of the Board of the Company prior to origination.

The Company regularly monitors its business dealings and those of its Directors and executive officers to determine whether any existing or proposed transactions would require proxy disclosure under Item 404(a) of Regulation S-K. In addition, our Code of Conduct requires the directors and executive officers to notify the Company of any relationships or transactions that may present a conflict of interest, including those involving family members. If a transaction is identified, the Company determines if the transaction should be permitted and the disclosure required.

In accordance with its written charter, the Audit Committee reviews, approves and ratifies any newly originated related person transaction. The term "related person transaction" refers to any transaction required to be disclosed in the Company's filings with the SEC pursuant to Item 404 of Regulation S-K. In considering any related person transaction, the Audit Committee considers the facts and circumstances regarding such transaction, including, among other things, the amounts involved, the relationship of the related person (including those persons identified in the instructions to Item 404(a) of Regulation S-K) with the Company and the terms that would be available in a similar transaction with an unaffiliated third-party. The Audit Committee also considers its fiduciary duties, obligations under applicable securities law, including disclosure obligations and director independence rules, and other applicable law in evaluating any related person transaction. The Audit Committee reports its determination regarding any related person transaction to the Company's Board. All new related person transactions are approved by a majority of the disinterested members of the Board and reported to the Audit Committee.



## REPORT OF THE AUDIT COMMITTEE

The following "Report of the Audit Committee" shall not be deemed incorporated by reference by any general statement incorporating this Proxy Statement into any filing under the Securities Act of 1933 (the "Securities Act") or under the Exchange Act of 1934 (the "Exchange Act"), except to the extent that the Company specifically incorporates this information by reference, and shall not otherwise be deemed filed under the Securities Act or the Exchange Act.

The Audit Committee performs a critical role in the Company's financial reporting system by overseeing and monitoring management's and the independent auditor's participation in the financial reporting process. The Audit Committee is governed by a charter adopted by the Board, and during the fiscal year, fulfilled its duties and responsibilities as outlined in its charter.

The Audit Committee is comprised solely of independent directors as defined by Nasdaq listing standards and Rule 10A-3 of the Securities and Exchange Act of 1934. All members have sufficient knowledge in financial and auditing matters to understand the Company's financial reports to serve on the Audit Committee and have been designated by the Board as "Audit Committee Financial Experts" in compliance with the criteria established by the SEC.

The independent auditors have reviewed the financial information included in the Company's quarterly reports on Form 10-Q prior to the filing of such reports with the SEC and such reviews have been discussed with the Audit Committee.

The Audit Committee has reviewed and discussed the audited financial statements with management. The Audit Committee has discussed with the independent registered public accountants the matters required to be discussed in accordance with auditing standards, including the matters required by Auditing Standard No. 1301, Communications with Audit Committees (AS 1301), issued by the Public Company Accounting Oversight Board ("PCAOB"), as may be modified or supplemented. The Audit Committee has received the written disclosures and the letter from the independent registered public accountants as required by the PCAOB and has discussed with the independent registered public accountants their independence.

Based on the reviews and discussions described above, the Audit Committee recommended to the Board that the audited consolidated financial statements be included in Washington Federal's Annual Report on Form 10-K for the fiscal year ended September 30, 2018 for filing with the SEC.

The Audit Committee also has selected Deloitte & Touche, LLP as the independent registered public accounting firm for fiscal year 2019 as more fully described in this Proxy Statement under the caption "Proposal 3: Ratification of appointment of independent auditors."

## AUDIT COMMITTEE

Thomas J. Kelley, Chairman  
David K. Grant  
Randall H. Talbot

Messrs. Kelley - Chair, Grant and Talbot were the members of the Audit Committee who engaged in the review and discussions and made the recommendation referred to above in the Report of the Audit Committee. Subsequently, the Audit Committee was reconstituted, such that, as of the date of this proxy statement, the members of the Audit Committee are Messrs. Grant - Chair, Talbot and Singh.



## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

#### Overview

The Board appoints annually the Compensation Committee, which is responsible for establishing and overseeing the Company's executive compensation programs, including the following:

- Annually reviewing and recommending to the Board executive compensation, including the compensation of the CEO and other Named Executive Officers, including base salaries, incentive awards and equity-based awards;
- Overseeing and administering the Company's short-term incentive compensation plans;
- Overseeing and administering the Company's long-term, equity-based compensation plans;
- Overseeing the Company's 401(k) and other benefit plans;

This discussion in this Compensation Discussion and Analysis ("CD&A") focuses on our CEO, CFO, the three most highly compensated executive officers (other than our CEO and CFO) for the past fiscal year, and our former Executive Chairman, who would have been one of our three most highly compensated executive officers had he been serving as an executive officer as of the end of fiscal 2018. These officers are collectively referred to herein as our Named Executive Officers, or "NEOs."

On behalf of the Board, the Compensation Committee seeks to assure that compensation paid to the NEOs, including the CEO, is fair, reasonable and competitive, and is linked to protecting and increasing shareholder value.

#### Executive Compensation Philosophy

The Board and its Compensation Committee believe the intent of executive compensation and the Company's benefit programs is to both encourage and reward behaviors that ultimately contribute to the achievement of the Company's organizational goals and produce maximum value to its shareholders over the long term. The following core principles are used to guide decisions regarding these programs:

- Executive compensation must be competitive with relevant markets where the Company competes for employees, to ensure that the Company is able to attract, retain and motivate top performing executive officers;
- The interests of executives should be aligned with those of the Company's shareholders;
- Incentives are to be provided to promote the achievement of operating goals as a step toward fulfilling long-term strategic objectives;
- Rewards should be linked to both company-wide performance and individual performance;
- Executive compensation should be perceived to be fair by parties with interests in the Company's success; and
- Programs must be designed to ensure that the Company is not exposed to excessive risks.

To achieve the objectives of the organization within the parameters of these core principles, the Board and its Compensation Committee have determined that the Company's executive compensation program should consist of the following elements:

**Base Salary** - Base pay opportunities are competitive with other relevant organizations in the markets where the Company competes for employees. Individual pay determinations involve consideration of incumbent qualifications and performance.

**Short-Term Incentives** - Executive management has a significant portion of competitive targeted annual cash compensation at risk, contingent upon meeting pre-defined organization, group and/or individual goals in

performance areas they can substantially influence.

• Long-Term Incentives - Executive management has a significant portion of its competitive total compensation opportunity linked to increases in shareholder value.

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Benefits - The Company assists executive management in meeting important needs such as retirement income, health care, survivor income, disability income, time-off and other needs through competitive, cost-effective, organization-sponsored programs that provide employees with reasonable flexibility in meeting their individual needs. Decisions regarding the Company's executive compensation program, as well as individual pay decisions, are made in the context of the Company's principles and its ability to pay, as determined by its financial results.

#### Role of the Compensation Committee

The Compensation Committee is responsible for, among other things, developing executive compensation recommendations for approval by the Board. As part of its responsibilities, the Compensation Committee reviews and establishes compensation for all of the Company's executive officers and reviews these decisions with the Board as appropriate.

The Compensation Committee is comprised entirely of directors who meet the independence requirements as defined by applicable NASDAQ rules, are deemed "non-employee directors" under Rule 16b-3 of the Exchange Act, as amended, and satisfy the requirements of "outside directors" for purposes of Section 162(m)(4)(C) of the Internal Revenue Code.

A key objective of the Compensation Committee is to further the core compensation principles described above through a compensation structure comprised of base salary and long-term and short-term incentive-based compensation. Since the majority of total compensation is incentive based, a direct link is established between executive compensation and the long-term performance of Washington Federal.

In making its recommendations to the Board concerning executive compensation, the Compensation Committee reviewed relevant market data on the financial performance of both national and regional financial institutions, specifically banks, which the Company views as its peer group. Such data is used as a point of reference but is not the deciding factor in establishing appropriate compensation for executive officers of Washington Federal, due to the variety of circumstances, financial performance, geography and business plans of the peer group institutions.

The Compensation Committee has the authority to directly engage outside consultants. The Compensation Committee directly retained the services of Willis Towers Watson as a compensation consultant during fiscal year 2018 to assist with an evaluation of the competitiveness of our overall executive compensation for the CEO and all NEOs. The Compensation Committee assessed the independence of Willis Towers Watson and determined that their work did not raise any conflict of interest.

#### Benchmarking

Peer group benchmarking is used as one data point by the Compensation Committee in making executive compensation decisions. To determine competitiveness in the Company's market, the Compensation Committee is provided with a detailed analysis of proxy statements from 17 peer group companies. The Company's peer group for the 2018 fiscal year analysis consisted of a similarly sized financial institutions ranging in asset size from \$9 billion to \$25 billion (the "Peer Group"), which were as follows:

Bank of Hawaii Corp., Columbia Banking System, Inc., Banner Corp., First Interstate Bancsystem, Inc., First Midwest Bancorp, Inc., Glacier Bancorp, Inc., MB Financial, Inc., NBT Bancorp, Inc., Old National Bancorp, Prosperity Bancshares, Inc., TCF Financial Corp., Texas Capital Bancshares, Inc., Trustmark Corp., UMB Financial Corp., Umpqua Holdings Corp., United Bankshares, Inc., and Western Alliance Bancorporation.

## Total Compensation

Total executive compensation is tied to performance and is structured to ensure focus on financial results, shareholder return, individual performance, and the responsibility and experience of executive officers.

In considering 2018 executive compensation decisions, the Compensation Committee with the assistance of Willis Towers Watson conducted a benchmark study using the most recent proxy data for each of the companies in the Peer Group. The Compensation Committee concluded that the pay positioning and overall compensation levels of the Company's NEOs are within competitive norms. The evaluation included a market study of certain senior management positions, including the NEOs, and determined at that time that the CEO's target compensation was 63% of the median for the Peer Group, and that the other NEOs combined were at 108% of the median target compensation of the Peer Group. Based on these results, and as described further below, the Compensation Committee did not recommend any significant changes to the Company's executive compensation philosophy for fiscal year 2018.

The Compensation Committee of the Board evaluates the individual performance of the NEOs based primarily on the specific contributions of each NEO to the accomplishment of the following qualitative and quantitative criteria. For the NEOs other than the

CEO, the Compensation Committee relies upon the recommendations of the CEO based on his interactions with, and assessment of, performance of each executive. These positions include: Chief Financial Officer ("CFO"), Chief Credit Officer ("CCO"), Retail Banking Group Manager ("RBGM") and Commercial Banking Group Manager ("CBGM"):

	CEO	CFO	CCO	RBGM	CBGM
Asset and liability management	x	x			
Asset generation	x			x	x
Asset quality	x	x	x	x	x
Client service & external relations	x	x	x	x	x
Compliance with laws and regulations	x	x	x	x	x
Deposit mix	x	x		x	x
Financial performance	x	x	x	x	x
Human capital development	x	x	x	x	x
Internal Controls	x	x	x	x	x
Investment portfolio	x	x			
Leadership & internal communications	x	x	x	x	x
Strategic planning	x	x	x	x	x

The Compensation Committee chose these criteria to ensure integration and alignment of individual performance with the Company's performance. The criteria for the CEO is most closely linked to the Company's objectives since the Chief Executive Officer bears overall responsibility for the Company's success. Criteria for the other NEO's differ based on each officer's ability to contribute to the Company's performance.

The Company's compensation policies do not employ a specific formulaic approach for evaluating or adjusting individual NEO compensation. Job performance and compensation of the CEO is subjectively determined by the Compensation Committee taking into account the broad criteria set forth above. Job performance and compensation of the other NEOs is subjectively determined by the CEO and reviewed with the Compensation Committee taking into account the broad criteria set forth above.

In order to align executive compensation with shareholder interest, it is the philosophy of the Board that the majority of NEO potential compensation be incentive-based and at-risk. In 2018, 63% of the CEO's total potential compensation was at-risk, while the total potential at-risk compensation was 55% for the other NEOs who served in their role for the full fiscal year 2018. Total compensation paid and earned by each NEO in fiscal 2018 was consistent with the Company's financial performance, the individual performance of each NEO, the responsibilities and experience of the NEO, market conditions, and shareholder returns.

#### Elements of Compensation

##### Base Salary

Base salaries for the NEOs are determined based on job responsibilities, level of experience and individual performance. In making its recommendations to the Board, the Compensation Committee reviews market data with respect to the Company's Peer Group to assess the competitiveness of the base salary of the NEOs. Such information is used as a point of reference; however, it is not the deciding factor in establishing appropriate base salaries due to the lack of precise comparability.

Merit pay adjustments to base salary are considered annually for each NEO. When making adjustments to the base salary of the CEO, the Compensation Committee considers the job performance and contribution to the successful

operation of the Company by the CEO. When making adjustments to the base salaries of the other NEOs, the Compensation Committee relies upon the recommendation of the CEO based on his knowledge of and the performance of each of the NEOs. Executive base salaries are intended to be at levels that will attract, retain and motivate the necessary management expertise to successfully execute the Company's business plan, but are not targeted at specific levels.

In determining individual base salary adjustments, the Compensation Committee also considered the contributions of each NEO to the success of the Company and salaries for comparable positions at other institutions.

#### Annual Incentive Compensation



An annual incentive compensation program has been established for all employees, including the NEOs. Eligibility for the annual incentive program is restricted only by excluding employees who are not in good standing with the Company. All NEOs were, and are, in good standing with the Company. Consistent with the overall compensation philosophy of linking incentive awards to Company-wide and individual performance, the incentive plan is designed to provide performance-based annual cash compensation based on the achievement of annual performance targets approved by the Compensation Committee with the concurrence of the Board.

A short-term incentive compensation plan (“Short-term Incentive Plan”) was established for the NEOs by the Compensation Committee for fiscal 2018. For NEOs other than the CEO, the bonus opportunity under the Short-term Incentive Plan ranged from 0% to 100%, with a targeted payout (the “Target”) equal to 50% of base salary. The bonus opportunity for the CEO ranged from 0% to 150% of base salary, with a targeted payout equal to 75% of base salary.

The bonus opportunity for Mr. Whitehead was determined as part of his Transition Agreement dated January 23, 2017, which provided a bonus target of 50% of base salary through Mr. Whitehead’s transition from Executive Chairman of the Board on March 31, 2018 and a maximum potential payout of 100% of such base salary.

For NEOs, 100% of the Short-term Incentive Plan opportunity for 2018 was based on earnings per share (“EPS”) levels that were pre-established by the Compensation Committee. The threshold EPS level was established at \$1.82, with a target EPS of \$1.95, and a maximum level of \$2.13. No bonus would be payable to any NEO if the threshold was not met. During 2018, the Company achieved record net income of \$203,850,000, or EPS of \$2.40. Per the Plan, EPS was adjusted down to account for changes to the federal tax law. Pro forma EPS for 2018 was \$2.16. According to the formula established by the Compensation Committee, NEOs other than Mr. Beardall earned a payout equal to 100% of base salary on the Short-term Incentive Plan. Mr. Beardall earned a payout equal to 150% of base salary for his service as CEO.

In the past 10 fiscal years, payouts have ranged from 0-100% of base salary for NEOs, with the exception of the CEO, whose payouts during that time ranged from 0-200% of base salary. Actual payouts averaged 73% of base salary for the NEOs and averaged 122% of base salary for the CEO during that period.

For 2019, the Compensation Committee has approved a short-term incentive plan that will have threshold, target and maximum annual incentive amounts expressed as a percentage of base salaries similar in concept to prior years. To ensure alignment of short-term incentive compensation for NEOs and remediation of the Bank Secrecy Act Consent Order, the Compensation Committee modified the 2019 short-term incentive plan so that a significant portion of any earned incentive will be deferred and not paid out until the Consent Order is lifted.

#### Long-Term Incentives

Long-term equity incentives, primarily restricted stock awards and performance shares granted under the shareholder-approved 2011 Incentive Plan, are intended to focus the efforts of NEOs on activities that are necessary to ensure the Company’s long-term success, as reflected in an increase in the Company’s stock price over a period of years. In fiscal 2018, each of the NEOs other than Mr. Whitehead received an award of restricted stock and performance shares. For all NEOs together, the mix of awards was 40% in restricted stock and 60% in restricted performance shares. The restricted stock vests over a three-year period.

The restricted performance shares vest in proportional amounts over a three-year period, subject to meeting certain total shareholder return (calculated using a weighting of the closing price at each quarter end) targets pre-established by the Compensation Committee. For performance shares granted in fiscal 2018, the performance criteria require a 25% eligible share payout for a total annual shareholder return of 8%, a 50% eligible share payout for a total annual shareholder return of 9%, a 75% eligible share payout for a total annual shareholder return of 10% and a 100%

eligible share payout for a total annual shareholder return of 11% or greater. If total annual shareholder return is less than 8%, none of the performance shares eligible for vesting that year are earned. Based on the Compensation Committee definition of annual shareholder return for 2018, the NEOs earned none of their share allocations related to the eligible fiscal year 2016, 2017 and 2018 performance share grants.

The Compensation Committee determined the amount of awards for each NEO on an individual basis based on its subjective assessment of each NEO's relative performance and value to the organization, taking into consideration the recommendations of the Chief Executive Officer for the other NEOs, and taking into consideration the goal of the Compensation Committee that the majority of each NEOs compensation be at-risk. The Compensation Committee confirms achievement of the performance-based awards in October of each year based on the prior fiscal year's performance and grants new awards based on the new performance goals set by the Compensation Committee.

The Board believes that these long-term incentive awards help align the interests of Washington Federal's executives with those of its shareholders through potential stock ownership. Future awards to the NEOs are expected to include a contingent award that will also be earned over multiple years based upon performance criteria consistent with the terms of the 2011 Incentive Plan. The Compensation Committee and the Board consider stock awards to be a key piece of executive compensation and reviews the appropriateness of such awards annually in light of performance.

In November 2014, the Board implemented a three-year "clawback" policy applicable to all executive officers. The policy provides that, in addition to any other remedies available to the Company under applicable law, the Company may recover (in whole or in part) any incentive compensation, whether paid in cash, stock or other equity, awarded to an executive, whether or not the executive is still employed by the Company, if the Board or any committee of the Board determines that the Company's financial reporting is required to be restated as a result of any fraud or intentional misconduct by the executive(s) and the Board determines that a lower amount of incentive compensation would have been paid to the executive(s) based upon the corrected accounting restatement.

#### Change in Control Agreements

In order to provide market-competitive compensation packages and to thereby attract and retain the Company's executives, the Company has entered into change of control agreements with its executives, which offers severance and change of control benefits to such executives if they are terminated in connection with a change of control event. See Potential Payments Upon Change in Control below.

#### Perquisites

In fiscal 2018, perquisites were provided to certain executive and senior officers. Perquisites are given to executive and senior officers based upon their role in the Company and the business advantage gained by the use of perquisites. The Company provided the following perquisites to NEOs:

The Company provided Supplemental Long-Term Disability coverage to NEOs that provides for \$4,000 in monthly income in the event a long-term disability is suffered and prevents continued employment. The annual benefit cost was approximately \$1,500 for each policy.

NEOs were also provided with a Supplemental Long-Term Care policy. The annual cost of the coverage was approximately \$1,600 per person.

Each NEO received membership to a downtown club that was used for business-related marketing. The annual cost to the Company of each membership was approximately \$2,500.

Parking is also provided for each NEO at a cost of approximately \$3,000 per year. Disclosure of these perquisites are included in the Summary Compensation Table under "Other."

#### Retirement Plans

The Washington Federal 401(k) and Stock Ownership Plan (referred to as the "Retirement Plan") is a defined contribution plan in which all employees of the Company's operating bank subsidiary with over 1,000 hours worked are eligible to participate. Historically, the Company has contributed 11% of an employees' eligible base salary into the plan on his or her behalf. Company contributions vest ratably over six years; after six years of consecutive employment all contributions are 100% vested.

During fiscal 2018, the Company contributed 11% of each NEO's eligible base salary into the Retirement Plan. These amounts are included in the Summary Compensation Table under "All Other Compensation." Amounts exceeding IRS "Top-Heavy" rules are paid directly to the affected executive on a pre-tax basis.

Effective January 1, 2014, the Company added a guaranteed safe harbor matching contribution to the plan equal to 100% of the first 4% of compensation that employees (including NEO's) contribute to their account. In addition to the new match being guaranteed, all safe harbor matching contributions are immediately vested. The new match is not subject to the six-year vesting schedule of the current profit sharing contribution. This provides participants more investment flexibility. The Company anticipates that in the future, all eligible employees will continue to receive an annual discretionary profit sharing contribution from the Company, which is subject to a cap equal to 7% of eligible compensation.