

FAIRMOUNT BANCORP, INC.
AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

Policy for Handling Complaints about Accounting Matters

As part of the procedures for receiving and handling complaints or concerns about the conduct of Fairmount Bancorp, Inc. and Fairmount Bank (collectively, the "Company"), the Audit Committee of the Company's Board of Directors has established the following procedures for (1) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (2) the confidential, anonymous submission to the Audit Committee of employee concerns regarding questionable accounting or auditing matters:

Complaints by Non-Employees

The Company is committed to maintaining ethical standards, including appropriate accounting and internal accounting controls. The Company's policy is to comply with all applicable financial reporting and accounting regulations. If any person has a complaint regarding the Company's accounting, disclosures, internal accounting controls or auditing matters, he or she should report it to the Company's Chief Executive Officer in writing at the following address: 8216 Philadelphia Road, Baltimore, Maryland 21237.

Upon receipt of a complaint, the Chief Executive Officer will, in consultation with the Audit Committee, promptly evaluate such complaint as to gravity and credibility. If he and the Audit Committee determine that further action is warranted, he shall instruct the Company's independent auditor to:

- initiate an informal inquiry or a formal investigation with respect thereto;
- prepare a report of such inquiry or investigation, including recommendations as to the disposition of such matter;
- make the results of such inquiry or investigation available to the Audit Committee for consideration and action; and
- if there is merit to the employee's report, recommend changes to the Company's accounting practices necessary or desirable to prevent such practices.

All complaints received by the Chief Executive Officer, and any reports created as a result thereof, shall be maintained by the Chief Executive Officer for review and inspection by members of the Audit Committee for a period of three years from the date of its receipt.

Complaints by Employees

If an employee of the Company has concerns or complaints regarding questionable accounting or auditing matters of the Company, he or she may submit those concerns or complaints directly to the Audit Committee. The employee may submit such report on an anonymous and confidential basis. Such submissions may be directed to the attention of the Audit Committee, or any director who is a member of the Audit Committee, at 8216 Philadelphia Road, Baltimore, Maryland 21237. The Audit Committee may request special treatment, including the retention of outside counsel or other advisors, for any complaint addressed to it.

Upon receipt of a report, the Chairman of the Audit Committee will promptly instruct the Company's independent auditor or such other outside advisor that has been retained by the Audit Committee to:

- evaluate such report as to gravity and credibility;
- initiate an informal inquiry or a formal investigation with respect thereto;
- prepare a report of such inquiry or investigation, including recommendations as to the disposition of such matter;
- make the results of such inquiry or investigation available to the Audit Committee for consideration and action; and
- if there is merit to the employee's report, recommend changes to the Company's accounting practices necessary or desirable to prevent such practices.

Except for those officers, employees or agents of the Company that are called on to investigate employee reports, the reports shall be kept confidential.

Retaliatory action against any employee who submits a report pursuant hereto is strictly prohibited.