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WSFS FINANCIAL CORP  
Form DEF 14A  
March 26, 2008

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

SCHEDULE 14A  
(RULE 14A-101)  
INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION  
PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES  
EXCHANGE ACT OF 1934

Filed by the registrant  [X]  
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))
- [X] Definitive Proxy Statement
- [ ] Definitive Additional Materials
- [ ] Soliciting Material pursuant to ss.240.14a-12

WSFS FINANCIAL CORPORATION

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(Name of Registrant as Specified in Its Charter)

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

Payment of filing fee (Check the appropriate box):

- [X] No fee required
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(1) Title of each class of securities to which transaction applies:  
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(2) Form, Schedule or Registration Statement No.: \_\_\_\_\_  
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[WSFS FINANCIAL CORPORATION LOGO]  
500 Delaware Avenue  
Wilmington, Delaware 19801  
(302) 792-6000

March 26, 2008

Dear Stockholder:

The WSFS Financial Corporation 2008 Annual Meeting of Stockholders will be held on April 24, 2008 beginning at 4:00 p.m. at the Hotel duPont located at Eleventh and Market Streets in Wilmington, Delaware. Parking validation will be provided for garage or valet parking at the hotel.

At the meeting, stockholders will act on the following matters:

- o The election of five directors. One director to hold office until the 2010 Annual Meeting of Stockholders and four directors to hold office until the 2011 Annual Meeting of Stockholders;
- o The ratification of the appointment of KPMG LLP as the independent registered public accountants for the fiscal year ending December 31, 2008; and
- o Such other matters as may properly come before the meeting or any adjournment thereof.

All stockholders of record holding shares of WSFS Financial Corporation common stock at the close of business on March 6, 2008 are entitled to vote at the meeting. This proxy statement and the enclosed proxy card were mailed to stockholders on or about March 26, 2008.

Your vote is important regardless of how many shares of WSFS stock you own. Even if you plan to attend the meeting, we urge you to ensure that your shares are represented at the meeting by returning the enclosed proxy card. A return envelope with pre-paid postage is enclosed for your convenience. Mark on your proxy card how you wish your shares to be voted, and please be sure to sign and date your proxy card. Returning your vote by proxy will not prevent you from later voting in person if you do come to the meeting. Please note, however, that if the stockholder of record for your shares is a broker, bank or other nominee and you wish to vote at the meeting, you will need to obtain a proxy issued in your own name from your stockholder of record.

Sincerely,

/s/Marvin N. Schoenhals

Marvin N. Schoenhals  
Chairman

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## WSFS FINANCIAL CORPORATION

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## WSFS FINANCIAL CORPORATION

### 1. About the Annual Meeting

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What is the purpose of the Annual Meeting?

The WSFS Financial Corporation 2008 Annual Meeting of Stockholders will be held at the Hotel duPont, Eleventh and Market Streets in Wilmington, Delaware on April 24, 2008 at 4:00 p.m. The business to be conducted at the meeting is the election of directors and the ratification of the appointment of KPMG LLP as our independent registered public accountants. There will be five board seats up for election at this year's meeting and we have nominated the persons currently filling those seats for reelection: Charles G. Cheleden, Joseph R. Julian; Dennis E. Klima, Calvert A. Morgan, Jr. and Mark A. Turner. Mr. Morgan has been nominated for a two-year term and Messrs. Cheleden, Julian, Klima and Turner have been nominated for three-year terms. Each is a current director of WSFS Financial Corporation. You can find information about all of our current directors on page five.

Why are you sending me a proxy card? What are you going to do with it?

In order to hold the meeting, we need to have present, in person or by proxy, the holders of a majority of WSFS common stock outstanding as of March 6, 2008, which was selected by the Board of Directors as the record date to determine which stockholders will receive notice of the meeting and be entitled to vote at the meeting. As of that date, there were 6,173,236 shares of WSFS common stock outstanding. We are providing you with a proxy card so that your shares can be counted as present at the meeting and can be voted at the meeting even if you do not attend the meeting in person.

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Your shares will be voted in accordance with your instructions on the proxy card to vote either for or to withhold your vote regarding each of the nominees for election as directors, and to vote for, against or abstain on the ratification of the appointment of the independent registered public accountants. If you sign and return the proxy card to us without indicating how you wish to vote, we will vote your shares for each of the nominees and for the ratification of the appointment of the independent registered public accountants.

For those shares that we have been given a proxy, we will have discretionary authority to vote as we see fit on any procedural matters relating to the conduct of the meeting. Furthermore, in the event that one or more of our nominees is unable to stand for election as the result of an unexpected occurrence, we may vote shares that we hold a proxy for in favor of anyone we select to be a substitute nominee. Alternatively, we may reduce the size of the Board to eliminate the vacancy.

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Why did I receive more than one proxy card?

If you hold your shares of WSFS stock in more than one account or name, you will receive multiple proxy cards and you must return a proxy card for each account or name in order to vote all of your shares.

Can I revoke my proxy or change my vote?

Yes. You can change your vote at any time by completing and returning a new proxy before the meeting. You may also revoke your proxy by sending a written notice to WSFS Financial Corporation, Attention: Corporate Secretary, WSFS Bank Center, 500 Delaware Avenue, Wilmington, Delaware 19801, or providing written notice in person at the meeting. If you vote by proxy and then attend the meeting, you do not need to vote again in person unless you want to change your prior vote. Attending the meeting in person will not cancel your proxy unless you vote in person at the meeting.

How many votes does a nominee need in order to be elected?

Directors are elected by plurality vote, meaning that the nominees who receive the greatest number of votes are elected. You may vote for a nominee or you may withhold your vote for a nominee. In a contested election, the number of seats up for election is less than the number of persons nominated for election as directors and the winning nominees are the ones who receive more votes than the other nominees. In an uncontested election, there are enough seats up for election for all of the nominees so all will be elected as directors regardless of the number of votes they each receive. It is our policy, however, that in an uncontested election any director who was elected by less than a majority of votes in favor of their election should promptly offer to resign from the Board and request the Board to accept or reject the resignation offer at the Board's discretion. The Board's Corporate Governance Committee will consider resignation offers and make its recommendation to the full Board. The Board will accept or reject the director's resignation offer within 90 days.

How many votes do I have?

Each share of WSFS Financial Corporation common stock is entitled to one vote. We do, however, permit cumulative voting in the election of directors, meaning that if you have 100 shares and there are five seats up for election, you have 500 votes to distribute among the nominees as you see fit. You can

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distribute them equally and cast 100 votes for each nominee or you may give more votes to certain nominees, even giving all 500 votes to a single nominee if you wish. You must attend the meeting and vote in person if you want to cumulate your vote for directors.

If you give us a proxy to vote your shares at the meeting, we will distribute your votes among the nominees as we see fit. If you do not want us to use cumulative voting for your shares, you may state that on your proxy card.

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How many votes are required to ratify the appointment of the independent registered public accountants?

To be ratified, the appointment of KPMG LLP as our independent registered public accountants must receive a majority of the votes cast on that proposal.

Will members of management and the Board of Directors be at the meeting?

Yes. Our policy is that all members of the Board of Directors and all senior management officers should attend the annual meeting, and, except for Mr. Reed, all were present at last year's annual meeting. We expect that all directors will attend this year.

Can I ask questions at the meeting?

Yes. We see the annual meeting as an opportunity for stockholders to have access to the Board of Directors and senior management in a public forum, and we invite stockholders to submit questions or comments in advance of the meeting. This is an important part of the process, and we have established a procedure for stockholders to send communications to the Board of Directors as well as to management.

While legal considerations and timing issues may prevent us from answering all questions or addressing all comments, we believe this dialogue is helpful in increasing communication with our stockholders.

Please send questions to: WSFS Financial Corporation  
Investor Relations  
WSFS Bank Center  
500 Delaware Avenue  
Wilmington, Delaware 19801

or: [stockholderrelations@wsfsbank.com](mailto:stockholderrelations@wsfsbank.com)

We will attempt to respond to as many of the questions and comments we receive as possible. The questions, comments and responses will be posted on our website at [www.wsfsbank.com](http://www.wsfsbank.com).

The Board of Directors strongly encourages communications from stockholders. Stockholders who wish to send communications to the Board of Directors during the year may do so by writing to the attention of Charles G. Cheleden, Vice Chairman and Lead Director, WSFS Bank Center, 500 Delaware Avenue, Wilmington, Delaware 19801. In addition, all written communications from stockholders received by management are shared with the Board no later than the next regularly scheduled Board meeting.

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If I have a proposal that I want the stockholders to vote on, how do I get it on the agenda for the meeting?

The deadline has passed for this year's annual meeting - it is too late to give us notice of a proposal that you would like to be brought before the stockholders for a vote at the 2008 Annual Meeting of Stockholders. We expect to hold the 2009 Annual Meeting in April 2009 and to mail our proxy statement during March 2009. To get your proposal on the agenda for the 2009 Annual Meeting, you must give us notice no sooner than December 24, 2008 and no later than January 24, 2009. If you want your proposal to be included in our proxy statement and on our proxy card for the 2009 Annual Meeting, we must receive your proposal by November 24, 2008. All notices and proposals should be addressed to the attention of the Corporate Secretary, WSFS Financial Corporation, WSFS Bank Center, 500 Delaware Avenue, Wilmington, Delaware 19801.

2. Matters to be Voted on at the Meeting

o Proposal Number One: Election of Directors

The Board of Directors is divided into three classes, and each class serves for a term of three years. This year there are five directorships to be filled at the meeting. To more evenly balance the number of directors in each class, Mr. Morgan has been nominated for a two-year term. We have nominated the following five persons for election:

- o Charles G. Cheleden, for a three-year term
- o Joseph R. Julian, for a three-year term
- o Dennis E. Klima, for a three-year term
- o Mark A. Turner, for a three-year term
- o Calvert A. Morgan, Jr., for a two-year term

The Board of Directors recommends a vote in favor of these nominees.

o Proposal Number Two: Ratification of the Appointment of Independent Registered Public Accounting Firm

KPMG LLP has served as our independent registered public accounting firm since 1994. The Board of Directors has appointed KPMG LLP to continue to be our independent registered public accounting firm for the current fiscal year ending December 31, 2008. The Audit Committee evaluated the selection of KPMG LLP and gave a recommendation to the Board in favor of KPMG LLP. We are asking the stockholders to ratify the Board's decision to appoint KPMG LLP for the 2008 fiscal year.

Representatives of KPMG LLP are expected to be present at the Annual Meeting to respond to appropriate questions and will have the opportunity to make a statement if they desire to do so.

The Board of Directors recommends a vote in favor of the ratification of KPMG LLP as the independent registered public accounting firm.

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3. Directors and Officers of WSFS Financial Corporation  
and Wilmington Savings Fund Society, FSB  
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Listed below is information about our directors and executive management officers. Currently, all directors of WSFS Financial Corporation also serve as directors for its subsidiary, Wilmington Savings Fund Society, FSB (which we generally refer to as WSFS Bank).

Current Directors: Marvin N. Schoenhals, Charles G. Cheleden, John F. Downey,  
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Linda C. Drake, David E. Hollowell, Joseph R. Julian, Dennis E. Klima, Calvert A. Morgan, Jr., Thomas P. Preston, Scott E. Reed, Claibourne D. Smith and Mark A. Turner.

- Marvin N. Schoenhals      o Chairman of WSFS Financial Corporation and WSFS Bank since 1992  
                                 o President and CEO of WSFS Financial Corporation and WSFS Bank, 1990 to 2007  
                                 o age 60  
                                 o WSFS Financial Corporation director since 1990;  
                                 current term expires at the 2010 Annual Meeting of Stockholders  
                                 o Mr. Schoenhals also serves as a director of Delaware State Chamber of Commerce
- Charles G. Cheleden      o Attorney  
                                 o age 64  
                                 o Vice Chairman of WSFS Financial Corporation since 1992  
                                 o Lead Director of WSFS Financial Corporation since 2004  
                                 o WSFS Financial Corporation director since 1990;  
                                 current term expires at the 2008 Annual Meeting of Stockholders
- John F. Downey            o Executive Director of the Office of Thrift Supervision from 1989 to 1998  
                                 o age 70  
                                 o WSFS Financial Corporation director since 1998;  
                                 current term expires at the 2010 Annual Meeting of Stockholders

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- Linda C. Drake            o Founder and Chair of TCIM Services, Inc.  
                                 (a business services and software technology provider)  
                                 o age 59  
                                 o WSFS Financial Corporation director since 1999;  
                                 current term expires at the 2009 Annual Meeting of Stockholders  
                                 o Ms. Drake also serves as a director of: LTD Direct
- David E. Hollowell        o Executive Vice President and University Treasurer of the University of Delaware from 1988 to 2007  
                                 o age 60  
                                 o WSFS Financial Corporation director since 1996;  
                                 current term expires at the 2009 Annual Meeting of Stockholders

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- Joseph R. Julian
- o Chairman and CEO of JJID, Inc, a highway construction company
  - o age 70
  - o WSFS Financial Corporation director since 1983; current term expires at the 2008 Annual Meeting of Stockholders
- Dennis E. Klima
- o President, CEO and director of Bayhealth, Inc.
  - o Chairman, CEO and director of Bayhealth Medical Center, Inc.
  - o age 63
  - o WSFS Financial Corporation director since 2004; current term expires at the 2008 Annual Meeting of Stockholders
- Calvert A. Morgan, Jr.
- o Consultant
  - o Former Chairman, President and CEO of PNC Bank, Delaware
  - o age 59
  - o Vice Chairman WSFS Bank since 2006
  - o WSFS Financial Corporation director since 2004; current term expires at the 2008 Annual Meeting of Stockholders
  - o Mr. Morgan also serves as a director of Chesapeake Utilities Corporation
- Thomas P. Preston
- o Attorney, partner with the law firm of Blank Rome, LLP
  - o age 61
  - o WSFS Financial Corporation director since 1990; current term expires at the 2010 Annual Meeting of Stockholders
- Scott E. Reed
- o Senior Executive Vice President and Chief Financial Officer of BB&T Corporation from 1981 to 2005. Mr. Reed began his career with BB&T in 1972.
  - o age 59
  - o WSFS Financial Corporation director since 2005; current term expires at the 2009 Annual Meeting of Stockholders
- Claibourne D. Smith
- o Vice President - Technology and Professional Development for E.I. du Pont de Nemours & Company, Incorporated from 1964 to 1998
  - o age 69
  - o WSFS Financial Corporation director since 1994; current term expires at the 2009 Annual Meeting of Stockholders

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- Mark A. Turner
- o President and Chief Executive Officer, WSFS Financial Corporation and WSFS Bank
  - o Chief Operating Officer/Secretary of WSFS Financial Corporation and WSFS Bank, 2001 to 2007
  - o Chief Financial Officer of WSFS Financial Corporation and WSFS Bank, 1998 to 2004
  - o age 44
  - o WSFS Financial Corporation director since 2007; current term expires at the 2008 Annual Meeting of Stockholders

Executive Management:  
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Peggy H. Eddens, Barbara J. Fischer, Stephen A. Fowle,  
Rodger Levenson and Richard M. Wright

- Peggy H. Eddens
- o Executive Vice President, Human Capital Management Department, WSFS Bank since 2007



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- o age 52
  - o From 2003 to 2007, Mrs. Eddens was Senior Vice President for Human Resources and Development for NexTier Bank, Butler, PA.
- Barbara J. Fischer
- o Executive Vice President, Chief Administrative Officer, WSFS Bank; Mrs. Fischer has been an executive with WSFS since 2001
  - o age 50
- Stephen A. Fowle
- o Executive Vice President and Chief Financial Officer of WSFS Financial Corporation and WSFS Bank since 2005
  - o age 42
  - o From 2000 to 2004, Mr. Fowle was Chief Financial Officer at Third Federal Savings and Loan Association of Cleveland, MHC, Cleveland, Ohio. From 1994 to 2000, Mr. Fowle was Vice President of Corporate Finance at Robert W. Baird & Co, Incorporated in Milwaukee, Wisconsin, a regional investment banking firm.
- Rodger Levenson
- o Executive Vice President/Director of Commercial Banking for WSFS Bank since 2006
  - o age 46
  - o From 2003 to 2006 Mr. Levenson was Senior Vice President and Manager at Citizens Bank and from 1986 to 2003 he held a number of positions at Wachovia Bank.
- Richard M. Wright
- o Executive Vice President/Director of Retail Banking for WSFS Bank since 2006
  - o age 55
  - o From 2003 to 2006 Mr. Wright was Executive Vice President, Retail Banking and Marketing for DNB First in Downingtown, PA.

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### Transactions with Our Insiders

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In the ordinary course of its business as a bank, WSFS Bank makes loans to our directors, officers and Associates. These loans are subject to limitations and restrictions under federal banking laws and regulations and are made on substantially the same terms, including interest rate and collateral, as those prevailing at the time for comparable transactions with other persons. These loans do not involve more than the normal risk of collectibility or present other unfavorable features to WSFS Bank.

We carefully evaluate any circumstances, transactions or relationships that we feel could have an impact on whether the members of our Board of Directors are independent of us or our subsidiaries, including WSFS Bank, and are able to conduct their duties and responsibilities as directors without any personal interests that would interfere or conflict with those duties and responsibilities.

All of our directors other than Mr. Schoenhals, Mr. Turner and Mr. Morgan are independent. Mr. Schoenhals and Mr. Turner are Associates of WSFS Financial Corporation and WSFS Bank and are not independent by virtue of not being outside directors. Mr. Morgan is not an independent director because at the time he became a director he was also retained to serve as a Special Advisor. Mr. Morgan has 37 years experience in the banking industry in Delaware and was formerly Chairman, President and CEO of PNC Bank, Delaware. The Board concluded that his background, market knowledge, customer relationships and community involvement could provide significant benefits to us as a consultant,

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and would be appropriate for him to be retained as a consultant as well as serving on the Board. Information about Mr. Morgan's compensation in his capacity as a Special Advisor can be found on page 45.

### Section 16(a) Beneficial Ownership Reporting Compliance

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Our officers and directors are required to file forms with the Securities and Exchange Commission (the SEC) to report changes in their ownership of WSFS Financial Corporation common stock. The forms must be filed with the SEC generally within two business days of the date of the trade. To our knowledge, the only late filing during 2007 was by Mrs. Eddens who was late in reporting a grant of 2,000 stock options in September 2007.

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### Ownership of WSFS Financial Corporation Common Stock

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The number of shares of our Common Stock owned by the directors and executive officers as of March 6, 2008, the record date set for the 2008 Annual Meeting of Stockholders, is shown below. The table also shows the amount of their shares as a percentage of all of the shares of our Common Stock outstanding.

Shares that these individuals could acquire by exercising stock options are included in the amounts shown. The individuals do not all have the same number of options, and the different amounts are shown in the table below. Only options that are currently exercisable or that will become exercisable in the next 60 days have been treated as though the options have been exercised and the individual owns those shares.

		Number of shares (including exercisable options*)	Percentage Common S outstand
Directors:	Marvin N. Schoenhals	124,583 shares	1.99
	Charles G. Cheleden	17,125 shares	0.28
	John F. Downey	14,225 shares	0.23
	Linda C. Drake	13,125 shares	0.21
	David E. Hollowell	16,605 shares	0.27
	Joseph R. Julian	73,001 shares	1.18
	Dennis E. Klima	6,375 shares	0.10
	Calvert A. Morgan, Jr.	9,025 shares	0.15
	Thomas P. Preston	14,820 shares	0.24
	Scott E. Reed	3,975 shares	0.06
	Claibourne D. Smith	12,655 shares	0.20
	Mark A. Turner	128,443 shares	2.05
Executive Officers:	Peggy H. Eddens	0 shares	0.00
	Barbara J. Fischer	21,324 shares	0.34
	Stephen A. Fowle	8,558 shares	0.14
	Rodger Levenson	2,948 shares	0.05
	Richard M. Wright	3,999 shares	0.06

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Directors and executive officers  
as a group (17 persons)

470,786 shares

7.31

\* Includes exercisable options for each of the individuals as follows:  
Schoenhals: 84,835, Cheleden: 8,305, Downey: 8,305, Drake: 7,305,  
Hollowell: 4,785, Julian: 8,305, Klima: 1,605, Morgan: 4,605, Preston:  
5,945, Reed: 1,005, Smith: 6,305, Turner: 100,472, Eddens: 0, Fischer:  
18,097, Fowle: 4,650, Levenson: 2,787, and Wright: 2,450.

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4. Compensation

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COMPENSATION DISCUSSION AND ANALYSIS

Introduction and Executive Summary

Several noteworthy elements influenced changes in our compensation program between 2006 and 2007. Effective with the April 2007 Shareholders' Meeting, Marvin N. Schoenhals, who had been Chairman, President and CEO transitioned to Chairman of the Board. Mark A. Turner, who had been Chief Operating Officer, transitioned to President and CEO. This transition was part of a long-term succession plan implemented by the Board of Directors (the "Board") during the last several years.

In response to this transition and the increase in responsibilities, the Board increased Mr. Turner's base salary by 41%. Mr. Schoenhals' base pay did not undergo a significant change. Also as part of this transition, we adjusted the participation level in our Management Incentive Plan (MIP) to coincide with the changes in responsibilities for Mr. Turner. We provide additional details on the MIP adjustments in the Bonus section under Elements of Compensation.

While the position of an in-house Chairman may be uncommon for a financial institution of our size, the Board implemented this arrangement as part of the transition process for Mr. Turner. We receive valuable benefits from Mr. Schoenhals' experience and he is an important part of Mr. Turner's leadership team during the early stages of the transition. In addition to Mr. Schoenhals' traditional responsibilities as Chairman, he also is responsible for mentoring Mr. Turner and others during this transition period, providing transitional leadership for our Wealth Management Group through its start-up period, and searching for niche businesses for future growth opportunities for our company.

Also noteworthy are changes to the Named Executive Officers (NEOs) from those reported in the 2006 proxy.

-----  
Named Executive Officers  
-----

2006

2007

-----  
Mark A. Turner - Chief Operating Officer

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Mark A. Turner - President and Chief

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Marvin N. Schoenhals - Chairman, President and CEO

Marvin N. Schoenhals - Chairman of the Board

Stephen A. Fowle - Executive Vice President and Chief Financial Officer

Stephen A. Fowle - Executive Vice President and Chief Financial Officer

Karl L. Johnston - Chief Operating Officer

Rodger Levenson - Executive Vice President and Director of Commercial Banking

Deborah A. Powell - Director of Human Resources

Barbara J. Fischer - Executive Vice President and Chief Administrative Officer

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Mr. Johnston retired and Mrs. Powell is no longer employed with us. Mr. Levenson began his employment in 2006 and Mrs. Fischer was promoted to Executive Vice President and Chief Administrative Officer in 2007.

### Compensation Philosophy

Our compensation philosophy has remained unchanged from 2006 to 2007. We strive to be competitive in base pay, with salaries targeted at the median of banking peers comparable to our asset size. We structure our bonus system to provide rewards for performance. Our total compensation at expected performance levels is targeted to the median of peers. For exceptional performance, we provide total compensation that compares to levels above the 75th percentile of our peers. Our goal is to be a high performing company and we have designed our compensation package toward attracting and retaining quality individuals, and motivating and rewarding them for strong performance.

### The Role of the Personnel and Compensation Committee of the Board of Directors

Our Personnel and Compensation Committee (the "Committee") provides Board oversight and guidance with respect to the CEO and other Executives' compensation, benefits and perquisites. The Committee's primary responsibilities are to:

- o approve and report to the Board salary levels and incentive compensation payable to senior officers and other key Associates;
- o recommend to the Board the establishment of incentive compensation plans and programs;
- o recommend to the Board the adoption and administration of certain Associate benefit plans and programs;
- o approve and report to the Board payment of additional year-end contributions under certain of its retirement plans;
- o oversee our stock incentive plans;
- o approve and report to the Board stock incentive awards granted to our key Associates;
- o annually, review and recommend to the Board performance goals and objectives with respect to the compensation of the Chief Executive Officer consistent with approved compensation plans;
- o annually, review and recommend to the Board compensation levels for the Chairman, CEO, advisors to the Board and all Executive Vice Presidents;
- o determine the terms and involvement of external consultants involved with the evaluation of Director, Chairman, CEO or senior executive compensation;
- o perform such other functions as are assigned by the Board.

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The Committee considers various factors in evaluating executive compensation, including:

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- o the executive's immediate level of responsibility;
- o the experience level of the executive within his or her current discipline;
- o the executive's performance for both the current year and prior years;
- o the executive's potential for future development;
- o the executive's potential to add to our long-term value.

### The Role of Management in Executive Compensation

Our CEO provides recommendations for the Committee's consideration and manages our compensation programs and policies. His activities include:

- o reviewing compensation programs for competitiveness and alignment with WSFS' strategic goals;
- o recommending changes, where appropriate;
- o recommending pay levels and incentive plan payments for NEOs, except for the CEO and the Chairman.

The CEO and Chairman excuse themselves from all Committee discussions of their compensation levels. In the past, this has applied to Mr. Schoenhals and Mr. Turner. As a practical matter, these individuals may discuss the formula by which their bonuses are structured, but do not participate in decisions regarding changes to their own compensation.

### The Role of Consultants

In 2007, the Committee contracted with Clark Consulting, Inc. (Clark) to conduct the following: a base pay analysis; an overall executive rewards analysis; a review of our stock option plan; and a review of our 2007 Compensation Discussion and Analysis (CD&A). In addition to this project, Clark was retained to assist us with our CD&A preparation for 2008 and possible changes to our MIP. Prior to these projects, we had not engaged Clark for any services, and Clark was the sole firm providing compensation consulting services in 2007. Since their initial engagement, Clark divested the compensation practice which is now operating as a wholly independent and separate entity under the name of Amalfi Consulting, LLC. Amalfi consultants report directly to the Committee. The Committee considered competitive proposals from other firms before retaining Amalfi.

### Peer Groups & Benchmarking

Approximately every three years, the Committee engages an independent consultant to conduct a formal review of our executive compensation program. The most recent review was the Amalfi report completed in 2007. During the years in which no consultant is engaged, the Committee informally reviews proxy statements of a sampling of peer group companies in which to compare our executives' compensation.

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The Committee uses two peer groups to benchmark compensation and set incentive related performance goals:

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- o The Compensation Peer Group ("CPG") provides a targeted assessment of the compensation practices for peer companies. The CPG allows us to compare our compensation to other banks that have similar performance, size and geographic locations and helps us align base compensation, incentives and equity awards with our compensation philosophy.
- o The Performance Peer Group ("PPG") provides a national perspective of banks in the \$1 to \$3 billion asset size. We use the PPG to set appropriate bank-wide financial goals, drawing from the larger national dataset of comparably sized financial institutions.

Details on each of these peer groups are provided below.

### Compensation Peer Group ("CPG")

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The CPG shown below was developed based on collaborative discussions among management, the Committee and Amalfi. The organizations comprising the final CPG provided a dataset of peers comparable to our size, performance and location and met all of the following criteria:

- o Located within CT, DE, MD, NJ, NY, PA, VA, and WV;
- o Total Assets MRQ (most recent quarter as of 6/30/2007) between \$1.8 billion and \$6 billion. Average total assets were approximately \$3 billion;
- o Return on Average Assets (ROAA) greater than 0.9%;
- o Return on Average Equity (ROAE) greater than 10.00%.

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We compared key performance measures to the following peers as of year-end 2006.

Company Name	Ticker	City	State	Total Assets 2006 Y/E (\$000)
1 F.N.B. Corp.	FNB	Hermitage	PA	6,007,592
2 National Penn Bancshares, Inc.	NPBC	Boyertown	PA	5,452,288
3 NBT Bancorp Inc.	NBTB	Norwich	NY	5,087,572
4 S&T Bancorp, Inc.	STBA	Indiana	PA	3,338,543
5 Harleysville National Corp.	HNBC	Harleysville	PA	3,249,828
6 Dime Community Bancshares, Inc.	DCOM	Brooklyn	NY	3,173,377
7 TrustCo Bank Corp NY	TRST	Glenville	NY	3,161,187
8 U.S.B. Holding Co., Inc.	UBH	Orangeburg	NY	2,923,247
9 Flushing Financial Corp.	FFIC	Lake Success	NY	2,836,521

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10	Sandy Spring Bancorp, Inc.	SASR	Olney	MD	2,610,457
11	City Holding Company	CHCO	Charleston	WV	2,507,807
12	Hudson Valley Holding Corp.	HUVL	Yonkers	NY	2,291,734
13	Tompkins Financial Corp.	TMP	Ithaca	NY	2,210,837
14	Union Bankshares Corp.	UBSH	Bowling Green	VA	2,092,891
15	First Community Bancshares, Inc.	FCBC	Bluefield	VA	2,033,698
16	Interinvest Bancshares Corp.	IBCA	New York	NY	1,971,753
17	Virginia Commerce Bancorp, Inc.	VCBI	Arlington	VA	1,949,082
18	Univest Corp. of Pennsylvania	UVSP	Souderton	PA	1,929,501
19	Parkvale Financial Corp.	PVSA	Monroeville	PA	1,858,715
	Average				2,983,507
	25th Percentile				2,063,295
	50th Percentile				2,610,457
	75th Percentile				3,211,603
	WSFS Financial Corp.	WSFS	Wilmington	DE	2,997,396
	Percentile Rank of WSFS Financial Corp				63%

### Performance Peer Group ("PPG")

We created a PPG consisting of all publicly-traded banks and thrift institutions in a total asset range of \$1 billion and \$3 billion. The PPG was comparable to our average size and performance, with an average ROAA of 1.10% and an average ROAE of 12.88%. The PPG consisted of 148 organizations throughout the United States. As noted earlier, the Committee used the PPG to set appropriate performance goals for our MIP.

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### Elements of Compensation

In the following section, we describe the elements of our NEO compensation packages. It includes a discussion of how we determine the amounts for each element, why each element is included in our NEO compensation program, and the actual payments resulting from our pay-for-performance incentive programs.

#### Base Salary

Why We Provide Base Salaries

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We offer base salaries to provide a consistent and stable source of income to our NEOs. Base salaries also serve as a base amount for the determination of our pay-for-performance programs and serve as a significant retention and recruiting tool.

### How We Determine Base Salary Amounts

We establish base salaries and assess market competitiveness by comparing our executives' qualifications, experience and responsibilities as well as their individual performance and value, with similar positions at our peers. Additional factors that play a role in setting the final base salary amount for NEOs are as follows:

- o special circumstances related to staffing needs and market situations;
- o levels of compensation provided from other compensation components.

When determining base salary amounts for newly hired NEOs, we incorporate the following additional factors:

- o the prior incumbent's salary;
- o the successful candidate's salary history;
- o any market-based data provided by the external recruiter retained for the search;
- o the salary requirements of other candidates being considered for the position who have a similar level of experience.

During 2007, the analysis of base salaries conducted by Amalfi determined that our base salary levels were comparable to the median base salary of our peers.

On average, the base salaries paid to our NEOs in total were 4.2% above the median pay of our CPG. The unique arrangement with our internal Chairman escalates our total NEO compensation. If we were to subtract our Chairman's compensation from this data, the average base salary for our NEOs would be slightly less (0.75%) than the median pay of our CPG. As noted earlier, our executives who are fully functional and performing at expected levels are targeted at the median base salary levels of our peers.

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The table below shows changes to our NEO base salaries. Increases reflect personal performance, merit increases and any market or competitive adjustments. As previously discussed in the Introduction and Executive Summary Section, the increase in Mr. Turner's base salary reflects the additional responsibilities required in his new leadership role. The increase in Mrs. Fischer's base salary reflects her promotion to Executive Vice President and Chief Administrative Officer in 2007. Increases in 2008 reflect a combination of merit increases and changes to better align our NEOs with peer medians as determined in the Amalfi compensation review.

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### Base Salary

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NAMED EXECUTIVE OFFICERS	2006	2007	2006 to 2007 % increase
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Mark A. Turner - President and Chief Executive Officer	\$ 266,000	\$ 375,000	41.0%
Stephen A. Fowle - Executive Vice President and Chief Financial Officer	\$ 187,200	\$ 197,000	5.2%
Marvin N. Schoenhals - Chairman of the Board	\$ 441,000	\$ 463,000	5.0%
Rodger Levenson - Executive Vice President and Director of Commercial Banking 1	\$ 225,000	\$ 235,000	4.4%
Barbara J. Fischer - Executive Vice President and Chief Administrative Officer	\$ 181,175	\$ 196,000	8.2%

- 1 Mr. Levenson was hired during 2006. His 2006 base salary was annualized for comparison purposes.
- 2 Increases effective March 1, 2008 based on 2007 performance, except for Mr. Levenson. His increase was effective November 1, 2007.

### Bonus/Annual Incentives

Our executives are eligible for an annual award under our Management Incentive Plan (MIP). We designed the MIP to reward performance based on excellence in performance on key financial metrics as compared to both the PPG, defined in the Peer Groups & Benchmarking section presented earlier, and each executive's performance in meeting benchmarks related to the contribution to his or her area of responsibility. The Committee also retains the discretion to increase or decrease the bonus payments awarded under the MIP to take into consideration special performance events or other performance-based circumstances.

In addition to the incentive payments determined under the MIP, the Committee has the discretion to award other cash bonuses to executives for

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extraordinary performance-based achievements. The Board did not exercise this discretion in 2007.

### Why We Provide Annual Incentives

Our compensation program includes an annual performance-based award. The objective is to compensate executives based on achievement of bank-wide and individual goals that are related to building franchise value and shareholder value. The bonus is intended to reward short-term performance, typically annually, in line with our long-term goals and motivate the executive to achieve outstanding results.

### How We Determine Annual Incentive Amounts

The structure of our Bonus plan includes:

1. setting Company goals;
2. setting personal performance goals;

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3. weighting the goals;
4. providing bonus opportunities to NEOs;
5. measuring actual performance and calculating incentive payments.

o Setting Company goals

Each year the Committee reviews our metrics and establishes bank-wide targets on the chosen metrics. In selecting the metrics, the Committee considers our short-term and long-term business strategy, the current business environment and the interests of the shareholders.

The following metrics of Company performance were chosen for 2007.

1. Return on assets (ROA)
2. Return on equity (ROE)
3. Earnings per share (EPS) growth

Each was weighted evenly in our bonus plan.

The Committee set the goals for each of the three measures in relation to the performance by the PPG in the previous year. The Committee used 2006 PPG performance data to set the goals for 2007. Although this historical perspective creates a lag in comparison, the approach allowed the Committee to establish the new benchmarks at the same time our annual budget was being completed. The timing also allowed the Committee to communicate to management the criteria against which their upcoming performance would be judged.

For the last five years, this lag has not been an issue because the peer performance has been relatively consistent from year to year. In 2007, however, the lag presented difficulties in fairly assessing our performance. Moving to a more current measurement period is being reviewed and considered for 2008.

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Under our 2007 MIP, the "threshold" level for each goal was set at the 40th percentile of the 2006 PPG performance; the "target" level for each goal was set at the 60th percentile and the "maximum" level for each goal was set at the 75th percentile. Historically, achieving "Maximum" in all three performance criteria has been achieved by only 5% to 10% of the organizations in the PPG. Therefore, a "maximum" bonus can be achieved only if we are a very high-performing company compared to peers.

2007 MIP - Company Performance Goal Levels

Goal	Percentile Rank to 2006 PPG Performance		
	Threshold (40th)	Target (60th)	Maximum (75th)

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Return on Assets (ROA)	1.0%	1.1%	1.3%
Return on Equity (ROE)	11.1%	13.7%	15.1%
Earnings Per Share			
(EPS) Growth	7.7%	10.0%	12.7%

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o Setting personal performance goals

At the beginning of the year, NEOs who report to the CEO develop personal performance goals for the year consistent with the budget and strategic plan and submit them to the CEO for review, amendment and approval. Through a collaborative effort, the respective NEOs and CEO agree to the final individual performance goals.

In general, personal performance goals are established using categories included in our internal Balanced Scorecard approach. The four categories are: Customer, Associate, Financial and Operational. All or some of the four categories may apply to each NEO depending upon each person's area of responsibility and their impact on our strategic plan.

Under the MIP, the Committee measures the performance of the CEO and Chairman solely on Company-wide goals. However, the Board establishes individual performance expectations in addition to those associated with the MIP for these NEOs. These performance expectations are established after a review, discussion and approval of recommendations by the CEO and Chairman. When annual salary adjustments are being considered, the Committee assesses the NEO performance compared to expectations.

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o Weighting the goals

The Committee believes the more senior the rank of the executive, the more responsibility that executive has for company-wide performance. As a result, company-wide performance measurement criteria play a larger role in determining the amount of bonus the more senior the executive. Personal performance goals play a larger role in determining the amount of the bonus for less senior ranked executives.

The table below shows the weighting of performance measurement criteria for each NEO.

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Weighting of Performance Criteria by NEO		
Named Executive Officer	Bank-Wide Performance	Personal Performance
Mark A. Turner - President and Chief Executive Officer	100%	0%
Stephen A. Fowle - Executive Vice President and Chief Financial Officer	65%	35%

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Marvin N. Schoenhals - Chairman of the Board	100%	0%
Rodger Levenson - Executive Vice President and Director of Commercial Banking	65%	35%
Barbara J. Fischer - Executive Vice President and Chief Administrative Officer	65%	35%

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MIP awards are calculated by using the percentage allocation shown above. For example, the MIP awards for Mr. Turner and Mr. Schoenhals are based entirely on bank-wide financial performance. Although they have personal performance goals, it is our overall performance that affects their MIP award.

o Providing bonus opportunities to NEOs

The table below shows the NEO bonus opportunity under the MIP. When setting MIP goals, the Committee takes into consideration the opportunity levels for similar positions within the CPG companies along with our philosophy of linking pay to performance. If we meet our performance targets and the NEO achieves their personal performance targets, we would provide a bonus as shown in the table.

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MIP Opportunity as a Percent of Base Salary			
Named Executive Officer	Minimum	Target	Maximum
Mark A. Turner - President and Chief Executive Officer	25.0%	50.0%	120.0%
Stephen A. Fowle - Executive Vice President and Chief Financial Officer	17.5%	35.0%	90.0%
Marvin Schoenhals - Chairman of the Board	25.0%	50.0%	120.0%
Rodger Levenson - Executive Vice President and Director of Commercial Banking	17.5%	35.0%	90.0%
Barbara J. Fischer - Executive Vice President and Chief Administrative Officer	17.5%	35.0%	90.0%

o Measuring actual performance and calculating incentive payments

The table below shows our 2007 targeted goals. The formula is computed by assigning a value of 1, 2 and 3 for Threshold, Target and Maximum, respectively. Our performance is compared to the MIP goals and a numerical value is interpolated. For example, if our ROA performance was exactly between the

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Threshold goal (a value of 1) and Target goal (a value of 2), our ROA would receive a score of 1.5.

2007 Management Incentive Plan Company Performance Goals and Results				
Percentile Rank to PPG				
Goal	Threshold (40th)	Target (60th)	Max (75th)	Actual Results
Return on Assets (ROA)	1.0%	1.1%	1.3%	.98%
Return on Equity (ROE)	11.1%	13.7%	15.1%	14.34%
Earnings Per Share (EPS) Growth	7.7%	10.0%	12.7%	3.17%
				Average
				Percentile Rank

Since 2007 was a difficult year for us and for the banking industry, we did not compare well to 2006 industry performance measures. The total amount paid under the MIP was \$772,000 in 2007. This compares to \$1.3 million paid for 2006. The decline was the result of us not achieving our targets, which was directly related to the economic downturn affecting the financial services industry and the previously noted "lag."

The MIP awards were based on financial information available to the Personnel and Compensation Committee at the time the recommendation and approval was made. Subsequent to their approval, an adjustment to our financial statements increased our earnings by \$411,000, or \$0.06 per share. This adjustment was 1.4% of earnings and was determined to be immaterial to the calculation of these awards. No

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further changes were made. For additional information about the adjustment, refer to our Form 8-K filed on March 17, 2008.

Our Return on Assets declined from 1.03% in 2006 to 0.97% in 2007; our Return on Equity declined from 15.42% in 2006 to 14.14% in 2007; and our growth of Earnings Per Share decreased from 13.4% in 2006 to 3.2% in 2007. As a result, for 2007 total MIP bonuses were 41% lower than awards granted for 2006. It is worth noting that our financial performance compared favorably to our peers throughout 2007 at approximately the 75th percentile, on average. Even though we outperformed our PPG during 2007, the Committee executed the plan based on 2006 PPG performance, as designed, and did not use its discretion to adjust the bonus amounts based upon

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bank-wide performance measures against a more recent peer comparison.

NEO achievement of some personal performance goals was impacted by the overall credit downturn in the financial services industry. For example, the deteriorating credit environment required additional provisions for loan losses in the fourth quarter 2007. This negatively affected NEO personal performance that was tied to budgeted goals.

At year-end 2007, the CEO reviewed our performance and the NEO personal performance levels using the criteria described above. He presented bonus recommendations to the Committee based on that review. The table below shows the actual payments approved by the Committee for each NEO under the MIP. The Committee did not make any discretionary adjustments to the recommended amounts.

		Actual 2007
NAMED EXECUTIVE OFFICER	MIP Target Opportunity as a % of Base Salary	Percent of Base
Mark A. Turner - President and Chief Executive Officer	50%	29%
Stephen A. Fowle - Executive Vice President and Chief Financial Officer	35%	37%
Marvin Schoenhals - Chairman of the Board	50%	29%
Rodger Levenson - Executive Vice President and Director of Commercial Banking	35%	23%
Barbara J. Fischer - Executive Vice President and Chief Administrative Officer	35%	24%

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Mr. Fowle received a supplementary bonus under the MIP for his successful management of the Human Capital Management Department during the time in which we were conducting an executive search for the head of that department in 2007. The successful management of the Human Capital Management Department was made a component of his MIP goals for 2007.

In 2008, a group consisting of management, the Committee and our compensation consultant is reviewing the MIP. The group will consider potential revisions to the MIP including factors such as: the 2007 compensation review, the

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change of leadership and the decision to apply best practices to the MIP model. Changes that may result from this analysis are being presented to the Committee for their discussion and approval.

### Equity/Long-Term Incentives

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Our equity-based compensation plan is the primary method by which we provide long-term incentives to our executives. We typically award stock options to our executives annually. Other forms of equity compensation are available for award under our plan. In the recent past, however, our NEOs have received only stock option awards.

#### Why We Offer Equity

We offer equity awards as a performance incentive to encourage ownership of our Common Stock to our executives and to further align the interests of management with those of our stockholders.

#### How We Determine Equity Award Levels

There is both a formulaic component and a performance-based discretionary component to our equity awards. Usually, stock options are granted each year-end. These awards are driven by a formula that grants an aggregate option value (defined as the exercise price times the number of options) at a set percentage of the executive's base salary.

The Committee has the discretionary authority to approve awards for outstanding performance and other specific events. In March 2008, Mrs. Fischer was awarded 1,000 discretionary options valued at \$9,578 using a Black-Scholes value of \$9.58 per option. This represented 0.82% of the total options granted for 2007. This award was in recognition of her leadership role in the move to our new headquarters building during the first quarter of 2007.

The table below shows the options granted in December 2007 as well as those discretionary awards granted in March.

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2007 Equity Awards 1			
NEO	Annual Award		Discretionary
	Number of Options	Value	Number of Options
Mark A. Turner - President and Chief Executive Officer	9,600	\$107,101	-
Stephen A. Fowle - Executive Vice President and Chief Financial Officer	3,800	42,394	-
Marvin Schoenhals - Chairman of the Board	11,800	131,646	-
Rodger Levenson - Executive Vice President and			

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Director of Commercial Banking	4,500	50,204	-
Barbara J. Fischer - Executive Vice President and Chief Administrative Officer	3,800	42,394	1,000

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1 Values of awards based upon the Black-Scholes valuation on the date of grant. For more information concerning the assumptions used for these calculations, please see Note 13 to our 2007 Consolidated Financial Statements in the 2007 Annual Report to Stockholders.

The executive compensation study conducted by Amalfi in the fourth quarter 2007 concluded that our equity award grants were about at the 25th percentile as compared to the CPG.

Timing and Pricing of Equity Awards

The Committee usually awards stock option grants at year-end. Grants may be recommended during other times of the year for special circumstances, such as the hiring of a new executive, but are subject to Committee approval. The grant date is established when the Committee approves the grant and all key terms have been established. We previously used the average of the high and low market prices on the grant date to set the exercise price. Beginning in December 2006, the exercise price for our stock options is set as the market closing price on the grant date.

Benefits

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o 401(k) Employer Contribution

We provide a 401(k) program that allows Associates to contribute a portion of their pre-tax earnings towards retirement savings. We offer a Company match to all Associates enrolled in our 401(k) plan as a component of total compensation and to encourage them to participate in the Plan. We match the first 5% of an Associate's contribution dollar-for-dollar up to IRS limitations. In addition, the Board may authorize a discretionary profit sharing contribution to all eligible Associates reflecting overall financial performance. In 2007, the Board authorized a discretionary contribution equaling 1.75% of eligible participants' annual compensation. In past years it was typically 2%.

Unlike some of members of our peer group, we do not offer SERPs or deferred compensation plans. In consideration of that, the Committee approved additional options to certain highly compensated executives, including the NEOs, to compensate them for contribution limitations to qualified retirement plans

imposed by the IRS. The supplemental equity awards shown in the table below are in addition to the equity awards provided in the table above. These supplemental equity awards are also formulaic, with the intention of compensating executives for limits to our contributions required by IRS rules under the broad-based qualified plans we offer to all Associates.

To calculate the supplemental equity awards, we add the



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deferral shortfall (the maximum deferral without applying the IRS compensation limit, minus the IRS limit for 2007, which was \$225,000) to the lost Company contribution opportunity (base salary minus \$225,000), and divide the sum by the option value as of December 12, 2007. The following table shows the number and value of options used to replace the retirement shortfall for each of our NEOs during 2007.

2007 Supplemental Equity Awards (Formulaic)		
Named Executive Officer	Options to Replace	Aggregate Option Value <sup>1</sup>
Mark A. Turner - President and Chief Executive Officer	4,400	\$ 49,089
Stephen A. Fowle - Executive Vice President and Chief Financial Officer	1,200	13,388
Marvin Schoenhals - Chairman of the Board	5,650	63,033
Rodger Levenson - Executive Vice President and Director of Commercial Banking	1,750	19,524
Barbara J. Fischer - Executive Vice President and Chief Administrative Officer	750	8,368

- <sup>1</sup> Derived by using the Black-Scholes value of options as of December 12, 2007. For more information concerning the assumptions used for these calculations, please see Note 13 to our 2007 Consolidated Financial Statements in the 2007 Annual Report to Stockholders.

An additional benefit of using equity to provide supplemental retirement benefits to our executives is the resulting increase in stock ownership provided to these key Associates which further strengthens the alignment of executive goals with the interests of our shareholders.

### Perquisites

Perquisites are granted to NEOs for specific reasons, and are identified either by the Committee or by the CEO and recommended to the Committee. Perquisites include club memberships, including country clubs. These are provided to assist in business development and to maintain competitiveness of overall compensation. In addition, perquisites included items such as personal financial consulting and travel allowances for business use of personally owned vehicles. These are provided to increase overall executive productivity. Additionally, executives who are recruited from outside our market may be reimbursed for costs associated with their relocation. We may provide a tax gross-up for some of the perquisites offered. The table below illustrates a list of perquisites awarded to the NEOs in 2007 and their respective values.

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2007 Named Executive Officer Perquisites

	Mark A. Turner President and Chief Executive Officer	Stephen A. Fowle Executive Vice President and Chief Financial Officer	Marvin Schoenhals Chairman of the Board
Auto Allowance	\$ 6,353	\$ -	\$ 7,320
Club Dues 1	73,304	4,807	7,356
Financial Planning Service	10,580	8,470	9,540
Relocation Related Expenses 2	-	-	-
Other 3	5,290	4,235	4,770
Use of Non-Commercial Aircraft 4	-	-	40,240
<b>Total</b>	<b>\$95,527</b>	<b>\$17,512</b>	<b>\$69,226</b>
Total as a % of Base Salary	25.47%	8.89%	14.95%
Total as a % of Cash Compensation	15.91%	5.98%	9.56%

- 1 Mr. Turner's amount includes a \$72,192 non-recurring country club entry fee, and related tax gross-up, as part of assuming CEO responsibilities. Tax gross-ups are also included for Mr. Schoenhals and Mr. Levenson.
- 2 Negotiated as part of offer of employment.
- 3 Includes tax gross-ups provided for financial planning service reimbursement.
- 4 Use of non-commercial aircraft was discussed and approved in advance by the Personnel and Compensation Committee to facilitate a portion of business travel for Mr. Schoenhals including travel to and from board meetings of the Federal Home Loan Bank of Pittsburgh where he served as Chairman. Non-commercial flights have been approved in instances where commercial flight times (and attendant delays) would have an adverse impact on other business activities and where travel is for our benefit. We did not pay for personal use of non-commercial aircraft. No other NEOs were eligible for this perquisite.

The Committee views perquisites afforded to executives as an element of the total compensation program. They are provided to facilitate business development and to enhance overall executive productivity consistent with their duties and responsibilities.

As a result of our challenging economic environment, to reduce overall corporate expenses and set the tone for such spending, the NEOs voluntarily gave up their annual perquisites in 2008, except for business-related travel. These benefits could be reinstated in 2009.

Total Compensation

The charts below show the components of total NEO compensation. Consistent with our pay-for-performance philosophy, a significant portion of their total compensation package is attributable to incentive components. For purposes of presenting the value of equity in the graphs below, we used the Black-Scholes value of options on the grant date. The Long Term Incentive/Equity category includes the full value of all formulaic, supplemental and

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discretionary awards. Other compensation includes fixed amounts such as perquisites, 401(k) contributions and similar benefits.

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[GRAPHIC OMITTED]

Mark A. Turner  
2007 Total Compensation

MIP / Bonus	14.6%
LTI / Equity	20.8%
Other	14.7%
Base	49.9%

[GRAPHIC OMITTED]

Stephen A. Fowle  
2007 Total Compensation

MIP / Bonus	20.1%
LTI / Equity	15.6%
Other	9.2%
Base	55.1%

[GRAPHIC OMITTED]

Marvin N. Schoenhals  
2007 Total Compensation

MIP / Bonus	15.4%
LTI / Equity	22.2%
Other	9.6%
Base	52.8%

[GRAPHIC OMITTED]

Rodger Levenson  
2007 Total Compensation

MIP / Bonus	13.1%
LTI / Equity	16.9%
Other	12.9%
Base	57.1%

[GRAPHIC OMITTED]

Barbara J. Fischer  
2007 Total Compensation

MIP / Bonus	15.0%
LTI / Equity	18.9%
Other	4.8%
Base	61.3%

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Compared to the CPG, the average direct compensation and total compensation of our five NEOs is in line with the 50th percentile (median) and well below the 75th percentile.

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Comparison to Compensation Peer Group (CPG)

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Compensation  
Level  
of CPG

Average Percent Difference Between our NEOs to those of the CPG

	Salary	Cash Compensation 1	Direct Compensation 2	Tot Compens
50th Percentile	4.20%	-0.20%	-0.80%	0.

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75th Percentile                      -12.20%                                      -14.40%                                      -19.80%                                      -21.00%

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- 1 Includes base salary plus any annual incentive or cash bonus
- 2 Includes cash compensation plus the economic value of equity or long-term incentives.
- 3 Includes cash compensation, equity, any other compensation (e.g., 401(k) employer match amounts, club dues, etc.) and retirement benefits.

### Employment Agreements

We do not have employment agreements for our NEOs. There is, however, a formal severance policy which provides payments to NEOs if their employment is terminated without cause or following a change of control. Further details concerning Employment Agreements are provided under the Potential Payments Upon Termination or Change in Control Section.

### Tax Considerations Related to Our Executive Compensation

Section 162(m) of the Internal Revenue Code of 1986, as amended (Code Section 162(m)) provides that certain compensation paid in excess of \$1 million to the Chief Executive Officer or to any of the other three most highly compensated NEOs of a public company will not be deductible for federal income tax purposes unless such compensation is paid in accordance with one of the listed exceptions described in Code Section 162(m). Generally, we structure our compensation programs so that compensation expense will be tax deductible. The deductibility of some types of compensation payments, however, can depend upon numerous factors, including plan design, the timing of the vesting of compensation awards or the exercise of previously granted rights. Interpretations of, and changes in, applicable tax laws and regulations, as well as other factors beyond our control, also can affect deductibility of certain compensation. As a result of these various factors, and in order that the Committee retains flexibility in awarding compensation, there may be situations when compensation paid will not be tax deductible in accordance with Code Section 162(m).

Sections 280G and 4999 of the Internal Revenue Code of 1986, as amended (Code Sections 280G and 4999) limit our ability to take a tax deduction for certain compensation that could be paid to NEOs resulting from a change in control transaction affecting us. In the event we pay any "excess parachute payments" as it is defined under Code Section 280G, we would

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have compensation payments that are not tax deductible and executives would have excise taxes due on the receipt of such "excess parachute payments." The Committee considers the adverse tax liabilities imposed by Code Sections 280G and 4999, as well as other competitive factors when it structures certain compensation to our NEOs. We do not anticipate that any payments to be made related to a possible future change in control transaction will result in non-deductible payments under Section 280G of the Code; however, the Committee has the authority to approve such payments on a case-by-case basis. No such non-deductible payments under Code Section 280G were paid to any current or former NEO during 2007.

### Other Executive Compensation Policies

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The Board has adopted an Ethics Policy. The provisions of this policy

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prohibit NEOs from using inside information to buy or sell our securities for a financial gain. To further ensure adherence to this policy, guidelines have been established for company-imposed trading blackout periods. Our regulatory counsel and the Chief Financial Officer offer direction to Associates on compliance with this policy. The policy requires all NEOs, to provide annual, written certification of their understanding and intent to comply with the policy.

Stock options are granted at the fair market value on the date of the grant and are not subject to re-pricing.

### Personnel and Compensation Committee Report

We have reviewed and discussed with management the Compensation Discussion and Analysis to be included in our 2008 Shareholder Meeting Proxy Statement filed pursuant to Section 14(a) of the Securities Exchange Act of 1934 (the "Proxy"). Based on the reviews and discussions referred to above, we recommend to the Board that the Compensation Discussion and Analysis referred to above be included in our Proxy.

Personnel and Compensation Committee  
Claibourne D. Smith, PhD, Chairman  
David E. Hollowell  
Dennis E. Klima

Linda C. Drake  
Thomas P. Preston

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### COMPENSATION OF EXECUTIVES

In accordance with the requirements of the United States Securities and Exchange Commission, which regulates the disclosures made by public companies such as us, the individuals whose compensation is discussed in this section are (1) Mark A. Turner because he served as our Principal Executive Officer during 2007, (2) Stephen A. Fowle because he served as our Principal Financial Officer during 2007, (3) Marvin N. Schoenhals, (4) Rodger Levenson and (5) Barbara J. Fischer because their total compensation placed them in the group of the three highest paid executives for 2007 other than the principal executive and principal financial officers. As a group, we also refer to these executives as our Named Executive Officers (NEOs) in this Proxy. The following is information about the compensation of our NEOs.

The information for these executives is organized according to the type of compensation. First, we show overall total compensation, including salaries, bonuses, option awards and certain other compensation, such as the matching contribution made to 401(k) plan investments, club dues and automobile allowances. Then, we explain in more detail the particular types of compensation these executives have received and could receive if they are terminated.

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### SUMMARY COMPENSATION TABLE

The following table summarizes the compensation of each NEO for the years ended December 31, 2007 and 2006.

### SUMMARY COMPENSATION TABLE

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Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Option Awards 1 (\$)	All Other Compensation 2 (\$)
Mark A. Turner, President and Chief Executive Officer	2007	\$ 356,866	\$ 110,000	\$ 80,745	\$ 110,714
	2006	262,000	148,000	112,160	27,420
Stephen A. Fowle, Chief Financial Officer	2007	196,367	72,000	34,093	32,699
	2006	186,000	80,000	35,191	30,427
Marvin N. Schoenhals, Chairman	2007	459,333	135,000	279,541	84,413
	2006	437,500	236,000	339,770	68,630
Rodger Levenson, Director of Commercial Banking	2007	226,250	54,000	37,994	53,285
	2006	35,048	40,000	1,907	1,000
Barbara J. Fischer, Chief Administrative Officer	2007	193,529	48,000	35,073	15,187
	2006	180,154	56,000	41,717	13,901

- 1 Represents the compensation cost recognized by the Company in connection with options to purchase shares of Company common stock granted to the individual, regardless of the year of grant and calculated in accordance with SFAS 123R for financial statement purposes. For more information concerning the assumptions used for these calculations, please see Note 13 to our 2007 Consolidated Financial Statements.
- 2 In 2007, All Other Compensation included perquisites listed in the table on page 25, plus contributions made by the Company into the 401(k) plans of our NEOs in the amount of \$15,187 for Mr. Turner, Mr. Fowle, Mr. Schoenhals, and Mrs. Fischer; and \$10,566 for Mr. Levenson.

Grants of Stock and Options

As a performance incentive, to encourage ownership of Common Stock and to further align the interests of management and stockholders, the Committee grants stock options to the CEO and Executive Management.

The following table shows the shares of WSFS Financial Corporation stock options granted during 2007 to each NEO.

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GRANT OF PLAN-BASED AWARDS

Grant	All Other Stock Awards: Number of Securities Underlying	Exercise of Base Price of Option Awards (\$/Sh)	Grant D Fair Val Option A
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Name	Date	Options (#)		
Mark A. Turner	12/12/07	14,000	\$53.39	\$ 156,19
Stephen A. Fowle	12/12/07	5,000	53.39	55,78
Marvin N. Schoenhals	12/12/07	17,450	53.39	194,67
Rodger Levenson	12/12/07	6,250	53.39	69,72
Barbara J. Fischer	02/21/07	500	69.00	7,43
	12/12/07	4,550	53.39	50,76

Under our 2005 Incentive Plan, we issued incentive and non-qualified option grants to our CEO and executive officers in 2007. The options have an exercise price equal to the closing stock price of WSFS Common Stock at the grant date. The grants vest equally over four years and expire on the fifth anniversary of the grant date. The Black-Scholes option-pricing model was used to determine the grant-date fair-value of these options. See Note 13 to our 2007 Consolidated Financial Statements for a detailed discussion of how we value option awards.

The number of shares granted to executives under the plan is based on a calculation related to the executive's base salary and may be adjusted by the Committee. In addition, the CEO and executives received non-qualified option grants to compensate them for the limitations imposed by Internal Revenue Service Code on highly compensated executives with regard to tax-qualified defined contribution plans, specifically the company's 401(k) plan.

No options were re-priced, nor were any modifications made to any outstanding option during 2007.

Outstanding Equity Awards Value at Fiscal Year-End Table

The following table shows the number and exercise price of all unexercised options held by Named Executive Officers as of December 31, 2006. The awards are listed in order of grant date. The shorter option expiration dates of more recent grants are due to a change in our policy of granting options with a ten-year exercise term to a five-year exercise term. No stock awards have been granted to Named Executive Officers, therefore none are shown in the table.

Outstanding Equity Awards at Fiscal Year-End

Option Awards		
Number of Securities Underlying	Number of Securities Underlying Unexercised	Equity Incentive Plan Awards: Number of Securities

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Name	Unexercised Options (#) Exercisable	Options (#) Unexercisable	Underlying Unexercised Unearned Options (#)	Option Exercise Price (\$)	Ex
Mark A. Turner 1	4,280	-	4,280	\$14.88	0
	9,413	-	9,413	14.88	1
	11,087	-	11,087	11.31	0
	14,300	-	14,300	10.81	1
	1,700	-	1,700	14.88	1
	21,000	-	21,000	17.20	1
	10,000	-	10,000	17.35	0
	12,900	-	12,900	33.40	1
	6,160	1,540	7,700	43.70	1
	3,570	2,380	5,950	58.75	1
	4,350	4,350	8,700	63.67	1
	1,712	5,138	6,850	65.20	1
	-	14,000	14,000	53.39	1
Stephen A. Fowle 2	1,200	1,800	3,000	60.00	0
	1,500	1,500	3,000	63.67	1
	200	600	800	62.78	0
	950	2,850	3,800	65.20	1
	-	5,000	5,000	53.39	1
Marvin N. Schoenhals 3	8,160	-	8,160	10.81	1
	9,200	-	9,200	14.88	1
	24,980	-	24,980	17.20	1
	16,800	-	16,800	33.40	1
	10,120	2,530	12,650	43.70	1
	5,700	3,800	9,500	58.75	1
	6,550	6,550	13,100	63.67	1
	3,325	9,975	13,300	65.20	1
-	17,450	17,450	53.39	1	
Rodger Levenson 4	2,787	8,363	11,150	65.20	1
	-	6,250	6,250	53.39	1
Barbara J. Fischer 5	10,000	-	10,000	17.63	0
	1,920	-	1,920	33.40	1
	2,280	570	2,850	43.70	1
	1,500	1,000	2,500	58.75	1
	1,610	1,610	3,220	63.67	1
	662	1,988	2,650	65.20	1
	-	500	500	69.00	0
	-	4,550	4,550	53.39	1

1 For Mr. Turner, of the 1,540 unvested options expiring on 12/18/13, all 1,540 vest on 12/18/08; of the 2,380 unvested options expiring on 12/16/14, 1,190 vest on 12/16/08 and 1,190 vest on 12/16/09; of the 4,350 unvested options expiring on 12/15/10, 2,175 vest on 12/15/08 and 2,175 vest on 12/15/09; of the 5,138 unvested options expiring on 12/13/11, 1,713 vest on 12/13/08, 1,712 vest on 12/13/09 and 1,713 vest on 12/13/10; of the 14,000 unvested options expiring on 12/12/12, 3,500 vest on 12/12/08, 3,500 vest on 12/12/09, 3,500 vest on 12/12/10 and



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3,500 vest on 12/12/11.

- 2 For Mr. Fowle, of the 1,800 unvested options expiring on 1/3/15, 600 vest on 1/3/08, 600 vest on 1/3/09 and 600 vest on 1/3/10; of the 1,500 unvested options expiring on 12/15/10, 750 vest on 12/15/08 and 750 vest on 12/15/09; of the 600 unvested options expiring on 2/22/11, 200 vest on 2/22/08, 200 vest on 2/22/09 and 200 vest on 2/22/10; of the 2,850 unvested options expiring on 12/13/11, 950 vest on 12/13/08, 950 vest on 12/13/09 and 950 vest on 12/13/10; of the 5,000 options expiring on 12/12/12, 1,250 vest on 12/12/08, 1,250 vest on 12/12/09, 1,250 vest on 12/12/10 and 1,250 vest on 12/12/11.
  
- 3 For Mr. Schoenhals, of the 2,530 unvested options expiring on 12/18/13, all 2,530 vest on 12/18/08; of the 3,800 unvested options expiring on 12/16/14, 1,900 vest on 12/16/08 and 1,900 vest on 12/16/09; of the 6,550 unvested options expiring on 12/15/10, 3,275 vest on 12/15/08 and 3,275 vest on 12/15/09; of the 9,975 unvested options expiring on 12/13/11, 3,325 vest on 12/13/08, 3,325 vest on 12/13/09 and 3,325 vest on 12/13/10; of the 17,450 unvested options expiring on 12/12/12, 4,362 vest on 12/12/08, 4,363 vest on 12/12/09, 4,362 vest on 12/12/10 and 4,363 vest on 12/12/11.
  
- 4 For Mr. Levenson, of the 8,363 unvested options expiring on 12/13/11, 2,788 vest on 12/13/08, 2,787 vest on 12/13/09 and 2,788 vest on 12/13/10; of the 6,250 unvested options expiring on 12/12/12, 1,562 vest on 12/12/08, 1,563 vest on 12/12/09, 1,562 vest on 12/12/10 and 1,563 vest on 12/12/11.
  
- 5 For Mrs. Fischer, of the 570 unvested options expiring on 12/18/13, all 570 vest on 12/18/08; of the 1,000 unvested options expiring on 12/16/14, 500 vest on 12/16/08 and 500 vest on 12/16/09; of the 1,610 unvested options expiring on 12/15/10, 805 vest on 12/15/08 and 805 vest on 12/15/09; of the 1,988 unvested options expiring on 12/13/11, 663 vest on 12/13/08, 662 vest on 12/13/09 and 663 vest on 12/13/10; of the 500 unvested options expiring on 2/21/12, 125 vest on 2/21/08, 125 vest on 2/21/09, 125 vest on 2/21/10 and 125 vest on 2/21/11; of the 4,550 unvested options expiring on 12/12/12, 1,137 vest on 12/12/08, 1,138 vest on 12/12/09, 1,137 vest on 12/12/10 and 1,138 vest on 12/12/11.

### Exercises of Options and Vesting of Shares During 2007

The following table shows the number of options exercised by the officers during the fiscal year ended December 31, 2007. Since no officer received stock awards, no vesting of stock awards is shown.

#### Option Exercises and Stock Vested

	Option Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)
Mark A. Turner	-	-
Stephen A. Fowle	-	-

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Marvin N. Schoenhals	38,280	\$ 1,966,922
Rodger Levenson	-	-
Barbara J. Fischer	-	-

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Employment Agreements and Severance Policy

None of our Named Executive Officers are covered by a formal employment agreement. However, we have a severance policy that provides for payments to our Chief Executive Officer and Executive Vice Presidents if their employment is terminated without cause or following a change of control of the Company.

Termination without cause - An executive covered by this policy who is terminated without cause is provided a minimum of six months severance and six months of professional level outplacement. If the executive does not find new employment within six months after termination, severance pay and professional outplacement would continue for another six months, or until the executive found employment, whichever occurs first. If the executive finds another job at a lower rate of pay than previously received at the Company, then we would make up the difference until the second six-month period ends. Medical and dental benefits would continue at the general Associate rate through the severance period.

Change in control - An executives covered by this policy who is terminated without cause within one year following a change in control or who is offered a position that is not within 25 miles of his or her work-site nor at his or her WSFS salary and bonus opportunity immediately before the change in control, would receive 24 months base salary. Twelve months of executive level outplacement would be offered and medical and dental benefits would continue at the general Associate rate through the 24-month period.

It is not anticipated that any severance payments resulting from a change in control will cause such payments to be non-deductible as an "excess parachute payment" as defined by Internal Revenue Code Sections 280G and 4999. The Committee does retain the authority to approve non-deductible severance payments associated with a change in control on a case-by-case basis.

Mr. Schoenhals is not included in the severance policy and does not have a severance agreement with the Company.

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Potential Payments Upon Termination or Change in Control

The following table shows the payments that the officers could potentially receive upon termination of their employment or a change of control of the Company at December 31, 2007.

	Before Change in Control	After Change in Control
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Name	Benefit	Termination Without Cause or Departing for Good Reason	Termination Without Cause or Departing for Good Reason	Death
Mark A. Turner	Severance pay	\$375,000	\$750,000	\$100,000
	Outplacement services	15,000	15,000	-
	Option vesting	-	10,010	10,010
	Health benefits	7,301	14,602	-
	Total Value	397,301	789,612	110,010
Stephen A. Fowle	Severance pay	197,000	394,000	50,000
	Outplacement services	15,000	15,000	-
	Option vesting	-	-	-
	Health benefits	8,269	16,538	-
	Total Value	220,269	425,538	50,000
Marvin N. Schoenhals	Severance pay	-	-	100,000
	Outplacement services	-	-	-
	Option vesting	-	16,445	16,445
	Health benefits	-	-	-
	Total Value	-	16,445	116,445
Rodger Levenson	Severance pay	235,000	470,000	50,000
	Outplacement services	15,000	15,000	-
	Option vesting	-	-	-
	Health benefits	2,960	5,920	-
	Total Value	252,960	490,920	50,000
Barbara J. Fischer	Severance pay	196,000	392,000	100,000
	Outplacement services	15,000	15,000	-
	Option vesting	-	4,955	4,955
	Health benefits	2,816	5,632	-
	Total Value	213,816	417,587	104,955

- o The amount for outplacement services is based on management's discussions with outplacement providers.
- o Option vesting is based on an assumed value of \$50.20 per WSFS share reflecting the closing price on December 31, 2007.
- o The amount for health benefits represents the premium paid by the Company reduced by amount paid by the Associate.

- o Disability benefits are based on years of service. We offer two weeks of disability benefits for each year of service.
- o Severance payments following a change in control are subject to reduction if such payments would exceed the deductibility limits under Section 280G of the Internal Revenue Code, unless the Committee was to specifically authorize such non-deductible payments at that time on a case-by-case basis.

Retirement Plans

We do not maintain a tax-qualified non-contributory retirement plan (pension plan). However, we do provide continuation of medical benefits to Associates who retire from the company, should they elect to participate in the benefit. We provide supplemental contributions toward retiree continuing medical coverage costs. For 2007, our contribution towards this supplement was capped at \$2,308 per retiree, but may have been less based on length of service at time of retirement of each retiree irrespective of annual increases to the cost of the medical benefit premium. We limit our increases to no more than 4% annually.

5. Committees of the Board of Directors  
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There are five main committees of the Board of Directors: the Executive Committee, the Corporate Governance and Nominating Committee, the Audit Committee, the Personnel and Compensation Committee and the Trust Committee.

Executive Committee  
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Marvin N. Schoenhals is the Chairman of the Executive Committee. The other members of the Committee are Charles G. Cheleden, David E. Hollowell, Dennis E. Klima and Calvert A. Morgan, Jr. The Committee is required to meet monthly, or more frequently if necessary, and met 24 times during 2007. This Committee exercises the powers of the Board of Directors between meetings of the full Board and its primary activity has been to review those loan applications that need Board approval.

Another important part of the Executive Committee's role is to review and approve transactions with insiders. Under the Bank's written policy, the Executive Committee reviews and approves all insider loans or lending relationships. Any loan granted to an insider in excess of \$500,000 requires pre-approval by the Board of Directors, with the interested party (if a director) abstaining from participating directly or indirectly in the voting. All loans granted to insiders, regardless of the amount, are reported to the Board of Directors.

Corporate Governance and Nominating Committee  
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Charles G. Cheleden is the Chairman of the Corporate Governance and Nominating Committee. The other members of the Committee are Linda C. Drake,

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Dennis E. Klima, Thomas P. Preston, Scott E. Reed and Claibourne D. Smith. The Committee met four times during 2007. A copy of the Corporate Governance and Nominating Committee Charter can be found on the investor relations page of our website [www.wsfsbank.com](http://www.wsfsbank.com) (select "Investor Relations" on the menu found under "About WSFS" and click on "Governance Documents").

The Corporate Governance and Nominating Committee does the following:

- o Makes recommendations to the full Board of Directors regarding corporate governance guidelines and policies.
- o Assists the Board of Directors in finding individuals who are qualified to serve as directors and provides its recommendations to the full Board of Directors when the Board selects its nominees for each annual meeting.
- o Leads the Board in an annual review of the Board's performance.
- o Advises the Board on the assignment of the directors to serve on the various committees of the Board.

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- o Reviews and approves any transactions that directors or employees (including their family members and members of their households) have with WSFS Financial Corporation and its subsidiaries, including WSFS Bank. See Review and Approval of Transactions with Insiders below.

We believe that it is important to have a strong, independent Board of Directors that is accountable to the stockholders. The Company's By-laws empower the Committee with the responsibility for identifying qualified individuals as candidates for membership in the Board of Directors.

The Committee solicits recommendations from the officers and directors as well as considers and evaluates any candidates recommended by the shareholders. There is no difference in the manner in which the Committee evaluates persons recommended by directors or officers versus those recommended by stockholders in selecting Board nominees. It has not been the Company's practice to date to pay fees to any third party to identify, evaluate or assist in identifying or evaluating potential nominees for the Board of Directors.

The Board desires that its membership be geographically diverse, therefore, potential directors should enhance the Board's statewide and regional representation. The Board also desires that its membership reflect gender and racial diversity with a broad range of experience, knowledge and judgment in a variety of business and professional sectors. As a commitment to this diversification, the Board believes potential directors should be knowledgeable about the business activities and market areas in which we and our subsidiaries engage. A candidate's breadth of knowledge and experience should enable that person to make a meaningful contribution to the governance of a complex, multi-billion dollar financial institution.

To be considered in the Committee's selection of Board nominees, recommendations from stockholders must be received by the Corporation in writing not less than 120 days prior to the anniversary date of the mailing date of the proxy statement for the previous year's annual meeting. Recommendations should identify the stockholder making the recommendation and for each person the stockholder proposes to recommend as a nominee to the Board (1) the name, age,

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business address of such person; (2) the principal occupation or employment of such person; (3) the Class and number of shares of our Voting Stock (as defined in our Bylaws) which are beneficially owned by such stockholder on the date of such notice; and (4) any other information required to be included in such notice as described in our Bylaws or disclosed in solicitations of proxies with respect to nominees for election of directors described in the Securities Exchange Act of 1934.

### Audit Committee

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Scott E. Reed is Chairman of the Audit Committee. The other members of the Committee are John F. Downey, Joseph R. Julian and Claibourne D. Smith. Mr. Reed has the qualifications to serve as the Committee's financial expert. Each member of the Audit Committee is "independent" as defined in the listing standards of the Nasdaq Stock Market. The

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Committee met nine times during 2007. A copy of the Audit Committee Charter can be found on the investor relations page of our website [www.wsfsbank.com](http://www.wsfsbank.com) (select "Investor Relations" on the menu found under "About WSFS" and click on "Governance Documents").

The Audit Committee does the following:

- o Oversees the audit program and reviews our consolidated financial statements, including major issues regarding accounting and auditing principles and practices as well as the adequacy of internal controls that could significantly affect our financial statements.
- o Reviews the examination reports from federal regulatory agencies as well as reports from the internal auditors and from the independent registered public accounting firm.
- o Meets quarterly with the internal Loan Review Department as well as the head of the Audit Department and representatives of the independent registered public accountants, with and without representatives of management present, to review accounting and auditing matters, and to review financial statements prior to their public release.
- o Meets annually to review our risk analysis and associated audit plan.
- o Approves the selection of the independent registered public accounting firm and recommends their appointment to the full Board of Directors.

It is the Audit Committee's policy to approve all audit and non-audit services prior to the engagement of the independent registered public accounting firm to perform any service. Under certain circumstances, management is authorized to spend up to 5% of the approved annual audit fee, as approved by the Audit Committee in the Engagement Letter, without obtaining any prior approval. Fees ranging from 5% to 10% of the approved annual audit fee require the pre-approval of the Chairman of the Audit Committee. Fees that exceed 10% of the approved annual audit fee require the pre-approval of the full Audit Committee. All additional fees are reported to the Audit Committee in a timely

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manner.

In connection with the audit of the 2007 financial statements, we entered into engagement letters with KPMG LLP that sets the terms by which KPMG performed services for us. Those agreements are subject to alternative dispute resolution procedures and exclusions of punitive damages.

All of the services listed below for 2007 were approved by the Audit Committee prior to the service being rendered. The Audit Committee has determined that the non-audit services performed during 2007 were compatible with maintaining the independent registered public accounting firm's independence.

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**Audit Fees.** The aggregate fees earned by KPMG LLP for professional services rendered for the audit of our consolidated financial statements and for the review of the consolidated financial statements included in our quarterly reports on Form 10-Q for the fiscal years ended December 31, 2007 and 2006 were \$609,000 and \$619,566, respectively.

**Audit Related Fees.** The aggregate fees earned by KPMG LLP for audits of the subsidiaries' financial statements, due diligence activities on proposed transactions, and research and consultation on financial accounting and reporting matters for the years ended December 31, 2007 and 2006 were \$92,207 and \$48,750, respectively.

**Tax Fees.** The aggregate fees earned by KPMG LLP for professional services rendered for tax compliance, tax advice or tax planning for the years ended December 31, 2007 and 2006 were \$52,547 and \$70,500, respectively.

**All Other Fees.** The aggregate fees earned by KPMG LLP for professional services rendered other than those listed under the captions "Audit Fees," "Audit Related Fees," and "Tax Fees" for both the years ended December 31, 2007 and 2006, were \$0.

The Audit Committee has prepared the following report for inclusion in this proxy statement:

As part of its ongoing activities, the Audit Committee has:

- o Reviewed and discussed with management our audited consolidated financial statements for the fiscal year ended December 31, 2007;
- o Discussed with the independent registered public accounting firm, the matters required to be discussed by Statement on Auditing Standards No. 61, Communications with Audit Committees, as amended; and
- o Received the written disclosures and the letter from the independent registered public accounting firm required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, and has discussed with the independent registered public accounting firm their independence.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2007.

The Audit Committee, comprised of Scott E. Reed, John F. Downey, Joseph R. Julian and Claibourne D. Smith, has provided this report.

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### Personnel and Compensation Committee

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Claibourne D. Smith is the Chairman of the Personnel and Compensation Committee. The other members of the Committee are Linda C. Drake, David E. Hollowell, Thomas P. Preston and Dennis E. Klima. The Committee met eight times during 2007. A copy of the Personnel and Compensation Committee Charter can be found on the investor relations page of

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our website [www.wsfsbank.com](http://www.wsfsbank.com) (select "Investor Relations" on the menu found under "About WSFS" and click on "Governance Documents").

The Personnel and Compensation Committee does the following:

- o Oversees the executive compensation programs and recommends to the full Board of Directors for its approval the compensation and benefits of the senior management officers.
- o Approves guidelines for the salary and benefits of other officers and Associates.
- o Oversees the administration of option plans and incentive plans and makes recommendations to the Board of Directors for awards under such plans.

### Compensation Committee Interlocks and Insider Participation

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No member of our Personnel and Compensation Committee is, or formerly was, an officer or Associate of the Company. During 2007, none of our executive officers served on the Personnel and Compensation Committee (or equivalent), or the Board of Directors, of another entity whose executive officer or officers served on our Personnel and Compensation Committee or Board.

### Trust Committee

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The Trust Committee is comprised of members of both the WSFS Bank Board and of management. It provides oversight to Wilmington Advisors, the trust division of the Bank. Calvert A. Morgan, Jr. is the Chairman and the other members of the Committee are Linda C. Drake, Scott E. Reed, Marvin N. Schoenhals and Mark A. Turner. The Committee met six times during 2007. A copy of the Trust Committee Charter can be found on the investor relations page of our website [www.wsfsbank.com](http://www.wsfsbank.com) (select "Investor Relations" on the menu found under "About WSFS" and click on "Governance Documents").

The Trust Committee does the following:

- o Oversees Wilmington Advisors in providing trust administration and investment management services;
- o Adopts appropriate policies and procedures to be observed in offering such services;
- o Enforces sound risk management practices calculated to minimize risk of loss to the Bank and its customers; and
- o Reports to the Board on the activity of Wilmington Advisors in the conduct of its business.



Stock Ownership and Retention Guidelines

Our By-Laws require that each director of our Company be a stockholder and own a minimum amount of our common stock as determined from time to time by the Board. The Board has established a guideline that the minimum amount of stock owned, plus retention of stock grants should be approximately 2,200 shares after three years of directorship.

This guideline is designed to encourage our directors to increase and maintain their equity stake in our Company and thereby to more closely link their interests with those of our shareholders.

6. Compensation of the Board of Directors  
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Our non-Associate directors received the following base compensation for 2007:

- o An annual retainer of \$15,500, paid in cash,
- o 600 shares of WSFS Financial Corporation common stock.
- o 1,110 options to purchase shares of WSFS Financial Corporation common stock under our 2005 Incentive Plan.

During the year ended December 31, 2007, the Board of Directors held eight meetings. None of the directors attended less than 75% of the total of: (a) meetings of the Board of Directors and (b) meetings of the committees on which they served during the year. We pay a fee for committee service, and during 2007, each director received \$650 for each committee meeting attended. Directors who served on the Audit Committee each received an additional annual retainer of \$10,000 during 2007.

Directors who chaired board committees during 2007 received an additional annual retainer. The Audit Committee chair received \$5,000, the Corporate Governance and Nominating Committee chair received \$3,000, the Personnel and Compensation Committee chair received \$3,000 and the Trust Committee chair received \$3,000.

Director Compensation Table  
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The compensation paid to directors during 2007 is summarized in the following table. The assumptions used in valuing the stock and option awards are detailed in Note 13 the to consolidated financial statements contained in our 2007 Annual Report. Mr. Schoenhals and Mr. Turner are not shown in this table because they are compensated as officers and do not receive any director compensation.

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Directors:	Fees Earned or Paid in Cash	Stock Awards	Option Awards 1	All Other Compensation	
Charles G. Cheleden	\$ 50,150	\$ 41,634	\$13,261	-	\$ 1
John F. Downey	37,650	41,634	13,261	-	
Linda C. Drake	26,550	41,634	13,261	-	
David E. Hollowell	31,750	41,634	14,289	-	
Joseph R. Julian	31,350	41,634	13,261	-	
Dennis E. Klima	33,050	41,634	11,463	-	
Calvert A. Morgan, Jr. 2	35,400	41,634	20,861	\$ 147,500	2
Thomas P. Preston	22,650	41,634	13,758	-	
Scott E. Reed	37,100	41,634	9,284	-	
Claibourne D. Smith	42,150	41,634	13,261	-	

- 1 The grant date fair value of each director's 2007 equity award was \$12,384. Amounts shown in this column represent compensation expense.
- 2 Mr. Morgan's Other Compensation includes \$110,000 for consulting services, \$30,000 for an incentive bonus and \$7,500 for an expense allowance.

Compensation of Mr. Cheleden as the Lead Director

The Lead Director is an outside and independent director designated by the Board of Directors of the Company to lead the Board to fulfill its duties effectively, efficiently and independent of management. Charles G. Cheleden currently serves as Lead Director, and during 2007, he was compensated \$1,500 per month for serving in that role, in addition to his other compensation as a director.

The responsibilities of the Lead Director include:

- o Enhancing Board effectiveness by ensuring the Board has adequate training and resources to carry out its duties.
- o Managing the Board by:
  - o providing input on Board and committee meeting agendas;
  - o consulting with the Chairman on effectiveness of Board committees;
  - o ensuring that the Board has adequate opportunities to discuss issues without management's presence;

- o chairing Board meetings in the absence of the Chairman;

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- o ensuring that committee functions are carried out and reported to the Board;
  - o calling meetings of the independent directors as necessary;
  - o meeting with each board member annually to discuss their interest in continuing to serve on the Board;
  - o identifying possible candidates for retirement from the Board, and with the approval of the Board, coordinating retirement plans with exiting Board members.
- o Acting as a liaison between the Board of Directors, management and major stockholders. This includes communicating to management, as appropriate, to discuss the results of private discussions among independent directors to resolve conflicts and being available for consultation and direct communication with major shareholders.

### Compensation of Mr. Morgan as Special Advisor

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Calvert A. Morgan, Jr. is a member of our Board of Directors and serves in a consulting capacity as Special Advisor. In this role, Mr. Morgan performs such duties as requested by the Board and the Chairman to assist in improving corporate performance. He is compensated for his services as Special Advisor in addition to his other compensation as a director. During 2007, Mr. Morgan received an annual base consulting fee of \$110,000, with the opportunity to earn a supplemental payment ranging from 0% to 100% of the base fee. The precise amount of the supplemental payment is determined at the discretion of the Personnel and Compensation Committee, based on our results for the year, loan and deposit growth, and the Committee's subjective assessment of Mr. Morgan's overall contribution to those results. Mr. Morgan earned a supplemental payment of \$29,000 for 2007, which was paid in 2008. He also received a supplemental payment of \$30,000 for 2006 paid during 2007. As part of the terms of his consulting engagement with us, Mr. Morgan is also entitled to a separation payment of up to \$44,000, based on the length of his engagement.

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## 7. Other Information

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### Large Stockholders

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Stockholders who own 5% or more of the outstanding common stock of a publicly traded company are required to report that information to the Securities and Exchange Commission (the SEC). The following table lists the stockholders who have reported to the SEC that they own 5% or more of our outstanding Common Stock. The number of shares is the number most recently reported to the SEC by the stockholder. The percentage is based on the number of shares of our Common Stock outstanding as of March 6, 2008, the record date set for the 2008 Annual Meeting of Stockholders.

Name and address of owner -----	Number of Shares 1 -----	Percentage of WSFS Financial Corporation common stock outstanding -----
Private Capital Management 2 8889 Pelican Bay Boulevard Naples, FL 34108	541,245 shares	8.77 %

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Barclays Global Investors, NA 3            417,640 shares                            6.77 %  
45 Fremont Street  
San Francisco, CA 94105

- 1    In accordance with Rule 13d-3 under the Exchange Act, for the purposes of this table, a person is deemed to be the beneficial owner of any shares of Common Stock if he or she has or shares voting and/or investment power with respect to such Common Stock or has a right to acquire beneficial ownership at any time within 60 days from the Record Date. As used herein, "voting power" is the power to vote or direct the voting of shares and "investment power" is the power to dispose or direct the disposition of shares. Except as otherwise noted, ownership is direct, and the named individuals and groups exercise sole voting and investment power over the shares of the Common Stock.
- 2    According to the Statement on Schedule 13G/A of Private Capital Management filed on February 14, 2008, shares are held by its investment advisory clients as to which it shares voting and investment power.
- 3    According to the Statement on Schedule 13G of Barclays Global Investors, NA filed on February 5, 2008, the shares reported are held by Barclays Global Investors, NA and its affiliates.

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This Proxy is Solicited on Behalf of the Board of Directors  
WSFS FINANCIAL CORPORATION  
for the  
2008 Annual Meeting of Stockholders

The undersigned hereby appoints Marvin N. Schoenhals and Mark A. Turner, or either of them, with full power of substitution, to act as attorneys and proxies for the undersigned and to vote all shares of Common Stock of WSFS Financial Corporation, which the undersigned is entitled to vote, at the Annual Meeting of Stockholders to be held on April 24, 2008 at 4:00 p.m., or at any adjournments thereof, as follows:

THIS PROXY IS CONTINUED ON THE REVERSE SIDE.  
PLEASE SIGN ON THE REVERSE SIDE AND RETURN PROMPTLY.

ANNUAL MEETING OF STOCKHOLDERS OF  
WSFS FINANCIAL CORPORATION

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April 24, 2008

Please date, sign and mail your proxy card in the envelope provided as soon as possible.

Please detach along perforated line and mail in the envelope 20530000000000000000 7 0424

----- THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ALL NOMINEES AND ITEMS LISTED BELOW. PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR -----

1. Election of Directors:

NOMINEES:

- [ ] FOR ALL NOMINEES O Charles G. Cheleden For a three year term expiring 2011
[ ] WITHHOLD AUTHORITY O Joseph R. Julian For a three year term expiring 2011
FOR ALL NOMINEES O Dennis E. Klima For a three year term expiring 2011
O Mark A.Turner For a three year term expiring 2011
O Calvert A. Morgan, Jr. For a two year term expiring 2010
[ ] FOR ALL EXCEPT (See instructions below]

INSTRUCTION: To withhold authority to vote for any individual nominee(s), mark "FOR ALL EXCEPT" and fill in the circle next to each nominee you wish to withhold, as shown here: 0

- 2. Ratification of the appointment of KPMG, LLP as independent auditors for the fiscal year ending December 31, 2008. FOR [ ] AGAIN [ ]

The proxy is revocable and, when properly executed will be voted in the manner directed hereby by the undersigned. If no directions are made, this proxy will be voted FOR each of the nominees and the other proposals. The undersigned, by executing and delivering this proxy, revokes the authority given with respect to any earlier dated proxy submitted by the undersigned.

Unless contrary direction is given, the right is reserved in the sole discretion of the Board of Directors to distribute votes among some or all of the above nominees in a manner other than equally so as to elect as directors the maximum possible number of such nominees.

In their discretion the proxies are authorized to vote upon such other business as may properly come before the Annual Meeting.

The undersigned acknowledges receipt of the Notice of Annual Meeting of Stockholders, a Proxy Statement and Annual Report of WSFS Financial Corporation.

PLEASE MARK, SIGN, DATE AND RETURN THIS CARD PROMPTLY USING THE ENCLOSED ENVELOPE.

Signature of Stockholder \_\_\_\_\_ Date: \_\_\_\_\_ Signature of Stockholder \_\_\_\_\_

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Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person. gistered name(s) on the account may not be submitted via this method.

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