

**PRUDENTIAL BANCORP, INC.
AND PRUDENTIAL BANK**

AUDIT COMMITTEE CHARTER

I. Audit Committee Purpose

The Audit Committee is appointed by the Board of Directors (the "Board") to assist the Board in fulfilling its oversight responsibilities. The Audit Committee's primary duties and responsibilities are to:

- Appoint the Company's independent registered public accounting firm.
- Monitor the integrity of the Company's financial reporting process and systems of internal controls regarding finance, accounting, legal, and regulatory compliance as prepared by management and reviewed by the Company's independent registered public accounting firm.
- Monitor the qualifications, independence, and performance of the Company's independent registered public accounting firm and internal auditing department.
- Provide an avenue of communication among the Company's independent registered public accounting firm, management, the internal auditing department, and the Board.

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it shall have direct access to the Company's independent registered public accounting firm as well as anyone in the organization. The Audit Committee has the ability to retain, at the Company's expense, independent counsel and other advisers or experts as it deems necessary to carry out its duties. Furthermore, the Company shall provide for appropriate funding, as determined by the Audit Committee, in its capacity as a committee of the Board of Directors, for payment of:

- (i) Compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company;
- (ii) Compensation to any advisers employed by the Audit Committee as provide by this Charter; and
- (iii) Ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

The Audit Committee shall be directly responsible for appointing, determining compensation of, and overseeing the Company's independent registered public accounting firm in accordance with Section 301 of the Sarbanes-Oxley Act of 2002 (the "Act"), Section 10A(m)2 of the Securities Exchange Act of 1934 as amended (the "Exchange Act") and Rule 10A-3(b)(2) promulgated under the Exchange Act.

II. Audit Committee Composition and Meetings

Audit Committee members shall meet the applicable requirements of the Securities and Exchange Commission ("SEC") and the NASDAQ Stock Market (the "Nasdaq"). The Audit Committee shall be comprised of three or more directors, as determined by the Board, each of whom shall be independent, as such term is defined in the rules of the SEC and the Nasdaq, free from any relationship that would interfere with the exercise of his or her independent judgment. In order to maintain independent judgment, Audit Committee members are prohibited from receiving any consulting, advisory, or other compensatory fee from the Company or any parent or subsidiary, other than payment for Board or committee service. All members of the Committee shall have a basic understanding of finance and accounting and be able to read and understand fundamental financial statements at the time of their appointment. At least one member of the Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background which results in the individual's financial sophistication, in accordance with applicable Nasdaq Stock Market Rules (the "Nasdaq Rules").

Audit Committee members shall be appointed by the Board. If an Audit Committee Chair is not designated or present, the members of the Committee may designate a Chair by majority vote of the Committee membership.

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Committee should meet privately in executive session at least annually with management, the director of the internal auditing department, the Company's independent registered public accounting firm, and as a committee to discuss any matters that the Committee or each of these groups believe should be discussed. In addition, the Committee, or at least its Chair, should communicate with management and the independent registered public accounting firm no less than quarterly to review the Company's financial statements and significant findings based upon the limited review procedures conducted by the Company's independent registered public accounting firm. In addition, the Committee Chair or another member of the Committee selected thereby should review the Company's earnings releases with management and the independent registered public accounting firm prior to their release. The Committee shall maintain written minutes of its meetings, which will be filed with the minutes of the Board.

III. Audit Committee Responsibilities and Duties

Review Procedures

1. Review and reassess the adequacy of this Charter at least annually. Submit the charter to the Board of Directors for approval. Have the charter published at least every three years in accordance with SEC regulations in the event it is not made available on the Company's Internet site.
2. Review the Company's annual audited financial statements and unaudited interim financial statements including disclosures within "Management's Discussion and Analysis of Financial Condition and Results of Operations," prior to filing or distribution. Review should include discussion with management and the independent registered public accounting firm of significant issues regarding accounting principles including critical accounting policies, practices, and judgments.
3. In consultation with the management, the independent registered public accounting firm, and the internal auditor, consider significant financial risk exposures, including the effect of the regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements and the steps management has taken to monitor, control, and report such exposures. Review significant findings prepared by the independent registered public accounting firm and the internal auditing department together with management's responses.
4. Review with management and the independent registered public accounting firm the Company's quarterly financial results prior to the release of earnings and/or the Company's quarterly financial statements prior to filing or distribution of the Quarterly Report on Form 10-Q. Review with the Company's independent registered public accounting firm the results of such firm's review of the Company's quarterly financial statements and draft quarterly report on Form 10-Q. The Chair of the Committee may represent the entire Audit Committee for purposes of this review.
5. Review disclosures made by the CEO and the CFO during the Forms 10-K and 10-Q certification process about significant deficiencies in the design or operation of internal controls or any fraud that involves management or other employees who have a significant role in the Company's internal controls.

Independent Registered Public Accounting Firm

6. The Audit Committee shall be directly responsible for the appointment, compensation, oversight of the work, evaluation, and termination of the Company's independent registered public accounting firm (subject, if applicable, to shareholder ratification). The independent registered public accounting firm shall report directly to the Audit Committee and the Audit Committee will be responsible for the resolution of any disagreements between management and the independent auditor regarding financial reporting. The Audit Committee shall also review the independence of the registered public accounting firm.

7. All auditing services and all non-audit services, which are not prohibited by law, shall be pre-approved by the Audit Committee pursuant to such processes as are determined to be advisable.

Exception - The pre-approval requirement set forth in the first sentence above, shall not be applicable with respect to the provision of non-audit services, if:

- (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount paid by the Company to its independent registered public accounting firm during the calendar year in which the non-audit services are provided;
- (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
- (iii) such services are promptly brought to the attention of the Committee and approved prior to the completion of the audit by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee.

Delegation - The Committee may delegate to one or more designated members of the Committee the authority to grant required pre-approvals. The decisions of any member to whom authority is delegated under this paragraph to pre-approve an activity under this subsection shall be presented to the full Committee at its next scheduled meeting.

The pre-approval policies and procedures will be disclosed in the Company's proxy statements and annual reports in the manner directed by the regulations of the SEC and/or the Nasdaq Rules, as applicable.

8. On an annual basis, review and discuss with the independent registered public accounting firm all significant relationships it has with the Company that could impair such firm's independence. Consider whether the provision of any non-audit services by the independent registered public accounting firm is compatible with maintaining the firm's independence.
9. Review the independent registered public accounting firm's audit plan including discussions of audit scope, staffing, locations, reliance upon management, and internal audit and general audit approach.
10. Prior to releasing the year-end earnings, discuss the results of the audit with the independent registered public accounting firm including any audit problems or difficulties and management's responses. Discuss any matters required to be communicated to audit committees in accordance with Public Company Accounting Oversight Board ("PCAOB") Auditing Standard No. 16, *Communications with Audit Committees*, and obtain the written disclosures and the letter from the independent registered public accounting firm required by PCAOB Rule 3526.

11. Consider the independent registered public accounting firm's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting. Prior to releasing the year-end earnings, obtain a report from the independent registered public accounting firm containing (a) all critical accounting policies used by the Company, (b) alternative accounting treatments that have been discussed with management and the potential ramifications of using those alternatives, and (c) other written communications provided by the independent registered public accounting firm to management, e.g., a management letter and schedule of unadjusted registered public accounting firm differences.
12. Ensure no former upper level employees of the independent registered public accounting firm who could influence the independent registered public accounting firm serve in an accounting role or financial reporting oversight role of the Company, as such terms are defined by Regulation S-X promulgated under the Exchange Act.
13. Inquire of the independent registered public accounting firm whether any member of the audit engagement team received bonuses or incentive compensation based on the sale of non-audit products or services to the Company, which is prohibited by the Act and the provisions of the Exchange Act and the regulations promulgated there under.
14. Review the audit engagement team to determine appropriate qualifications as well as to determine whether any members would be disqualified under the independence provisions of the Exchange Act and the regulations promulgated thereunder, including, but not limited to, Regulation S-X of the SEC.
15. Ensure that the Company provides the required proxy statement and annual report disclosure of the fees paid to the independent registered public accounting firm.

Internal Audit Department

16. Review the annual internal audit plan and recommend any changes.
17. Review the activities, organizational structure, and qualifications of the internal audit department, as needed.
18. The Director of Internal Audit and Compliance reports to the Audit Committee, which is responsible for the appointment, performance, evaluation, termination and re-assignment of this position.
19. Review significant reports prepared by the internal audit department together with management's responses and follow-up to these reports.

Other Audit Committee Responsibilities

20. Annually prepare a report to shareholders as required by the SEC. The report must be included in the Company's proxy statement for the annual meeting of shareholders. The Audit Committee will also make a specific recommendation, disclosed in the proxy statement, whether or not the Company's audited financial statements should be included in the Company's annual report to shareholders.
21. Establish procedures for the receipt, retention, and treatment of internal and external complaints received by the Company regarding accounting, internal accounting controls, or auditing matters. In establishing such procedures, the Committee must provide for the ability of the Company's employees to submit by confidential, anonymous submission any concerns regarding questionable accounting or auditing matters.
22. Review and approve all related-party transactions, as described in Item 404 of Regulation S-K promulgated under the Exchange Act (e.g. Company transactions with any director or executive officer of the Company or any Company security holder with more than five percent of the voting securities, including immediate family members or associates or affiliates of any of the above).
23. Perform any other activities consistent with this Charter, the Company's Articles of Incorporation and Bylaws, and governing law, as the Committee or the Board deems necessary or appropriate.
24. Review the process for communicating and compliance with the Company's "Code of Conduct" to all employees as detailed in the employee manual. This "Code" also includes the "Whistleblower Procedures," which details procedures for reporting violations of the Code of Conduct.
25. Review with management, the internal auditor, and the independent registered public accounting firm the adequacy of the Company's internal controls.
26. Review with management the scope and results of management's evaluation of disclosure controls and assessment of internal controls over financial reporting including the related certifications to be included in the Company's periodic reports filed with the SEC and its report required to be included in the Form 10-K.
27. Review with the Company's independent registered public accounting firm the scope and results of their audit of the Company's internal controls over financial reporting.

Reviewed and approved without amendment at a Board of Directors meeting on December 18, 2019