

**POLICY:****AUDIT COMMITTEE CHARTER****LAST ACTION:****January 25, 2024-Revision****CURRENT ACTION:****January 23, 2025-Reaffirmation****I. PURPOSE**

The Audit Committee of Magyar Bancorp, Inc. (“Magyar Bancorp”) is established by and amongst the Board of Directors for the primary purpose of assisting the Board in:

- overseeing the integrity of Magyar Bancorp’s financial statements,
- overseeing Magyar Bancorp’s compliance with legal and regulatory requirements,
- overseeing the independent auditor’s qualifications and independence,
- overseeing the performance of Magyar Bancorp’s internal audit function and independent auditor, and
- overseeing Magyar Bancorp’s system of disclosure controls and system of internal controls regarding finance, accounting, and legal compliance.

Consistent with this function, the Audit Committee should encourage continuous improvement of, and should foster adherence to, Magyar Bancorp’s policies, procedures and practices at all levels. The Audit Committee should also provide an open avenue of communication among the independent auditors, financial and senior management, the internal auditing function, and the Board of Directors.

The Audit Committee has the authority to obtain advice and assistance from outside legal, accounting, or other advisors as deemed appropriate to perform its duties and responsibilities.

Magyar Bancorp shall provide appropriate funding, as determined by the Audit Committee, for compensation to the independent auditor and to any advisers that the audit committee chooses to engage.

The Audit Committee will primarily fulfill its responsibilities by carrying out the activities enumerated in Section III of this Charter. The Audit Committee will report regularly to the Board of Directors regarding the execution of its duties and responsibilities.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that Magyar Bancorp's financial statements and disclosures are complete and accurate and are in accordance with GAAP and applicable rules and regulations. These are the responsibilities of management and the independent auditor.

II. COMPOSITION AND MEETINGS

The Audit Committee shall be comprised of three or more directors as determined by the Chairman of the Board, each of whom shall be independent directors (as defined by all applicable rules and regulations, including Section 10A(m)(3) of the Securities Exchange Act of 1934 and the listing standards of the Nasdaq), and free from any relationship (including disallowed compensatory arrangements) that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. All members of the Committee shall be able to read and understand fundamental financial statements, including a company's balance sheet, income statement, and cash flow statement, and one person shall have past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience. The Chairman of the Board shall determine whether at least one member of the Committee qualifies as an "audit committee financial expert" in compliance with the criteria established by the SEC and other relevant regulations. The existence of such member, including his or her name and whether or not he or she is independent, shall be disclosed in periodic filings as required by the SEC.

The members of the Committee shall be appointed by the Chairman of the Board and shall serve until their successors shall be duly elected and qualified. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership. Audit committee members shall not simultaneously serve on the audit committee of more than two other public companies.

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. Each regularly scheduled meeting shall begin with an executive session of the Committee absent members of management and on such terms and conditions as the Committee may elect. As part of its job to foster open communication, the Committee should meet periodically with management, the director of the internal auditing function and the independent auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately. In addition, the Committee should meet quarterly with the independent auditors and management to discuss the annual audited financial statements or quarterly financial statements, including Magyar Bancorp's disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations". The Committee shall periodically report to the Board on its actions and shall prepare written minutes of each Committee meeting, which minutes shall be provided to the Board.

III. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties the Audit Committee shall:

Documents/Reports/Accounting Information Review

1. Review this Charter periodically, at least annually, and recommend to the Board of Directors any necessary amendments as conditions dictate.
2. Review and discuss with management Magyar Bancorp's annual financial statements, quarterly financial statements, and all internal controls reports (or summaries thereof). Review other relevant reports or financial information submitted by Magyar Bancorp to any governmental body, or the public, including management certifications as required by the Sarbanes-Oxley Act of 2002 (Sections 302 and 906) and relevant reports rendered by the independent auditors (or summaries thereof).
3. Recommend to the Board whether the annual financial statements should be included in the Annual Report on Form 10-K. Review with financial management and the independent auditors the Quarterly Reports on Form 10-Q prior to their filing (or prior to the release of earnings).
4. Discuss with management financial information and earnings guidance provided to analysts. Such discussions may be on general terms (i.e., discussion of the types of information to be disclosed and the type of presentation to be made).
5. Review the regular internal reports (or summaries thereof) to management prepared by the internal auditing department and management's response.

Independent Auditors

6. Appoint, compensate, and oversee the work performed by the independent auditor for the purpose of preparing or issuing an audit report or related work. Review the performance of the independent auditors and remove the independent auditors if circumstances warrant. The independent auditors shall report directly to the audit committee and the audit committee shall oversee the resolution of disagreements between management and the independent auditors in the event that they arise. Consider whether the auditor's performance of permissible non-audit services is compatible with the auditor's independence.
7. Review with the independent auditor any problems or difficulties and management's response, review the independent auditor's attestation and report on management's internal control report, and hold timely discussions with the independent auditors regarding the following:
 - all critical accounting policies and practices;
 - all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor;
 - other material written communications between the independent auditor and management including, but not limited to, the management letter and schedule of unadjusted differences; and

- an analysis of the auditor's judgment as to the quality of Magyar Bancorp's accounting principles, setting forth significant reporting issues and judgments made in connection with the preparation of the financial statements.

8. At least annually, obtain and review a report by the independent auditor describing:

- the firm's internal quality control procedures;
- any material issues raised by the most recent internal quality-control review, peer review, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and
- to assess the auditor's independence, all relationships between the independent auditor and Magyar Bancorp.

9. Review and pre-approve both audit and non-audit services to be provided by the independent auditor (other than with respect to *de minimis* exceptions permitted by the Sarbanes-Oxley Act of 2002). This duty may be delegated to one or more designated members of the Audit Committee with any such pre-approval reported to the audit committee at its next regularly scheduled meeting. The committee may also adopt policies and procedures for the pre-approval of audit and permissible non-audit services.

10. Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law. Set clear hiring policies, compliant with governing laws or regulations, for employees or former employees of the independent auditor.

Financial Reporting Processes and Accounting Policies

11. In consultation with the independent auditors and the internal auditors, review the integrity of the organization's financial reporting processes (both internal and external), and the internal control structure (including disclosure controls).

12. Review with management major issues regarding accounting principles and financial statement presentations, including any significant changes in Magyar Bancorp's selection or application of accounting principles, and major issues as to the adequacy of Magyar Bancorp's internal controls and any special audit steps adopted in light of material control deficiencies.

13. Review analyses prepared by management (and the independent auditor as noted in item 8 above) setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.

14. Review with management the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of Magyar Bancorp.

15. Review and approve all related party transactions.
16. Establish and maintain procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting, or auditing matters.
17. Establish and maintain procedures for the confidential, anonymous submission by employees regarding questionable accounting or auditing matters.

Internal Audit

18. Review and advise on the selection and removal of the internal audit director/outsourced internal audit firm.
19. Review activities, organizational structure, and qualifications of the internal audit function.
20. Annually, review and recommend changes (if any) to the internal audit charter.
21. Periodically review with the internal audit director any significant difficulties, disagreements with management, or scope restrictions encountered in the course of the function's work.
22. Periodically review with the independent auditor and management, the budget, staffing, and responsibilities of the internal audit function.

Legal Compliance, and Risk Management

23. Review, with the organization's counsel, legal compliance matters including corporate securities trading policies.
24. Review, with the organization's counsel, any legal matter that could have a significant impact on the organization's financial statements.
25. Discuss policies with respect to risk assessment and risk management. Such discussions should include Magyar Bancorp's major financial and accounting risk exposures and the steps management has undertaken to control them.

Other Responsibilities

26. Review with the independent auditors, the internal auditing department and management the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee, have been implemented. This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Committee.
27. Prepare the report that the SEC requires be included in Magyar Bancorp's annual proxy statement.

28. Annually, review the Audit Committee's purpose, duties and responsibilities outlined herein.

29. Perform any other activities consistent with this Charter, Magyar Bancorp's by-laws and governing law, as the Committee or the Board deems necessary or appropriate.