



**POLICY:** **COMPENSATION COMMITTEE CHARTER**  
**LAST ACTION:** **February 25, 2021-Reaffirmation**  
**CURRENT ACTION:** **February 17, 2022-Reaffirmation**

**MAGYAR BANCORP, INC.**  
**COMPENSATION COMMITTEE CHARTER**

**1. Purpose**

The Compensation Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Magyar Bancorp, Inc. (the “Company”) to assist the Board in fulfilling its responsibilities relating to the compensation and benefits provided to the Company’s executive management (for the purposes of this Charter, “executive management” means all individuals qualifying as “officers” of the Company as defined by Rule 16-1(f) of the SEC Regulations). The Committee is authorized to review, evaluate and recommend various benefit plans and overall compensation for the Company and its wholly owned subsidiaries.

**2. Committee Membership**

The Committee shall be composed of a minimum of three (3) directors, each of whom shall meet the independence requirements of the Nasdaq Stock Market and qualify as an “outside director” under Section 162(m) of the Internal Revenue Code and as a “non-employee director” under Rule 16b-3 of the SEC Regulations. The Board of Directors shall appoint a new member or members in the event that there is a vacancy on the Committee that reduces the number of members below three (3), or in the event that the Board of Directors determines that the number of members on the Committee should be increased. In affirmatively determining the independence of any director who will serve on the Committee, the Board of Directors must consider all relevant factors, including, but not limited to: (i) the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company to such director; and (ii) whether such director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company.

The members of the Committee shall be appointed by the Chairman of the Board and shall serve until their successors are 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.

The entire Committee or any individual Committee member may be removed without cause by the Chairman of the Board of Directors. Any Committee member may

resign effective upon giving written notice to the Chairman of the Board, the Corporate Secretary or the Board of Directors. The Chairman of the Board shall appoint a successor to take office when a resignation becomes effective.

### **3. Meetings**

The Committee shall meet at least annually, and may hold additional meetings as needed or appropriate. The Committee may ask members of management or others, including legal counsel, to attend meetings or to provide relevant information. A majority of Committee members shall constitute a quorum, and a majority of the members present at any meeting shall decide any questions brought before the Committee.

### **4. Authority and Responsibilities**

The specific authority and responsibilities of the Committee shall include, but are not limited to, the following:

1. Review, evaluate and recommend Company objectives relevant to the CEO compensation; evaluate CEO performance relative to established goals; and review, evaluate and recommend to the full Board of Directors CEO compensation. The CEO may not be present during voting or deliberations on his compensation.
2. Review, evaluate and recommend goals relevant to the compensation of the Company's other executive management; and review such officers' performance in light of these goals and determine (or recommend to the full Board of Directors for determination) such officers' compensation based on this evaluation.
3. Review, evaluate and recommend succession planning and management development for executive officers, including the CEO.
4. Review, evaluate and recommend, in consultation with the nominating and corporate governance committee, the compensation to be paid to directors of the Company and of affiliates of the Company for their service on the Board.
5. Review, evaluate and recommend to the full Board, the terms of employment and severance agreements/arrangements for executive officers, including any change of control and indemnification provisions, as well as other compensatory arrangements for executive management.
6. Administer any stock benefit plans adopted by the Company.
7. Provide public disclosure including the Committee's annual executive compensation and benefit report in the Company's Annual Meeting Proxy Statement, as required by regulation.

8. Retain and terminate any compensation and benefits consultant or legal counsel used to assist the Committee in fulfilling its responsibilities.
9. Report to the full Board of Directors any actions taken for ratification by the Board, as necessary.
10. Annually review this Charter and recommend changes to the Board as needed.