

TFS FINANCIAL CORPORATION AUDIT COMMITTEE CHARTER

PURPOSE

The Audit Committee (The “Committee”) will assist the Board of Directors in fulfilling its oversight responsibilities of TFS Financial Corporation and its subsidiaries (the “Corporation”), including Third Federal Savings and Loan Association of Cleveland. This Charter governs the Committee’s operations in overseeing (1) the integrity of the Corporation’s financial statements, (2) the Corporation’s compliance with legal and regulatory requirements and Code of Conduct, (3) the independent registered public accounting firm’s qualifications and independence, (4) the performance of the Corporation’s Internal Audit function and Internal Audit staff and (5) the Corporation’s auditing, accounting and financial reporting processes.

COMPOSITION

The Committee will consist of three or more members including a Chair of the Committee appointed by the Board of Directors. Each member of the Committee shall be independent as defined by NASDAQ rules, meet the criteria for independence set forth in Rule 10A-3(b)(1) under the Exchange Act, and not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years. Each member of the Committee must be able to read and understand fundamental financial statements. In addition, at least one member shall be designated as the “financial expert”, as defined by applicable legislation and regulation.

The Board of Directors conducts an annual review of director independence for all current nominees for election as directors and all continuing directors. In connection with this review, the Board of Directors considers all relevant facts and circumstances relating to relationships that each director, his or her immediate family members and their related interests had with the Company and its subsidiaries.

AUTHORITY

The Committee is responsible for overseeing the Corporation’s financial accounting, regulatory compliance and internal investigative functions. It is empowered to:

- Appoint, compensate, retain and oversee the work of the independent registered public accounting firm hired by the Corporation to conduct the annual external audit. This firm will report directly to the Committee.
- Appoint, compensate and oversee the work of the Internal Audit function. This includes the appointment of the Director of Internal Audit and oversight of any outsourced audit work employed by the Corporation to conduct the internal audits.
- Resolve any disagreements between management and the independent registered public accounting firm regarding financial reporting.
- Pre-approve all auditing and permitted non-audit services performed by the Corporation’s independent registered public accounting firm.
- Retain independent counsel, accountants, or others to advise the Committee or assist in the conduct of an investigation into matters within the Committee’s scope of responsibilities.
- Seek any information it requires from associates or external parties.
- Meet with Corporation officers, independent registered public accounting firms or outside counsel, as necessary.
- Delegate authority to subcommittees, or to the Committee Chairman, including the authority to pre-approve all auditing and permitted non-audit services, providing that such decisions are presented to the Committee at its next scheduled meeting.

MEETINGS

The Committee will meet at least four times a year, with authority to convene additional meetings as circumstances require. All Committee members are expected to attend each meeting, in person or via telephone or Teams. The Committee will invite members of management, the independent registered public accounting firm, the Director of Internal Audit, or others to attend meetings and provide pertinent information as it deems necessary. Meeting agendas will be prepared and provided in advance to Committee members, along with appropriate briefing materials for review. Minutes will be prepared by the Director of Internal Audit and approved by the Committee Chairman, and shared with the Board of Directors.

The Committee will periodically meet separately with management, the internal auditors, and with the independent registered public accounting firm. The Committee will also meet in executive session as determined by the Committee members.

RESPONSIBILITIES

The Committee will carry out the following responsibilities in fulfilling its oversight responsibilities to the Board of Directors and the Corporation's stockholders:

Financial Statements

- Review significant accounting and reporting issues and understand their impact on the financial statements. These issues include:
 - Complex or unusual transactions and matters requiring significant judgment,
 - Major issues regarding accounting principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles, and
 - The effect of regulatory and accounting pronouncements, as well as off-balance sheet structures, on the financial statements of the Corporation.
- Review analyses prepared by management and/or the independent registered public accounting firm 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.
- Review with management and the independent registered public accounting firm the results of the annual audit, including any difficulties encountered. This review will include any restrictions on the scope of the independent registered public accounting firm's activities or on access to requested information, and any significant disagreements with management.
- Review and discuss the annual audited financial statements and interim quarterly financial statements with management and the independent registered public accounting firm, including the Corporation's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."
- Review disclosures made by the CEO and CFO in certification of Forms 10-K and 10-Q about significant deficiencies or material weaknesses in the design or operation of internal controls or any fraud that involves management or other employees who have a significant role in the Corporation's internal controls.
- Review earnings press releases. This review may be general (i.e. the types of information to be disclosed and the types of presentation to be made). The Committee does not need to discuss each release in advance.

Internal Controls

- The Committee will coordinate the Board of Directors' oversight of the Corporation's internal control over financial reporting, disclosure controls and procedures. The Committee will review with management the effectiveness of the Corporation's internal control environment.
- Understand the scope of Internal Audit and the independent registered public accounting firm's review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses. Consider significant control weaknesses and their implications as well as management's remediation plans.
- Annually review the Internal Audit Annual Risk Assessment and Annual Audit Plan.
- Review quarterly the written status report on the Integrated Internal Audit Plan and its completion.
- Review quarterly the summary of audit reports completed since the prior meeting. Review and discuss all high risk/Priority I issues identified during the audits.
- Inquire of significant risks or exposures facing the Corporation.
- Review quarterly the report of open audit issues for regulatory, internal audit, external audit and significant consulting engagements. This includes the appropriateness of management action plans and target completion dates for timely remediation.
- Discuss with management the Corporation's major policies with respect to risk assessment and risk management.
- Create a process and monitor for confidential, anonymous submission by associates relating to concerns regarding questionable accounting or auditing matters as required by the Sarbanes-Oxley Act and the SEC.

Independent Audits

- Review the independent registered public accounting firm's proposed audit scope and approach, including the coordination of audit efforts with internal audit.
- Review the performance of the independent registered public accounting firm, and exercise final approval on the appointment or discharge of the independent registered public accounting firm. In performing this review, the Committee will:
 - at least annually, obtain and review a written report by the independent registered public accounting firm describing the firm's internal quality control procedures and any material issues raised by the most recent internal quality control review, or peer review, of the firm, 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 issue; and (to assess the independent registered public accounting firm's independence) all relationships between the independent registered public accounting firm and the Corporation;
 - consider whether the provision of permitted non-audit services is compatible with maintaining the independent registered public accounting firm's independence;
 - take into account the opinions of management and the Director of Internal Audit; and
 - evaluate the lead partner of the independent registered public accounting firm.
- Present the Committee's conclusions with respect to the independent registered public accounting firm to the Board of Directors.
- Determine appropriate compensation for the independent registered public accounting firm engaged for the purpose of rendering or issuing the annual audit report or related review or attestation services for the Corporation.
- Set clear policies for the Corporation regarding the hiring of current or former employees of the independent auditing firm.
- On a regular basis, meet separately with the independent registered public accounting firm to discuss any matters that the Committee or independent registered public accounting firm believe should be discussed privately.

Internal Audits

- At least annually, review with management and the Director of Internal Audit the charter, plans, activities, staffing, and organizational structure of the Internal Audit function.
- Ensure there are no unjustified restrictions or limitations on the Internal Audit function.
- Annually review the Internal Audit Department's relationships with strategic partners and the Director of Internal Audit's oversight of them.
- Annually review the effectiveness and quality assurance of the Internal Audit function, including compliance with the Institute of Internal Auditors' *International Professional Practices Framework including the Global Internal Audit Standards*.
- On a regular basis, meet separately with the Audit Director to discuss any matters that the Committee or the Audit Director believes are appropriate.

Compliance

- Review findings of any examinations by regulatory agencies, and any internal audit compliance observations.
- Determine the adequacy and completeness of the Corporation's Code of Conduct through appropriate interaction with management.
- Receive reports of:
 - Complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters, and
 - Confidential, anonymous submission by employees of the Corporation of concern regarding questionable accounting or auditing matters.

Related Party Transactions

- The Committee will review and approve related party transactions pursuant to the Corporation's policy and procedures. After review, the Committee shall approve or disapprove such transactions and at each subsequently scheduled meeting, management shall update the Committee as to any material change to those proposed transactions.

Qualified Legal Compliance Committee

- The Committee has been designated by the Board of Directors to serve as the Corporation's Qualified Legal Compliance Committee ("QLCC")
- As the QLCC, the Committee will:
 - Receive reports of evidence of material violations by the Corporation or any of its officers, directors, employees or agents, of an applicable U.S. federal or state securities law, a material breach of fiduciary duty arising under U.S. federal or state law, or similar material violations of any U.S. federal or state law,
 - Inform the Corporation's general counsel and Chief Executive Officer of any report of evidence of a material violation,
 - Determine whether an investigation is necessary, and if so, to notify the Board of Directors, initiate an investigation, and retain additional expert personnel as necessary,
 - At the conclusion of any such investigation, recommend implementation of an appropriate response and inform the Corporation's general counsel and the Chief Executive Officer of the results of such investigation and the appropriate remedial measures to be adopted, and
 - Take all other appropriate action, including, if advised by counsel, notifying the SEC if the Corporation fails to implement appropriate responses recommended by the Committee.

Reporting Responsibilities

- Regularly report to the Board of Directors about Committee activities and issues that arise with respect to the quality or integrity of the (1) Corporation's financial statements, (2) Corporation's compliance with legal or regulatory requirements, (3) performance and independence of the Corporation's independent registered public accounting firm, and (4) performance of the Internal Audit function.
- Provide an open avenue of communication between internal audit, the independent registered public accounting firm, the Board of Directors and management.
- Review any other reports the Corporation issues that relate to the Committee's responsibilities.

Other Responsibilities

- Prepare the Report of the Committee to be included in the Corporation's annual proxy statement.
- Perform other activities as requested by the Board of Directors.
- Report annually to the shareholders, describing the Audit Committee's composition, responsibilities, how they are discharged, and approval of non-audit services.
- The Committee will review and assess the adequacy of the Audit Committee Charter annually, requesting Board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulations.
- Review and approve Accounting Policies.
- Approval of Quarterly Call Report.

FUNDING

The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent registered public accounting firm for the purpose of rendering or issuing an audit report and to any advisors employed by the Committee.