

Broadway Financial Corp/Broadway Federal Bank**Charter dated November 20, 2019**

The Board of Directors (“Board”) of Broadway Financial Corporation (“Company”) has selected a subcommittee of independent directors to act on their behalf as the Audit Committee (“Committee”). As the Audit Committee, they have been delegated certain powers as defined herein.

PURPOSE

To assist the board of directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the company's process for monitoring compliance with the code of conduct, laws and, to the extent not overseen by the Risk and Compliance Committee, regulations.

AUTHORITY

The Audit Committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

- Appoint, compensate, oversee, and evaluate the work of any registered public accounting firm employed by the organization.
- Resolve any disagreements between management and the auditor regarding financial reporting.
- Pre-approve all auditing and non-audit services to be provided by the independent auditor.
- Retain independent counsel, accountants, or others to advise the Committee or assist in the conduct of an investigation.
- Seek any information it requires from employees—all of whom are directed to cooperate with the Committee's requests—or external parties.
- Meet with Company officers, external auditors, or outside counsel, as necessary.

The Company shall provide for appropriate resources and funding, as determined by the Committee, for payment of:

- Compensation to the independent auditors and any other 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.
- Compensation of any advisers employed by the Committee.
- Ordinary administrative expenses of the Committee that are necessary in carrying out its duties.

COMPOSITION

The Audit Committee will consist of at least three and no more than six members of the board of directors. The board will elect committee members for a one-year term. Vacancies will be filled by the board.

The Board will elect a Chairperson. The Chairperson shall call and preside over meetings, and will appoint a secretary who shall keep the record of the Committee's proceedings.

Each committee member will be both independent and financially literate. At least one member shall be designated as the "financial expert," as defined by applicable legislation and regulation.

MEETINGS

The committee will meet at least ten 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 tele- or video-conference. The committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. It will hold private meetings with auditors (see below) and executive sessions. Meeting agendas will be approved in advance by the Chair and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared.

RESPONSIBILITIES

The Committee's role is one of oversight. The Company's management is responsible for preparing the Company's financial statements and the independent auditors are responsible for auditing those financial statements. The Committee recognizes that company management and the independent auditor have more time, knowledge, and detailed information about the Company than do Committee members. Consequently, in carrying out its oversight responsibilities, the Committee is not providing any expert or special assurance as to the Company's financial statements or any professional certification as to the independent auditor's work and it is not the duty or the responsibility of the committee or its members to plan or conduct auditing or accounting reviews or procedures or otherwise determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles ("GAAP").

The committee will carry out the following responsibilities:

Financial Statements

1. Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
2. Review with management and the external auditors the results of the audit, including any difficulties encountered.
3. Review the annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles. Recommend to the Board whether the financial statements should be included in the annual report on Form 10-K.
4. Review other sections of the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.
5. Review with management and the external auditors all matters required to be communicated to the committee under generally accepted auditing Standards.
6. Understand how management develops interim financial information, and the nature and extent of internal and external auditor involvement.
7. Review interim financial reports with management and the external auditors before filing with regulators, and consider whether they are complete and consistent with the information known to committee members.
8. Review and approve any related-party transactions that are required to be disclosed.
9. Establish and oversee procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls, or auditing matters, including procedures for confidential, anonymous submissions by Company employees regarding questionable accounting or auditing matters.

Internal Control

1. Consider the effectiveness of the company's internal control system, including information technology security and control.
2. Understand the scope of internal and external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.

Internal Audit

1. Approve the internal audit charter.
2. Approve decisions regarding the appointment and removal of the chief audit executive. Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the chief audit executive.
3. Approve the annual audit plan and all major changes to the plan. Review the internal audit activity's performance relative to its plan.
4. Review with the chief audit executive the internal audit budget, resource plan, activities, and organizational structure of the internal audit function.
5. At least once per year, review the performance of the chief audit executive and concur with the annual compensation and salary adjustment.
6. Review the effectiveness of the internal audit function, including conformance with The Institute of Internal Auditors' the Definition of Internal Auditing, Code of Ethics and the International Standards for Professional Practice of Internal Auditing.
7. On a regular basis, meet separately with the chief audit executive to discuss any matters that the committee or internal audit believes should be discussed privately.
8. The Internal Auditor reports to the Audit Committee functionally with an administrative reporting line to the President/CEO.

External Audit

1. Review the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.
2. Review the performance of the external auditors, and exercise final approval on the appointment, compensation, and/or discharge of the auditors.
3. Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the company, including non-audit services, and discussing the relationships with the auditors.
4. On a regular basis, meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.

Compliance

To the extent that these responsibilities are not carried out by the company's Risk and Compliance Committee, the Audit Committee shall:

1. Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
2. Review the findings of any examinations by regulatory agencies, and any auditor observations.
3. Review with Management any legal matters that could have a significant impact on the Company's financial statements.
4. Review the process for communicating the code of conduct to company personnel, and for monitoring compliance therewith.

Reporting Responsibilities

1. Regularly report to the board of directors about committee activities, issues, and related recommendations.
2. Provide an open avenue of communication between internal audit, the external auditors, and the board of directors.
3. Report annually to the shareholders, describing the committee's composition, responsibilities and how they were discharged, and any other information required by rule, including approval of non-audit services.
4. Review any other reports the company issues that relate to committee responsibilities.

Other Responsibilities

1. Perform other activities related to this charter as requested by the board of directors or as required by law or the Company's charter or by-laws.
2. Institute and oversee special investigations as needed.
3. Review and assess the adequacy of the committee charter annually, requesting board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
4. Confirm annually that all responsibilities outlined in this charter have been carried out.
5. Evaluate the committee's and individual members' performance on a regular basis.

The Board of Directors approved this Charter on November 20, 2019.