



CHARTER

AUDIT

COMMITTEE

**NORTHEAST COMMUNITY BANCORP, INC.
AUDIT COMMITTEE CHARTER**

(As amended September 22, 2016)

I. Purpose

The primary function of the Audit Committee of the Board of Directors (the “Board”) of Northeast Community Bancorp, Inc. (the “Company”) is to review: (i) the integrity of the financial reports and other financial information provided by the Company to any governmental body or the public, including any certification, report, opinion or review performed by the Company’s independent auditor; (ii) the Company’s compliance with legal and regulatory requirements; (iii) the independent auditor’s qualifications and independence; (iv) the performance of the Company’s internal audit functions, its independent auditors and system of internal controls and disclosure procedures regarding finance, accounting, legal compliance and ethics that management and the Board have established; (v) the Company’s auditing, accounting and financial reporting processes generally; and (vi) the preparation of information to be included in the Company’s annual proxy statement.

II. Organization

The Audit Committee will be comprised of three or more directors, as determined by the Board, each of whom shall satisfy the definition of independent director as defined in the rules and regulations of the Federal Deposit Insurance Corporation.

All members of the Audit Committee must be financially literate at time of appointment, meaning they must have the ability to read and understand fundamental financial statements, including the Company’s balance sheet, income statement and cash flow statement. In addition, at least one member of the Audit Committee shall have past employment in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual’s financial sophistication, including having been a chief executive officer, chief financial officer or other senior officer with oversight responsibilities.

The members of the Audit Committee and the Chairperson of the Audit Committee will be elected by the Board on an annual basis.

III. Structure and Meetings

The Audit Committee shall meet four times per year, or more frequently as circumstances may require and may hold any such meeting without management present. A quorum of the Audit Committee shall be declared when a majority of the appointed members of the Audit Committee are in attendance. The Committee Chairperson shall preside at the meeting and, in consultation with other members of the Audit Committee, will set the frequency and length of each meeting and the agenda of the items to be addressed at each meeting. The Committee Chairperson shall ensure that the agenda for each meeting is circulated to each Audit Committee member in advance of the Meeting.

The Audit Committee shall maintain minutes of its meetings and records relating to those meetings.

IV. Roles and Responsibilities

In carrying out its responsibilities, the Audit Committee believes its policies and procedures should remain flexible in order to best react to changing conditions and to ensure to the directors and stockholders that the corporate accounting and reporting practices of the Company are in accordance with all requirements and are of the highest quality.

Consistent with this principle, the Audit Committee shall have the following general duties and functions:

1. To (a) select and retain an independent registered public accounting firm to act as the Company's independent auditors for the purpose of auditing the Company's annual financial statements and internal controls over financial reporting, (b) set the compensation of the Company's independent auditors, (c) oversee the work done by the Company's independent auditors and (d) terminate the Company's independent auditors, if necessary.
2. To select, retain, compensate, oversee and terminate, if necessary, any other 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.
3. To pre-approve all audit and permitted non-audit and tax services that may be provided by the Company's independent auditors or other registered public accounting firms, and establish policies and procedures for the Committee's pre-approval of permitted services by the Company's independent auditors or other registered public accounting firms on an on-going basis.

4. At least annually, to obtain and review a report by the Company's independent auditors that describes (1) the accounting firm's internal quality control procedures, (2) any material issues raised by the most recent internal quality control review, peer review or Public Company Accounting Oversight Board review or inspection of the firm or by any other inquiry or investigation by governmental or professional authorities in the past five years regarding one or more audits carried out by the firm and any steps taken to deal with any such issues, and (3) all relationships between the firm and the Company or any of its subsidiaries; and to discuss with the independent auditors this report and any relationships or services that may impact the objectivity and independence of the auditors.
5. At least annually, to evaluate the qualifications, performance and independence of the Company's independent auditors, including an evaluation of the lead audit partner; and to assure the regular rotation of the lead audit partner at the Company's independent auditors and consider regular rotation of the accounting firm serving as the Company's independent auditors.
6. To review and discuss with the Company's independent auditors (1) the auditors' responsibilities under generally accepted auditing standards and the responsibilities of management in the audit process, (2) the overall audit strategy, (3) the scope and timing of the annual audit, (4) any significant risks identified during the auditors' risk assessment procedures and (5) when completed, the results, including significant findings, of the annual audit.
7. To review and discuss with the Company's independent auditors (1) all critical accounting policies and practices to be used in the audit; (2) all alternative treatments of financial information within generally accepted accounting principles ("GAAP") that have been discussed with management, the ramifications of the use of such alternative treatments and the treatment preferred by the auditors; and (3) other material written communications between the auditors and management.
8. To review and discuss with the Company's independent auditors and management (1) any audit problems or difficulties, including difficulties encountered by the Company's independent auditors during their audit work (such as restrictions on the scope of their activities or their access to information), (2) any significant disagreements with management and (3) management's response to these problems, difficulties or disagreements; and to resolve any disagreements between the Company's auditors and management.
9. To review with management and the Company's independent auditors: any major issues regarding accounting principles and financial statement presentation,

including any significant changes in the Company's selection or application of accounting principles; any significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including the effects of alternative GAAP methods; and the effect of regulatory and accounting initiatives and off-balance sheet structures on the Company's financial statements.

10. To review with management and the Company's independent auditors the adequacy and effectiveness of the Company's financial reporting processes, internal control over financial reporting and disclosure controls and procedures, including any significant deficiencies or material weaknesses in the design or operation of, and any material changes in, the Company's processes, controls and procedures and any special audit steps adopted in light of any material control deficiencies, and any fraud involving management or other employees with a significant role in such processes, controls and procedures.
11. To review and discuss with the Company's independent auditors any other matters required to be discussed by PCAOB Auditing Standards No. 16, Communications with Audit Committees.
12. To review and discuss with the Company's independent auditors and management the Company's annual audited financial statements (including the related notes), the form of audit opinion to be issued by the auditors on the financial statements.
13. To review and advise on the appointment of the internal auditor, which shall report directly to the Audit Committee; to approve the scope, performance and results of the internal audit policies, procedures and plan, at least annually; to review significant reports prepared by the internal auditor, including any reports to management and management's response to those reports; and to review annually the performance of the internal auditor.
14. At least annually, in an independent session, without management present, to meet with the independent auditors to discuss, including, but not limited to, audit risk assessment, audit scope and the internal audit findings.
15. To review and discuss with management and the Company's independent auditors: the Company's earnings press releases, including the type of information to be included and its presentation and the use of any pro forma or adjusted non-GAAP information; and any financial information and earnings guidance provided to analysts and ratings agencies, including the type of information to be disclosed and type of presentation to be made.

16. To review and discuss with management and the internal auditor the policies and guidelines to govern the process by which management assesses and manages the Company's risks, including the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
17. To review the Company's compliance with applicable laws and regulations and to review and oversee any policies, procedures and programs designed to promote such compliance.
18. To set clear Company hiring policies for employees or former employees of the Company's independent auditors that participated in any capacity in any Company audit.
19. To establish and oversee procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.
20. To review, approve and oversee any transaction between the Company and any related person (as defined in Item 404 of Regulation S-K) on an ongoing basis, in accordance with Company policies and procedures. Although not required, the Company chooses to apply the definition of a related person set forth in Item 404 of Regulation S-K.

V. Performance Evaluation and Disclosure Obligations

In addition to the responsibilities presented above, the Audit Committee will examine this Charter on an annual basis to assure that it remains adequate to address the responsibilities of the Audit Committee. Further, the Audit Committee will disclose in each annual proxy statement to its stockholders whether it satisfied the responsibilities during the prior year in compliance with the Charter, and will post this Charter on the Company's website, or provide in each annual meeting proxy statement to its stockholders a copy of the Charter once every three years.

VI. Audit Committee Resources

The Audit Committee is authorized to retain independent counsel and other advisors as it deems necessary to carry out its duties. In connection therewith, the Audit Committee shall be provided appropriate funding, as determined by the Audit Committee, for payment to such counsel and other advisors. In addition, the Audit Committee shall be provided funding for ordinary administrative expenses of the Audit Committee.