

**UNITED COMMUNITY FINANCIAL CORP.
HOME SAVINGS BANK**

AUDIT COMMITTEE CHARTER

Legal Department
General Counsel & Secretary

Adopted: July 16, 2003
Reviewed and Revised: January 22, 2019
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1. PURPOSE.

The Audit Committee (the “Committee”) of United Community Financial Corp. and Home Savings Bank (collectively, the “Company”) consists entirely of members of the Company’s Board of Directors (the “Board”). The Board has established the Committee for the purpose of overseeing the accounting and financial reporting processes of the Company and audits of the Company’s financial statements. The Committee shall also oversee the Company’s process for monitoring compliance with the Company’s policies and Code of Ethics and Business Conduct Guidelines (the “Code of Ethics”). References to the Company generally shall be taken to include United Community Financial Corp. and its subsidiaries. References to an independent auditor shall mean a registered public accounting firm registered with the Public Company Accounting Oversight Board established under Title I of the Sarbanes-Oxley Act of 2002.

2. MEMBERSHIP AND QUALIFICATION.

The Committee members shall be elected annually by the Board for terms of one year or until their successors are duly elected and qualified. The Committee may designate from among its members an individual who shall serve as Chair of the Committee.

The Committee shall consist of at least three directors, each of whom must be and remain independent. A Committee member shall not be considered independent if he or she fails to satisfy the standards of independence set forth in (a) Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), (b) Rule 10A-3(b) of the Exchange Act, and (c) Listing Rules 5605(a) and 5605(c) of the NASDAQ Stock Market. No member of the Committee may: (i) accept any consulting, advising, or other compensatory fee from the Company except for service on the Board of directors or a committee or committees of the Board; (ii) be an affiliated person of the Company; or (iii) have participated in the preparation of the financial statements of the Company or any of its subsidiaries at any time during the past three (3) years.

Each member of the Committee must, in the judgment of the Board, be financially literate and be able to read and understand the Company’s basic financial statements. Committee members shall not simultaneously serve on the audit committee of more than two (2) other public companies.

At least one member of the Committee shall be an “audit committee financial expert,” as that term is defined in Item 407(d)(5) of Regulation S-K and meet any NASDAQ requirement for finance, accounting or comparable experience or background. The Board shall decide whether a member of the Committee is an “audit committee financial expert.”

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3. MEETINGS AND OTHER ACTIONS.

The Committee shall meet after the end of each fiscal quarter but before the release of quarterly or annual earnings, and it shall review the proposed earnings release and related Form 8-K Item 2.02 disclosure. The Committee shall meet separately at least every quarter with management, with the Company's internal auditors, and with the Company's independent auditors. Additionally, the Committee may request that members of management or representatives of the independent auditors or internal auditors be present at any other Committee meetings. The Committee shall meet at such other times as it considers necessary to fulfill its responsibilities.

Meetings may be called by the Committee Chair or by a majority of Committee members. All meetings and other actions of the Committee shall be according to the Company's Amended and Restated Code of Regulations (the "Code of Regulations"), including provisions governing notice of meetings and waivers of notice, the number of Committee members required to take actions at meetings and by written consent and other related matters. Minutes of all meetings shall be recorded and approved by the Committee, retained in a permanent file and periodically submitted to the Board. Unless contrary to the Code of Regulations, a majority of the members of the Committee shall constitute a quorum, and any act of a majority of the members present at any meeting at which a quorum is present shall be the act of the Committee. Meetings of the Committee may be held through any communications equipment if all persons participating can hear each other. Except as otherwise provided in the Code of Regulations, any action that may be authorized or taken at a meeting of the Committee may be authorized or taken without a meeting with the affirmative vote or approval of, and in a writing or writings signed by, all members of the Committee, which writing or writings shall be filed with the records of the Company. For purposes of the foregoing sentence, a writing includes any electronic mail or other electronic transmission and the approval or affirmative vote thereof by a member of the Committee shall be deemed made on the date on which the electronic approval or affirmative vote is sent.

At least annually, the Committee shall meet in joint session with the Risk Management Committee of the Board of Directors to discuss areas of common interest and significant matters including, but not limited to, major investment portfolio issues, fraud, major regulatory enforcement actions, major litigation or whistleblower matters, and systemic technology issues.

Reports of Committee meetings, actions taken at meetings and actions taken by written consent of the Committee since the most recent Board meeting shall be made by the Committee Chair or his or her delegate to the Board as necessary at or before the Board's next regularly scheduled meeting after the Committee meeting or action. The report shall be accompanied by any recommendations from the Committee to the Board. In addition, the Committee Chair or his or her delegate shall be available to answer any questions the other directors may have regarding the matters considered and actions taken by the Committee.

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Unless otherwise authorized by the Board and except as may be allowed by this Audit Committee Charter, the Committee shall not delegate any of its authority to any subcommittee.

4. COMMITTEE AUTHORITY AND RESPONSIBILITIES.

a. ***Internal Controls.*** In conjunction with management, the independent auditors and the internal auditors, the Committee shall evaluate the adequacy of the Company's internal control over financial reporting and business process controls at least every quarter, discussing significant exposures and the actions management has taken to monitor and control exposures. The Committee also shall review any significant findings noted by the independent auditors or by the internal auditors in the course of their audits, as well as management responses.

b. ***Accounting and Financial Reporting Generally.*** In its general oversight of the Company's financial reporting, the Committee shall:

1. evaluate significant accounting and reporting issues identified by management, the independent auditors or the internal auditors or otherwise identified in the course of the Committee's review of the Company's financial statements and its discussions with auditors, including recent professional and regulatory pronouncements considered by the Company or auditors to be particularly relevant to the Company;

2. review with management and independent auditors management's proposals regarding (i) new accounting pronouncements, (ii) the adoption of or proposed changes in material accounting principles and practices employed in the preparation of the Company's financial statements, (iii) alternative principles and practices that could have been employed by the Company and the reasons for selecting the principles and practices employed, (iv) the financial impacts of the principles and practices employed compared to those of the other alternatives available, and (v) the use of any "pro forma," "adjusted" or "non-GAAP" information, which must in the case of public disclosures comply with the Securities and Exchange Commission's ("SEC") Regulation G and in the case of filings with the SEC comply with Regulation S-K;

3. (i) meet at least quarterly in confidential executive sessions — without any other members of management being present — with the independent auditors and with the Company's internal auditors to discuss matters that the Committee or the auditors believe should be discussed, and (ii) inquire of the independent and internal auditors whether they have any concerns about accounting or reporting risks or exposures, the quality of the Company's accounting practices and whether the Company employs any aggressive accounting practices, any business transactions that could affect the fair presentation of the Company's financial condition or results of operations, or any weaknesses in the Company's internal control systems;

4. establish procedures for (i) the receipt, retention and treatment of any complaints received by the Company regarding accounting, internal accounting controls or

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auditing matters, and (ii) the confidential, anonymous submission by employees of the Company or subsidiaries of any concerns regarding questionable accounting or auditing matters; and

5. review disclosures made to the Committee by the Company's CEO and CFO during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

c. ***Annual Financial Statements.*** For the audit of the Company's annual financial statements, the Committee shall:

1. review with the independent auditors the proposed audit scope and planning and staffing of the audit;

2. discuss privately with the independent auditors whether there have been any audit problems or difficulties and any related responses by management. The Committee shall discuss with the independent auditors (i) whether management has placed any restrictions on the scope of the independent auditors' work or their access to information, (ii) whether any accounting adjustments have been noted or proposed by the independent auditors but not adopted or whether there have been any communications between the audit team and the audit firm's national office regarding auditing or accounting issues raised in the Company's audit, and (iii) any "management" or "internal control" letters issued or proposed to be issued by the independent auditors to the Company, as well as any other material written communications between the independent auditors and management that the independent auditors or management bring to the Committee's attention;

3. review the audited financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), meet with management and the independent auditors to review the annual financial statements, related notes and MD&A before they are filed with the SEC or otherwise publicly released, and inquire whether the financial statements and related notes are prepared in accordance with U.S. generally accepted accounting principles ("GAAP");

4. review any material related party transactions that occurred in the most recent fiscal year, including the transaction's business purpose, pricing and fairness; and

5. prepare a report of its review for public disclosure, make a recommendation to the Board regarding inclusion of the financial statements, notes and MD&A in the Company's Annual Report on Form 10-K, and make such reports in the Company's proxy statement or annual report of the Committee's activities and evaluations as may be required by SEC rules.

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d. ***Interim Financial Statements.*** For interim financial statements, the Committee shall: (i) meet with management, internal auditors, and the independent auditors to review the interim financial statements and related notes, as well as the related MD&A, before filing or other public release, and inquire whether the financial statements and notes are prepared in accordance with GAAP, and (ii) confirm that the Company's interim financial statements and related notes included in Form 10-Q have been reviewed by the Company's independent auditors using professional standards and procedures for conducting such reviews, as established by GAAP and consistent with SEC rules.

e. ***Compliance with Laws and Regulations Relating to Financial Reporting and Tax Matters.*** In its oversight of the Company's compliance with laws and regulations, the Committee shall review periodically the Company's procedures for monitoring compliance with laws and regulations. The Committee shall consider and discuss significant findings of reviews or examinations of the Company or its subsidiaries by regulatory agencies, such as the FDIC, Ohio Division of Financial Institutions, Federal Reserve Board and the SEC.

f. ***Compliance Oversight and Approval of Related Party Transactions.*** The Committee shall discuss with management and the internal auditors the Company's processes regarding compliance with applicable laws and with the Code of Ethics. The Committee shall obtain reports from management, the Company's internal auditor and the independent auditors regarding compliance by the Company with applicable legal requirements (including suspicious activity reports and regulatory examination reports) and with the Code of Ethics, and shall from time to time advise the Board with respect to the same. The Committee also shall obtain from the independent auditors any reports required to be furnished to the Committee under Section 10A of the Exchange Act. The Committee shall be responsible for evaluating and deciding whether to approve related party transactions, meaning a transaction of the kind required to be disclosed by Item 404 of Regulation S-K.

g. ***Internal Auditors.*** The Company has elected to use an outside firm as internal auditors to provide internal audit services. To manage the relationship, the Committee shall name an individual within management to act as liaison between the outsourced internal auditors and board and management. This individual will be responsible for ensuring completion of the audit risk assessment and the audit plan and scope. The liaison's supervisor or such other party as determined by the Audit Committee will be responsible for ensuring the audit plan and scope are appropriate for those areas over which the liaison has authority. In addition, the management liaison is responsible for monitoring the status of work completed by the outsourced internal auditors and resolving conflicts between the internal auditors and management during the engagement. If the dispute involves the liaison or an area over which the liaison has authority, the liaison's supervisor shall be responsible for resolving the conflict between the internal auditor and the liaison during the engagement. If the dispute cannot be resolved among the parties, the dispute will be escalated to the Committee for final resolution. The Committee also shall define the overall role and responsibilities of the liaison as it relates to this function. In its oversight of the internal audit function, the Committee shall:

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1. ensure that the internal auditors' work papers are reviewed periodically by management or such other party as the Audit Committee shall determine;

2. ensure that internal audits are performed on a regular basis, including appropriate review and approval of the Company's internal transactions and accounting;

3. annually review the internal audit plan and its scope, and approve any material changes to the plan;

4. exercise veto authority over the appointment, replacement, reassignment, or dismissal of the internal auditor. The Committee also shall evaluate the qualifications, performance and independence of the Company's outsourced independent auditors, including considering whether the internal auditor's quality controls are adequate and whether the provision of other permitted services is compatible with maintaining the internal auditor's independence, taking into account as necessary the opinions of management and independent auditors. As necessary, the Audit Committee shall present its conclusions with respect to the outsourced internal auditor to the full Board; and

5. review reports to management prepared by the internal auditor, as well as management's responses and may invite members of management to Audit Committee meetings to discuss significant findings, repeat findings, delays in corrective action being completed and any residual risk accepted by management that is deemed by the internal auditor to be unacceptable to the organization.

h. ***Independent Auditors.*** In its oversight of the Company's independent auditors, the Committee shall:

1. have exclusive authority (subject, if applicable, to shareholder ratification) over the appointment, compensation, retention and oversight of the work of the independent auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services, including resolution of any disagreements between management and the independent auditors regarding financial reporting. The independent auditors may not provide the non-audit services described in Section 10A(g) of the Exchange Act, but may provide other non-audit services, including tax services, if and only if approved in advance by the Committee. The independent auditors shall report directly to the Committee. The Committee may delegate to a subcommittee consisting of one or more of its members the authority to approve audit and non-audit services, provided that decisions of the subcommittee are presented to the full Committee for action at its next meeting;

2. (i) obtain and review, at least annually, a formal written statement from the independent auditors that describes all relationships between the independent auditors and the Company, including the amount and nature of all related compensation, and (ii) discuss with the

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independent auditors the impact on the auditors' objectivity and independence of any disclosed relationships as required by professional standards. The Committee shall evaluate the qualifications, performance and independence of the independent auditors, including considering whether the auditor's quality controls are adequate and whether the provision of permitted non-audit services is compatible with maintaining the auditor's independence, taking into account the opinions of management and internal auditors. As necessary, the Audit Committee shall present its conclusions with respect to the independent auditor to the full Board;

3. obtain and review a report from the independent auditors at least annually regarding (i) the independent auditor's internal quality-control procedures, (ii) any material issues raised by the most recent internal quality-control or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five (5) years concerning an independent audit carried out by the firm, and (iii) any steps taken to deal with any of those issues;

4. review and evaluate the lead (or coordinating) partner of the independent auditors and confirm that the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for review of the audit complies with Section 10A(j) of the Exchange Act. The Committee shall consider whether it is appropriate to implement a policy of rotating the independent auditing firm on a regular basis to ensure continuing auditor independence; and

5. exercise veto authority over a proposal of the Company or any of its subsidiaries to employ anyone who has served as a member of the independent auditors' audit team assigned to the Company's audit within the previous year.

i. ***Loan Review.*** In its oversight of the Loan Review function, the Committee shall:

1. have exclusive authority over the appointment, compensation, retention and oversight of the work of the independent loan review firm engaged for the purpose of reviewing, evaluating and risk rating the Company's loan portfolio;

2. ensure that loan reviews are performed on a regular basis. The Committee shall review significant reports prepared by the loan review function. The Company's loan review function shall be independent of the lending function;

3. annually review the Company's Loan Review Plan and its scope; and

4. act as arbiter for the final risk rating in the event there should be a disagreement between the loan review firm and the Company's credit department over an assignment of credit risk ratings.

j. ***Other Responsibilities.*** The Committee also shall:

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1. without superseding the authority of any other Board committee having primary oversight authority, review and discuss with management, and as appropriate with independent auditors, the Company's policies and practices for risk assessment and risk management, including the Company's major financial risk exposures, the effect of off-balance sheet structures on the Company's financial statements, steps taken by management to monitor and control exposures, and the Company's litigation management and insurance management processes. The Chair of the Audit Committee shall serve on the Company's Risk Committee and shall periodically discuss significant risks facing the Company with the Risk Committee or the Chair of the Risk Committee, the President and CEO, the Chief Risk Officer and Chief Legal/Governance Officer;

2. monitor major litigation and significant internal or external special investigations, initiate special investigations, if deemed appropriate, into matters within the Committee's scope of responsibilities or as delegated by the Board and perform other oversight functions as requested by the full Board; and

3. perform an annual self-evaluation, annually reassess the adequacy of this Charter, and if appropriate propose changes in the Charter to the Board.

5. FUNDING AND RESOURCES.

The Company shall provide to the Committee appropriate funding, as determined by the Committee, for payment of: (i) compensation of the independent auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services for the Company; (ii) compensation of the internal auditors and loan review firm; (iii) compensation of any advisers employed by the Committee, and (iv) ordinary administrative expenses of the Committee that are necessary or appropriate to carry out its duties. In addition to the Committee's exclusive authority to engage the Company's independent auditors, the Committee shall have the right to engage its own independent accounting experts, lawyers and other consultants to assist and advise the Committee in the discharge of its responsibilities.

6. LIMITS ON ROLE OF THE AUDIT COMMITTEE.

Although the powers and responsibilities of the Committee set forth in this Charter are extensive, it is not the Committee's duty to plan or conduct audits, to determine that the Company's financial statements and disclosures are complete and accurate or to determine that the Company's financial statements are prepared in accordance with GAAP and applicable rules and regulations. These are the responsibilities of management and the independent auditors. Likewise, it is the duty of management to ensure the Company maintains adequate internal controls over financial reporting and compliance with laws, rules and regulations and compliance with the Code of Ethics.