

AUDIT COMMITTEE CHARTER
OF
AXOS FINANCIAL, INC.

APPROVED: February 27, 2019

I. Purposes, Authority and Funding

The Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Axos Financial, Inc., a Delaware corporation (collectively with its subsidiaries, the “Company”), is responsible for (1) assisting the Board in overseeing (a) the integrity of the Company’s consolidated financial statements, (b) the Company’s independent auditor’s qualifications and independence, (c) the performance of the Company’s internal audit function and independent auditors, and (d) compliance with legal and regulatory requirements as specifically provided in this Audit Committee Charter (the “Charter”); and (2) preparing an audit committee report as required by the U.S. Securities and Exchange Commission (the “SEC”) to be included in the Company’s proxy statement for its annual meeting of shareholders. In so doing, the Committee shall endeavor to maintain free and open communication between the Company’s directors, independent auditor and financial management.

It is the responsibility of the Company’s management to prepare consolidated financial statements that are complete and accurate and in accordance with generally accepted accounting principles in the United States (“GAAP”) and to establish satisfactory internal control over financial reporting. It is the responsibility of the Company’s independent auditor to audit the Company’s financial statements and the effectiveness of the Company’s internal control over financial reporting. The Committee’s responsibility in this regard is one of oversight and review. The Committee does not provide any expert or other special assurance as to such financial statements concerning compliance with laws, regulations or GAAP.

The Committee shall have the authority to retain independent legal, accounting or other advisers as it determines necessary to carry out its duties and, if necessary, to institute and conduct special investigations within its scope of responsibility or at the direction of the Board. The Committee may request any officer or employee of the Company, or the Company’s outside counsel or independent auditor, to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. Further, the Committee may request any such officer, employee, outside counsel or independent auditor to provide any pertinent information to the Committee or to any other person or entity designated by the Committee. Nothing contained in this Charter is intended to alter or impair the operation of the “business judgment rule” as interpreted by the courts under the Delaware General Corporation Law. Further, nothing contained in this Charter is intended to alter or impair the right of the members of the Committee to rely, in discharging their duties and responsibilities, on the records of the Company and on other information presented to the Committee, Board or the Company by its officers or employees or by outside experts and advisers such as the Company’s independent auditor.

The Company shall provide the Committee with appropriate funding, as determined by the Committee in its capacity as a committee of the Board, for the payments of:

1. compensation to any 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;
2. compensation to any advisers retained by the Committee in carrying out its duties; and
3. ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties under this Charter.

II. Committee Membership

The members of the Committee (the “Members”) shall be appointed by the Board and shall serve at the discretion of the Board. The Committee shall consist of at least three (3) Members, each of which shall be a member of the Board. The following membership requirements shall also apply:

- i. each Member must be “independent” as defined in Section 303 A.02 of the rules of the New York Stock Exchange (the “NYSE”);
- ii. each Member must meet the criteria for independence set forth in Rule 10A-3(b)(1) promulgated under the Securities and Exchange Act of 1934, as amended (the “Act”), subject to the exemptions provided in Rule 10A-3(c) under the Act;
- iii. each Member must be financially literate, as such qualification is interpreted by the Board in its business judgment, or must become financially literate within a reasonable period of time after his or her appointment to the Committee; and
- iv. at least one Member must have accounting or related financial management expertise, as defined by the NYSE and SEC pursuant to the Sarbanes-Oxley Act of 2002.

If a current Member of the Committee ceases to be independent under the requirements of subparagraphs (i) and (ii) above for reasons outside the Member’s reasonable control, the affected Member may remain on the Committee until the earlier of the Company’s next annual stockholders meeting or one year from the occurrence of the event that caused the failure to comply with those requirements; provided that when relying on the exception set forth in this sentence the Committee shall cause the Company to provide notice to the NYSE immediately upon learning of the event or circumstance that caused the non-compliance.

III. Duties and Responsibilities

In fulfilling its purposes as stated in this Charter, the Committee shall undertake the specific duties and responsibilities listed below and such other duties and responsibilities as the Board shall from time to time prescribe, and shall have all powers necessary and proper to fulfill all such duties and responsibilities. Subject to applicable Board and stockholder approvals, the Committee shall:

A. Financial Statement and Disclosure Matters

1. Review the Company’s annual audited financial statements with management, including a review of major issues regarding accounting and auditing principles and practices, and oversee (i) management’s evaluation of the adequacy and effectiveness of internal controls over financial reporting; (ii) management’s evaluation of the adequacy and effectiveness of the Company’s disclosure controls and procedures; and (iii) management’s reports on the preceding matters;

2. Review with management and the independent auditor, management’s annual assessment of the Company’s internal controls over financial reporting and the related report issued by the independent auditor. The Committee shall also review with management and the independent auditor (i) any significant deficiencies and material weaknesses in the design or operation of the Company’s internal controls over financial reporting; (ii) any fraud (regardless of materiality) involving management or other employees having a significant role in internal controls over financial reporting; and (iii) any changes in the Company’s internal controls over financial reporting during the most recent fiscal quarter;

3. Review the implementation actions taken by management to resolve any significant deficiencies or material weaknesses in internal controls that are reported by the independent auditor;

4. Review with the Company’s independent auditor, management and internal auditors significant auditing or accounting matters identified by the independent auditor;

5. Review and discuss reports from the Company's independent auditor regarding: (a) critical accounting policies and practices to be used by the Company; (b) alternative treatments of financial information within GAAP that have been discussed with management, including ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent auditor; and (c) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences;

6. Confirm that the Company's principal executive officer and principal financial officer are satisfying the certification requirements of Sections 302 and 906 of the Sarbanes-Oxley Act and are timely filed with the SEC. Additionally, confirm that the CEO certifications covering NYSE listing standards are timely filed with the NYSE;

7. Review and discuss with management and the Company's independent auditor the Company's financial statements (including disclosures made under "Management's Discussion and Analysis of Financial Condition and Results of Operations") prior to the filing with the SEC of any report containing such financial statements;

8. Discuss with management, and the independent auditor the effect of significant new or proposed regulatory and accounting initiatives;

9. Review with management and the independent auditor the basis for the annual report filed under Section 36 of the FDI Act, including the reports under Section 404 of SOX;

10. Review and discuss earnings releases, the general types of information to be disclosed and the general type of presentation to be made to analysts and rating agencies, provided that, the Committee need not discuss in advance each specific earnings release or each instance in which the Company may provide earnings guidance; and

11. Review and approve the Committee report required by the rules of the SEC to be included in the Company's annual proxy statement.

B. Matters Regarding Oversight of the Company's Independent Auditor

1. Be directly responsible, in its capacity as a committee of the Board, for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged (including resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audits, review or attest services for the Company; provided also that each such registered public accounting firm shall report directly to the Committee;

2. Receive and review a formal written statement and letter from the Company's independent auditor delineating all relationships between the independent auditor and the Company, consistent with Public Company Accounting Oversight Board (PCAOB) Rule 3526, as may be modified, supplemented or replaced;

3. Actively engage in a dialogue with the Company's independent auditor with respect to any disclosed relationship or services that may impact the objectivity and independence of the independent auditor;

4. Review all relationships between the independent auditor and the Company to assess the auditor's independence and take, or recommend that the Board take, appropriate action to ensure the independence of the Company's independent auditor;

5. Establish clear policies regarding the hiring of employees and former employees of the Company's independent auditors;

6. Establish policies and procedures for review and pre-approval by the Committee of all audit services and permissible non-audit services (including the fees and terms thereof) to be performed by the Company's independent auditor, with exceptions provided for de minimis amounts under certain

circumstances as permitted by law; provided, that: (a) the Committee may delegate to one (1) or more Members the authority to grant such pre-approvals if the pre-approval decisions of any such delegate of Member(s) are presented to the Committee at its next-scheduled meeting; and (b) the Committee's pre-approval policy is described in the Company's annual filings with the SEC as provided by law;

7. Obtain and review a report from the independent auditor at least annually regarding (a) the independent auditor's internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review, or external peer review, of the independent auditor, 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 independent auditor and (c) any steps taken to deal with any such issues;

8. Discuss with the Company's independent auditor the matters required to be discussed by Item 407(d)(3)(i)(B) of Regulation S-K promulgated by the SEC, as may be modified or supplemented, relating to the conduct of the audit; and

9. Oversee the rotation of the lead (or coordinating) audit partner of the Company's independent auditor having primary responsibility for the audit and the audit partner responsible for reviewing the audit at least every five (5) years.

C. Matters Regarding Oversight of the Company's Internal Audit Function

1. Review the annual plan and scope of work and coverage of the internal audit department, including the risk-based approach to development of the plan, and receive updates on significant changes in scope of the plan and coverage during the year, as appropriate. Review the responsibilities, resources and staffing of the internal audit, including any outsourcing or co-sourcing services. Review the results of internal and external quality assurance reviews of the internal audit department;

2. Discuss guidelines and policies to govern the risk assessment process for major financial risk exposure and the steps management has taken to monitor and control such exposure;

3. Review major changes to the Company's auditing and accounting principles and practices as suggested by the Company's independent auditor, internal auditors or management;

4. Approve the appointment of the Company's senior internal auditing executive;

5. Review the risk assessment and review and approve the annual audit plan prepared by the Company's internal auditing department;

6. Review the significant reports to management prepared by the Company's internal auditing department and management's responses;

7. Review and approve any outsourcing of the internal audit function to include selection of vendor, fees paid, and areas to be audited; and

8. Not less than once every five years measured from 2017 onward, either (i) obtain and review a sample of internal audit work papers or (ii) engage a qualified independent third-party to perform a quality assurance report (QAR) report based on a sample of internal audit work papers (for the avoidance of doubt, these responsibilities relate only to the Committee's oversight role in evaluating the Company's Internal Audit function).

D. Matters Regarding Oversight of Compliance with Legal and Regulatory Requirements

1. Establish procedures for: (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;

2. Obtain from the Company's independent auditor assurance that it has informed the Committee of any illegal acts in compliance with Section 10A of the Act;

3. Review and address any concerns regarding potentially illegal actions raised by the Company's independent auditor pursuant to Section 10A(b) of the Act, and cause the Company to inform the SEC of any report issued by the Company's independent auditor to the Board regarding such conduct pursuant to Rule 10A-1 under the Act;

4. Review, based on audit reports submitted to the Committee, the risk of management's ability to override the Company's internal controls; and

5. When deemed appropriate, review with the Company's Chief Legal Officer or appropriate delegates, legal, disclosure or other matters that may have a material impact on the Company's consolidated financial statements.

E. Additional Duties and Responsibilities

1. Review and reassess the adequacy of this Charter annually;

2. Report regularly to the Board, and review with the Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements within the scope of this Charter, the performance and independence of the Company's independent auditor, or the performance of the Company's internal audit function; and

3. Pursuant to NYSE listing standards, discuss with management guidelines and policies to govern the process by which risk assessment and risk management are undertaken, including the assessment of the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

IV. Structure and Meetings

The Committee shall conduct its business and meetings in accordance with this Charter, the Company's bylaws and any direction set forth by the Board. The chairperson of the Committee shall be designated by the Board or, in the absence of such a designation, by a majority of the Members. The designated chairperson shall preside at each meeting of the Committee and, in consultation with the other Members, shall set the frequency and length of each meeting and the agenda of items to be addressed at each meeting. In the absence of the designated chairperson at any meeting of the Committee, the Members present at such meeting shall designate a chairperson pro tem to serve in that capacity for the purposes of such meeting (not to include any adjournment thereof) by majority vote. The chairperson (other than a chairperson pro tem) shall ensure that the agenda for each meeting is distributed to each Member in advance of the applicable meeting.

The Committee shall meet as often as it determines to be necessary and appropriate, but not less than quarterly each year. The Committee may establish its own schedule, provided that it shall provide such schedule to the Board in advance. The chairperson of the Committee or a majority of the Members may call special meetings of the Committee upon notice as is required for special meetings of the Board in accordance with the Company's bylaws. Formal action taken by the Committee shall be by the affirmative vote of at least a majority of the members present (in person or by telephone conference call) at a meeting at which a quorum is present or by unanimous written consent. A majority of the appointed Members, but not less than two (2) Members, shall constitute a quorum for the transaction of business. Members may participate in a meeting through use of conference telephone or similar communications equipment, so long as all Members participating in such meeting can hear one another, and such participation shall constitute presence in person at such meeting.

The Committee may meet with any person or entity, including the Company's independent auditors, management and those responsible for the internal audit function, in executive session as desired by the

Committee. The Committee shall meet with the Company's independent auditors, at such times as the Committee deems appropriate, to review the independent auditor's examination and management report. The Committee shall meet separately, periodically, with management, with the Company's internal auditors (or other personnel responsible for the internal audit function) and with the Company's independent auditor.

Unless the Committee by resolution determines otherwise, any action required or permitted to be taken by the Committee may be taken without a meeting if all Members consent thereto in writing and the writing or writings are filed with the minutes of the proceedings of the Committee. The Committee may form and delegate authority to subcommittees when appropriate.

V. Minutes

The Committee shall maintain written minutes of its meetings, which minutes shall be filed with the minutes of the meetings of the Board.