

**MB BANCORP, INC.
AUDIT COMMITTEE**

**PROCEDURES FOR HANDLING COMPLAINTS REGARDING
ACCOUNTING, INTERNAL CONTROLS AND AUDITING MATTERS**

The Audit Committee of the Board of Directors of MB Bancorp, Inc. (the “Company”) hereby establishes the following procedures for:

1. The receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing matters or other financial matters; and
2. The confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting, auditing matters or other financial matters.

Submission

Any employee, shareholder, officer, director or other interested party who has any complaint or concern regarding any accounting, internal accounting controls or auditing matter relating to the Company (a “Reporting Individual”) may report such complaint or concern directly to the Chairman of the Audit Committee of the Board of Directors (the “Audit Committee Chairman”).

Shareholders and other interested parties shall be directed to submit their complaints or concerns to:

Chairman of the Audit Committee
MB Bancorp, Inc.
1920 Rock Spring Road
Forest Hill, Maryland 21050

Such communications will be forwarded directly to the Audit Committee Chairman.

Employees may submit any such complaint or concern anonymously by forwarding a written statement of the complaint or concern via U.S. mail addressed to:

Complaints
MB Bancorp, Inc.
1920 Rock Spring Road
Forest Hill, Maryland 21050

Alternatively, employees may leave a recorded message for the Audit Committee Chairman at (410)420-9600.

Subject to the following paragraph, the submission will be kept in confidence, except that the Audit Committee may report the matter (without identifying the source) to other members of the Board of Directors, the President and Chief Executive Officer, the Chairman of the Board and others within the Company who are responsible for investigating, evaluating, addressing or resolving the complaint or concern.

Under certain circumstances, the matter that forms the basis for such complaint or concern may be required to be reported to a federal or state governmental or regulatory authority or disclosed to shareholders or the public. Any such determination to report the basis for such complaint or concern shall be made by the Audit Committee Chairman after consultation with counsel. In the event the basis for such complaint or concern is reported, the identity of the Reporting Individual will not be disclosed without his or her consent, unless required by law.

Reporting Individuals shall also have the option to report complaints or concerns directly to the appropriate members of management as provided in the Company's Code of Ethics and Business Conduct, or as otherwise announced hereafter by the Company.

Matters Covered by These Procedures

These procedures relate to complaints and concerns about questionable accounting, internal accounting controls or auditing matters involving the Company, including, without limitation, the following:

1. Any fraud or misstatement or omission in any financial statement of, or other financial information published by, the Company, including any report or document filed by the Company with the Securities and Exchange Commission or other governmental or regulatory authority;
2. Any error or misconduct in the preparation, evaluation, review or audit of any of the Company's financial statements;
3. Any fraud or misstatement or omission in the recording and maintaining of the financial records of the Company;
4. Any weakness or deficiency in or noncompliance with the Company's internal accounting controls;
5. Any misrepresentation or false statement made to or by a senior officer or accountant regarding a matter contained in, or required to be contained in, the financial records, financial statements, financial reports or audit reports of the Company;
6. Any deviation from full and fair reporting of the Company's financial condition, results of operations or cash flows;

7. Any effort to mislead, deceive, coerce or fraudulently influence any internal or independent accountant or auditor in connection with the preparation, examination, audit or review of any financial statement or records of the Company;
8. Any other error, deficiency or weakness in the Company's financial statements, internal controls, auditing procedures or financial records or reports; or
9. Any matter or conflict of interest regarding the Company's independent registered public accounting firm that may threaten their independence.

Handling of Complaints

Upon receipt of a complaint or notice of the nature indicated above, the Audit Committee Chairman will report the matter to and consult with a responsible officer (the "Responsible Officer") to ensure that he or she is fully apprised of the matter and will notify legal counsel of receipt of such complaint or notice. For purposes of these procedures, the Responsible Officer will be any officer of the Company as the Audit Committee may designate, either generally or with respect to a particular matter. Under the oversight of the Audit Committee, the Responsible Officer will conduct an investigation of the matter, summarize his or her findings and conclusions in a written report to the Audit Committee and legal counsel and promptly take, or cause to be taken, any action that may be required to resolve properly the matter which is the basis for the complaint or concern.

If the complaint or notice relates to a weakness or deficiency in any of the Company's internal controls or accounting systems, the Company's President and Chief Executive Officer (or other person designated by the Audit Committee) will oversee any necessary strengthening and/or correction of such weakness or deficiency. If the complaint or concern relates to a misstatement, error or omission in any of the Company's financial statements, or in any report or other document filed by the Company with the Securities and Exchange Commission or other federal or state governmental or regulatory authority, the President and Chief Executive Officer or other person designated by the Audit Committee will oversee the prompt correction or restatement of such financial statement, report or document and, if necessary, will cause any and all amendments to any previously filed reports or documents that may be necessary to correct any such misstatement, error or omission. Any other matters reported will be addressed and resolved in accordance with applicable law and accounting or auditing standards. The Responsible Officer will keep the Audit Committee Chairman and legal counsel informed of his or her findings and progress.

Upon completion of the investigation and any necessary corrective action, the Responsible Officer will prepare and submit to the Audit Committee a final report on the matter. The report will describe in reasonable detail the complaint or concern reported, the results of the investigation, the conclusions reached and any corrective action taken. If no corrective action was taken, the report will include an appropriate explanation to support the decision to take no action. The Audit Committee Chairman will respond in writing to the person reporting the matter, if known, advising such individual of the results of the investigation and of any corrective action taken or, if no such action was taken, the reasons why no action was taken. A

copy of the final report, including all related materials, and response to the Reporting Individual will be delivered to legal counsel.

Retention of Complaints and Reports of Resulting Action

The Audit Committee will maintain a file of all complaints and concerns reported pursuant to these procedures, tracking their receipt, investigation, evaluation and resolution, and of the related reports issued in connection therewith, which summarize the results of the related investigation and any corrective action taken. Copies of all such materials will be retained for at least five (5) years from the date on which the related complaint or concern was initially reported. At least annually, the Audit Committee will provide the Company's Nominating and Corporate Governance Committee with copies of any complaints and concerns it receives, summaries of its investigation and any corrective action taken, without identifying the source, if appropriate.

Legal Counsel and Other Experts

In discharging their responsibilities, the Audit Committee and the Responsible Officer may request and obtain assistance from members of the Company's accounting department or internal audit function and may retain an independent accountant, independent legal counsel or other experts to assist in the investigation of the complaint or reported concern and the implementation of the appropriate remedial or corrective action. The Company shall pay the cost of retaining any such advisor or expert.

Protection of Reporting Individual

The Company will not discharge, demote, suspend, threaten, harass or in any other manner discriminate or retaliate against any person by reason of his or her having made any such complaint, or having reported any such concern, in good faith pursuant to and in accordance with these procedures. It shall be a violation of Company policy for any person to take any such action.

Adopted by the Audit Committee
September 9, 2014