

PRUDENTIAL BANCORP, INC.
Form DEF 14A
January 16, 2018
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:
Preliminary Proxy Statement
Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material Pursuant to §240.14a-12

Prudential Bancorp, Inc.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies: _____

(2) Aggregate number of securities to which transaction applies: _____

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): _____

(4) Proposed maximum aggregate value of transaction: _____

(5) Total fee paid _____

Fee paid previously with preliminary materials: _____

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Edgar Filing: PRUDENTIAL BANCORP, INC. - Form DEF 14A

(1) Amount Previously Paid: _____

(2) Form, Schedule or Registration Statement No.: _____

(3) Filing Party: _____

(4) Date Filed: _____

January 16, 2018

Dear Shareholder:

You are cordially invited to attend the Annual Meeting of Shareholders of Prudential Bancorp, Inc. The meeting will be held at Prudential Bank's administrative offices located at 3993 Huntingdon Pike, Suite 300, Huntingdon Valley, Pennsylvania, on Wednesday, February 21, 2018 at 11:00 a.m., Eastern Time.

The Board of Directors unanimously recommends a vote "FOR" election of our two nominees for director for a three-year term expiring in 2021 and "FOR" ratification of the appointment of S.R. Snodgrass, P.C. as our independent registered public accounting firm for the fiscal year ending September 30, 2018. Each of these matters is more fully described in the accompanying materials.

It is very important that you be represented at the annual meeting regardless of the number of shares you own or whether you are able to attend the meeting in person. We urge you to mark, sign, and date your proxy card today and return it in the envelope provided or vote over the Internet or by telephone, if available, even if you plan to attend the annual meeting. This will not prevent you from voting in person, but will ensure that your vote is counted if you are unable to attend.

Your continued support of and interest in Prudential Bancorp, Inc. is sincerely appreciated.

Very truly yours,

Dennis Pollack
President and Chief Executive Officer

PRUDENTIAL BANCORP, INC.
1834 West Oregon Avenue
Philadelphia, Pennsylvania 19145

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TIME 11:00 a.m., Eastern Time, Wednesday, February 21, 2018

PLACE Prudential Bank Administrative Offices
3993 Huntingdon Pike, Suite 300
Huntingdon Valley, Pennsylvania

ITEMS OF BUSINESS (1) To elect two directors for a three-year term and until their successors are elected and qualified;
(2) To ratify the appointment of S.R. Snodgrass, P.C. as our independent registered public accounting firm for the fiscal year ending September 30, 2018; and
(3) To transact such other business as may properly come before the meeting or at any adjournment thereof. We are not aware of any other such business.

RECORD DATE Holders of Prudential Bancorp common stock of record at the close of business on December 29, 2017 are entitled to vote at the meeting.

ANNUAL REPORT Our 2017 Annual Report to Shareholders is enclosed but is not a part of the proxy solicitation materials.

PROXY VOTING It is important that your shares be represented and voted at the meeting. You are urged to vote your shares by completing and returning the proxy card sent to you. Most shareholders can also vote their shares over the Internet or by telephone. If Internet or telephone voting is available to you, voting instructions are printed on your proxy card or voting instruction form. You can revoke a proxy at any time prior to its exercise at the meeting by following the instructions in the accompanying proxy statement.

BY ORDER OF THE BOARD OF DIRECTORS

Sharon M. Slater
Corporate Secretary

Philadelphia, Pennsylvania
January 16, 2018

TABLE OF CONTENTS

	Page
About the Annual Meeting of Shareholders	1
Information with Respect to Nominees for Director, Continuing Directors and Executive Officers	3
Election of Directors (Proposal One)	3
Members of the Board of Directors Continuing in Office	4
Committees and Meetings of the Board of Directors	5
Board Leadership Structure	6
Board's Role in Risk Oversight	6
Directors' Attendance at Annual Meetings	6
Directors' Compensation	6
Compensation Committee Interlocks and Insider Participation	7
Director Nominations	7
Executive Officers Who Are Not Also Directors	8
Report of the Audit Committee	9
Management Compensation	9
Compensation Discussion and Analysis	9
Compensation Policies and Practices as They Relate to Management	16
Report of the Compensation Committee	16
Summary Compensation Table	17
Equity Compensation Plans	18
Potential Payments upon Termination of Employment or a Change in Control	20
Benefit Plans	23
Related Party Transactions	24
Beneficial Ownership of Common Stock by Certain Beneficial Owners and Management	25
Section 16(a) Beneficial Ownership Reporting Compliance	27

Ratification of Appointment of Independent Registered Public Accounting Firm (Proposal Two)	27
Audit Fees	27
Shareholder Proposals, Nominations and Communications with the Board of Directors	28
Annual Reports	29
Other Matters	29

MEETING DIRECTORS

From Center City Philadelphia:

Take I-95 North to Exit 35- PA 63 West (Woodhaven Road)

Stay to your left and drive to dead-end

Make a left and proceed to Byberry Road

Turn right onto Byberry Road and continue to Huntingdon Pike (Route 232)

Turn right onto Huntingdon Pike and proceed to 3993 Huntingdon Pike

From Pennsylvania Turnpike:

Take Exit 343 for Willow Grove (formerly Exit 27 Doylestown/Jenkintown Exit)

Take Route 611 North and proceed to Mill Road

Turn right onto Mill Road which changes to Warminster Road

Stay on Warminster Road until you come to Byberry Road

Turn right onto Byberry Road and continue to Huntingdon Pike (Route 232)

Turn left onto Huntingdon Pike and proceed to 3993 Huntingdon Pike

PROXY STATEMENT
OF
PRUDENTIAL BANCORP, INC.

ABOUT THE ANNUAL MEETING OF SHAREHOLDERS

General. This proxy statement is furnished to holders of common stock of Prudential Bancorp, Inc., referred to as the "Company" or "Prudential Bancorp," the parent holding company of Prudential Bank, referred to as "Prudential Bank" or the "Bank." Our Board of Directors is soliciting proxies to be used at the Annual Meeting of Shareholders to be held at the administrative offices of Prudential Bank, located at 3993 Huntingdon Pike, Suite 300, Huntingdon Valley, Pennsylvania, on Wednesday, February 21, 2018 at 11:00 a.m., Eastern Time, and any adjournment thereof, for the purposes set forth in the attached Notice of Annual Meeting of Shareholders. This proxy statement is first being mailed to shareholders on or about January 16, 2018.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on February 21, 2018. This proxy statement and our 2016 Annual Report on Form 10-K are available through our website at www.prudentialbanker.com under the "Investor Relations" Quick Link.

What is the purpose of the annual meeting?

At our annual meeting, shareholders will act upon the matters outlined in the attached notice of meeting consisting of the proposals to:

elect two directors for a three-year term expiring in 2021; and
ratify the appointment of S.R. Snodgrass, P.C. as our independent registered public accounting firm for the fiscal year ending September 30, 2018.

Who is entitled to vote?

Only our shareholders of record as of the close of business on the record date for the annual meeting, December 29, 2017, are entitled to vote at the meeting. On the record date, we had 8,981,755 shares of common stock issued and outstanding and no other class of equity securities outstanding. For each issued and outstanding share of common stock you own on the record date, you will be entitled to one vote on each matter to be voted on at the meeting, in person or by proxy.

How do I submit my proxy?

After you have carefully read this proxy statement, indicate on your proxy form how you want your shares to be voted. Then sign, date and mail your proxy form in the enclosed prepaid return envelope as soon as possible. You may also vote over the Internet or by telephone by following the instructions on your proxy card or voting instruction form. This will enable your shares to be represented and voted at the annual meeting.

If my shares are held in "street name" by my broker, could my broker automatically vote my shares?

Your broker may not vote on the election of directors if you do not furnish instructions for each of such proposals. You should use the voting instruction form or broker card provided by the institution that holds your shares to instruct your broker to vote your shares or else your shares will be considered "broker non-votes."

Broker non-votes are shares held by brokers or nominees as to which voting instructions have not been received from the beneficial owners or the persons entitled to vote those shares and the broker or nominee does not have discretionary voting power under rules applicable to broker-dealers. Under these rules, proposal one, the election of directors, is not an item on which brokerage firms may vote in their discretion on behalf of their clients if such clients have not furnished voting instructions.

Your broker may vote in his or her discretion on the ratification of the appointment of our independent registered public accounting firm if you do not furnish instructions.

Can I attend the meeting and vote my shares in person?

All shareholders are invited to attend the annual meeting. Shareholders of record can vote in person at the annual meeting. If your shares are held in "street name," then you are not the shareholder of record and you must ask your broker or other nominee about how you can vote at the annual meeting.

Can I change my vote after I return my proxy card?

Yes. If you are a shareholder of record, there are three ways you can change your vote or revoke your proxy after you have sent in your proxy card.

First, you may complete and submit a new proxy card or vote over the Internet or by telephone before the annual meeting. Any earlier proxies will be revoked automatically.

Second, you may send a written notice to our Corporate Secretary, Ms. Sharon M. Slater, Prudential Bancorp, Inc., 1834 West Oregon Avenue, Philadelphia, Pennsylvania 19145, in advance of the annual meeting stating that you would like to revoke your proxy.

Third, you may attend the annual meeting and vote in person. Any earlier proxy will be revoked. However, attending the annual meeting without voting in person will not revoke your proxy.

If your shares are held in street name and you have instructed a broker or other nominee to vote your shares, you must follow directions you receive from your broker or other nominee on how to change your vote.

What constitutes a quorum?

The presence at the meeting, in person or by proxy, of the holders of a majority of votes that all shareholders are entitled to cast on a particular matter will constitute a quorum. Proxies received but marked as abstentions and broker non-votes will be included in the calculation of the number of votes considered to be present at the meeting.

What are the Board of Directors' recommendations?

The recommendations of the Board of Directors are set forth under the description of each proposal in this proxy statement. In summary, the Board of Directors recommends that you vote FOR the two nominees for director described herein, and FOR ratification of the appointment of S.R. Snodgrass, P.C. as our independent registered public accounting firm for the fiscal year ending September 30, 2018.

The proxy solicited hereby, if properly signed and returned to us and not revoked prior to its use, will be voted in accordance with your instructions. If no contrary instructions are given, each proxy signed and received will be voted in the manner recommended by the Board of Directors and, upon the transaction of such other business as may properly come before the meeting, in accordance with the best judgment of the persons appointed as proxies. Proxies solicited hereby may be exercised only at the annual meeting and any adjournment of the annual meeting and will not

be used for any other meeting.

2

What vote is required to approve each item?

The election of directors will be determined by a plurality of the votes cast at the annual meeting. The two nominees for director receiving the most "For" votes will be the directors for a three-year term expiring in 2021, and until their successors are elected and qualified. The affirmative vote of a majority of the votes cast by shareholders entitled to vote at the annual meeting is required for approval of the proposal to ratify the appointment of S.R. Snodgrass, P.C. as our independent registered public accounting firm for the fiscal year ending September 30, 2018. Under the provisions of the Pennsylvania Business Corporation Law, abstentions and broker non-votes do not constitute votes cast and will not affect the vote required for the proposals to ratify the appointment of the independent registered public accounting firm.

INFORMATION WITH RESPECT TO THE NOMINEES FOR DIRECTOR, CONTINUING DIRECTORS AND EXECUTIVE OFFICERS

Election of Directors (Proposal One)

Our Articles of Incorporation provide that the Board of Directors shall be divided into three classes as nearly equal in number as possible. The directors are elected by our shareholders for staggered terms and until their successors are elected and qualified. Generally, one class is elected annually. At this annual meeting, you will be asked to elect two directors for a three-year term expiring in 2021 and until their successors are elected and qualified.

Our Nominating and Corporate Governance Committee has recommended the re-election of Messrs. John C. Hosier and Bruce E. Miller as directors. No director is related to any other director or executive officer by blood, marriage or adoption. Shareholders are not permitted to use cumulative voting for the election of directors. Our Board of Directors has determined that Messrs. Fanelli, Hosier, Miller and Mulcahy are independent directors as defined in the Nasdaq Stock Market listing standards.

Unless otherwise directed, each proxy signed and returned by a shareholder will be voted for the election of the nominees for director listed below. If any person named as a nominee should be unable or unwilling to stand for election at the time of the annual meeting, the proxies will nominate and vote for any replacement nominee or nominees recommended by our Board of Directors. At this time, the Board of Directors knows of no reason why either of the nominees may not be able to serve as a director if elected.

The following tables present information concerning our nominees for director and our continuing directors, all of whom also serve as directors of Prudential Bank. Ages are reflected as of September 30, 2017.

Edgar Filing: PRUDENTIAL BANCORP, INC. - Form DEF 14A

Nominees for Director for Three-Year Terms Expiring in 2021

Name	Age and Position with Prudential Bancorp and Principal Occupation During the Past Five Years	Director Since
John C. Hosier	Director. Vice President with Montgomery Insurance Services, Inc., Media, Pennsylvania since 1986, and Commercial Lines Manager of its affiliate, Allman and Company, Inc., Fort Washington, Pennsylvania since 2007, two full-service insurance agencies. Mr. Hosier brings significant commercial business experience as well as knowledge of the local insurance market to the Board of Directors. Age 53.	2009
Bruce E. Miller	Director and Chairman of the Board. President, Imaging Management Associates, operator of five magnetic resonance imaging centers located in Philadelphia, Pennsylvania and Chester and Delaware Counties, Pennsylvania since 2000. Mr. Miller brings significant business experience to the Board as a result of his successful operation of a number of small businesses as well as extensive knowledge of the local market area in which the Bank operates. Age 56.	2013

The Board of Directors recommends that you vote FOR election of our nominees for director.

Members of the Board of Directors Continuing in Office

Director Whose Term Expires in 2019

Name	Age and Position with Prudential Bancorp and Principal Occupation During the Past Five Years	Director Since
A. J. Fanelli	Director. Self-employed owner of a public accounting practice, Philadelphia, Pennsylvania. Mr. Fanelli brings substantial accounting knowledge to the Board of Directors as Chairman of the Audit Committee. Age 80.	2005

Directors Whose Terms Expire in 2020

Name	Age and Position with Prudential Bancorp and Principal Occupation During the Past Five Years	Director Since
Francis V. Mulcahy	Director. Residential real estate appraiser and broker, Media, Pennsylvania. Mr. Mulcahy brings substantial knowledge of the local real estate market to the Board of Directors. Age 84.	2005
Dennis Pollack	Director. President and Chief Executive Officer of Prudential Bancorp and Prudential Bank since May 2016. Former Chairman of the Board, Presilient Worldwide, Broomfield, Colorado, an information technology managed backup and infrastructure service provider, between 2011 and 2017. Director, SI Financial Group, Inc. Willimantic, Connecticut, and its wholly owned subsidiary, Savings Institute Bank and Trust Company, since February 2015; previously served as a director of TF Financial, Inc., Newtown, Pennsylvania, from January 2012 until October 2013; also served as Chief Operating Officer of Paulson & Co., New York, New York, a hedge	2014

fund, from 2003-2006 and as President and Chief Executive Officer of the Connecticut Bank of Commerce from 1997-2000 as well as The Savings Bank of Rockland County from 1989-1996.

Mr. Pollack brings to the Board the benefit of his substantial experience as president, chief executive officer and director of community banking organizations as well as significant knowledge of community bank lending. Age 67.

Committees and Meetings of the Board of Directors

During the fiscal year ended September 30, 2017, the Board of Directors of Prudential Bancorp met 14 times, including special meetings. No director of Prudential Bancorp attended fewer than 75% of the aggregate of the total number of Board meetings held during the period for which he has been a director and the total number of meetings held by all committees of the Board on which he served during the periods that he served.

Membership on Certain Board Committees. The Board of Directors of Prudential Bancorp has established an Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee. Each of the committees operates in accordance with a written charter which is available on our website at www.prudentialsavingsbank.com. The following table sets forth the membership of such committees as of the date of this proxy statement.

Directors	Nominating and Corporate Governance	Compensation	Audit
A. J. Fanelli	**	*	**
John C. Hosier	*	**	*
Bruce E. Miller	*	*	*
Francis V. Mulcahy	*	*	*

* Member

** Chairman

Audit Committee. The Audit Committee reviews with management and the independent registered public accounting firm the systems of internal control, reviews the annual financial statements, including the Annual Report on Form 10-K, and monitors Prudential Bancorp's adherence in accounting and financial reporting to generally accepted accounting principles. The Audit Committee is comprised of four directors, each of whom is an independent director as defined in the Nasdaq Stock Market listing standards and the rules and regulations of the Securities and Exchange Commission. The Board of Directors has determined that Mr. Fanelli meets the definition of Audit Committee financial expert, as such term is defined in the rules of the Securities and Exchange Commission. In addition, each of the other members of the Audit Committee has had significant involvement in financial matters. The Audit Committee met four times in fiscal 2017.

Compensation Committee. It is the responsibility of the Compensation Committee of the Board of Directors to, among other things, oversee Prudential Bancorp's compensation and incentive arrangements for management. No member of the Compensation Committee is a current or former officer or employee of Prudential Bancorp, Prudential Bank or any subsidiary and all members are independent as defined in the Nasdaq Stock Market listing standards. Each of the members is independent as defined in the Nasdaq Stock Market listing standards. The Compensation Committee held five meetings in fiscal 2017 to consider management compensation matters.

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee reviews and makes nominations for the Board of Directors, which are then sent to the full Board of Directors for their ratification. Each of the members is independent as defined in the Nasdaq Stock Market listing standards. The Nominating and Corporate Governance Committee met once in fiscal 2017.

Board Leadership Structure

Mr. Pollack serves as our President and Chief Executive Officer and Mr. Bruce E. Miller serves as Chairman of the Board. The board of directors has determined that that separation of the offices of Chairman of the Board and President enhances board independence and oversight. Further, the separation of the Chairman of the Board permits the President and Chief Executive Officer to better focus on his responsibilities on managing the daily operations of the Company, enhancing shareholder value and expanding and strengthening our franchise while allowing the Chairman to lead the board of directors in its fundamental role of providing independent oversight and advice to management. The Chairman also serves as a liaison between the Board of Directors and executive management. Mr. Miller is an independent director under the rules of the Nasdaq Stock Market.

Board's Role in Risk Oversight

Risk is inherent with every business, particularly financial institutions. We face a number of risks, including credit risk, interest rate risk, liquidity risk, operational risk, strategic risk and reputational risk. Management is responsible for the day-to-day management of the risks that Prudential Bancorp faces, while the Board of Directors, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, the Board of Directors ensures that the risk management processes designed and implemented by management are adequate and functioning as designed.

One of our current senior executive officers, Mr. Pollack, serves on our Board of Directors. Other members of our senior management regularly attend meetings of the Board of Directors and are available to address any questions or concerns raised by the Board of Directors on risk management or other matters. Prudential Bank has established an Asset-Liability Committee, a Loan Quality Committee, a Management Loan Committee and an Investment Committee composed of members of senior management. The independent directors work together to provide strong, independent oversight of Prudential Bancorp's management and affairs.

Directors' Attendance at Annual Meetings

Directors are expected to attend the Annual Meeting of Shareholders absent a valid reason for not doing so. All of our directors attended the Annual Meeting of Shareholders held in February 2017.

Directors' Compensation

The following table sets forth certain information regarding the compensation paid to our non-employee directors during fiscal year 2017. Mr. Pollack, our President and Chief Executive Officer, is included in the Summary Compensation Table set forth in the section "Management Compensation."

Name	Fees Earned or Paid in				Total
	Cash	Stock Awards(1)	Option Awards	All Other Compensation	
A. J. Fanelli	\$65,583	\$ 74,635	\$18,148	\$ --	\$156,366
John C. Hosier	55,250	74,635	18,148	--	148,033
Bruce E. Miller	88,350	74,635	18,148	--	181,133
Francis V. Mulcahy	59,495	74,635	18,148	--	152,278

(1) Represents the aggregate grant date value of the restricted stock and the options granted to non-employee directors during fiscal year 2017 pursuant to the 2014 Stock Incentive Plan ("2014 SIP"). Each non-employee director received a restricted stock award covering 4,282 shares and a compensatory stock option granting the director an

option to purchase 5,707 shares at an exercise price of \$17.43 per share. The options and restricted stock vest pro rata over five years commencing on the first anniversary of the date of grant on March 1, 2017.

We do not pay separate compensation to directors for their service on the Board of Directors of Prudential Bancorp. For fiscal 2017, members of Prudential Bank's Board of Directors received an annual retainer of \$28,200. Members also received \$2,350 per special meeting attended. For fiscal 2017, members of the Audit Committee, Executive Committee (other than Mr. Pollack) and the Compensation Committee received fees of \$900 per meeting attended. As Chairman of the Audit Committee, Mr. Fanelli received an annual retainer of \$10,000 in fiscal 2017, which will increase to \$16,000 for fiscal 2018. As Chairman of the Compensation Committee for a part of the fiscal year, Mr. Hosier received an annual retainer of \$2,000 in fiscal 2017 while Mr. Mulcahy, the prior chairman of the Compensation Committee for most of the fiscal year received \$6,250. The Compensation Committee retainer, will increase to \$12,000 in fiscal 2018. Mr. Miller, as Chairman of the Board, received an annual retainer for such service in fiscal 2017 in the amount of \$36,000, which will remain the same for fiscal 2018. Board fees are subject to periodic adjustment by the Board of Directors. However, for fiscal 2018, the annual Board retainer, special meeting fees and committee meeting fees will remain the same as for fiscal 2017.

Compensation Committee Interlocks and Insider Participation

Determinations regarding compensation of our President and Chief Executive Officer, our senior management and our employees are reviewed and approved by Prudential Bancorp's Compensation Committee. Messrs. Fanelli, Hosier, who is the Committee's Chairman, Miller and Mulcahy, currently serve as members of the Compensation Committee.

No person who served as a member of the Compensation Committee during fiscal 2017 was a current or former officer or employee of Prudential Bancorp or Prudential Bank or engaged in certain transactions with Prudential Bancorp or Prudential Bank required to be disclosed by regulations of the Securities and Exchange Commission.

Additionally, there were no Compensation Committee "interlocks" during fiscal 2017, which generally means that no executive officer of Prudential Bancorp served as a director or member of the compensation committee of another entity, one of whose executive officers served as a director or member of Prudential Bancorp's Compensation Committee.

Director Nominations

Recommendations for nominations of persons to serve as directors of Prudential Bancorp are made by the Nominating and Corporate Governance Committee of the Board of Directors and are approved by the entire Board. The Board of Directors adopted a written charter of the Nominating and Corporate Governance Committee which is available on our website at www.prudentialsavingsbank.com. The charter sets forth certain criteria the committee may consider when recommending individuals for nomination including:

ensuring that the Board of Directors, as a whole, is diverse by considering:

o individuals with various and relevant career experience;

o relevant technical skills;

o industry knowledge and experience;

o financial expertise (including expertise that could qualify a director as a "financial expert," as that term is defined by the rules of the Securities and Exchange Commission);

o local or community ties; and

o minimum individual qualifications, including:

o strength of character;

o mature judgment;

o familiarity with our business and industry;

o independence of thought; and

o an ability to work collegially.

The committee also may consider the extent to which the candidate would fill a present need on the Board of Directors.

The Nominating and Corporate Governance Committee will also consider candidates for director suggested by other directors, as well as our management and shareholders. A shareholder who desires to recommend a prospective nominee for the Board should notify our Secretary or any member of the Nominating and Corporate Governance Committee in writing with whatever supporting material the shareholder considers appropriate. Any shareholder wishing to make a nomination must follow our procedures for shareholder nominations, which are described under "Shareholder Proposals, Nominations and Communications with the Board of Directors."

Executive Officers Who Are Not Also Directors

Set forth below is certain information with respect to current executive officers of Prudential Bancorp and its subsidiaries who are not directors. Ages are reflected as of September 30, 2017.

Name	Age and Principal Occupation During the Past Five Years
Kevin Gallagher	Senior Vice President and Chief Lending Officer since January 1, 2017. Mr. Gallagher served as Chief Lending Officer of Polonia Bank, Huntingdon Valley, Pennsylvania, from November 2015 until completion of the merger of Polonia Bank with and into Prudential Bank on January 1, 2017. From June 2015 to November 2015, he served as Senior Lending Manager of Polonia Bank. From 2013 until June 2015, Mr. Gallagher was a banking consultant providing contractual consulting services focused on commercial lending. Mr. Gallagher previously served as President and CEO of Huntingdon Valley Bank from 2010 until January 2013. Prior to Huntingdon Valley Bank, Mr. Gallagher served as chief lending officer at several banks, including Continental Bank, First Penn Bank and Republic Bank. Age 61.
Anthony V. Migliorino	Executive Vice President and Chief Operating Officer of Prudential Bank since September 2015; from July 2015 until September 2015 served as Senior Vice President-Retail Business Development Officer. From September 2000 to September 2014, Mr. Migliorino served in various positions at Sterling National Bank, New York, New York, including Senior Vice President of Branch Banking. Prior to 2000, Mr. Migliorino served as a senior officer at several financial institutions including Stissing National Bank, Pine Plains, New York and Savings Bank of Rockland County, Spring Valley, New York. Age 62.
Robert E. Pollard	Vice President and Controller of Prudential Bancorp and Prudential Bank since November 2017. Prior thereto, Mr. Pollard served as Assistant Controller of First Choice Bank, Kingston, New Jersey from March 2014 to March 2017 and as Controller of First Bank of Delaware, Philadelphia, Pennsylvania, from 2002 until June 2013. Age 60.
Jack E. Rothkopf	Senior Vice President, Chief Financial Officer and Treasurer of Prudential Bancorp and Prudential Bank since June 2015; Senior Vice President and Treasurer of Prudential Bancorp from June 2013 until June 2015 and of Prudential Bank from April 2013 until June 2015; from January 2006 to April 2013, served as Vice President and Controller. Prior thereto, Mr. Rothkopf served as Assistant Vice President of Popular Financial Holdings, Marlton, New Jersey from October 2000 to January 2006. Age 54.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee has reviewed and discussed Prudential Bancorp's audited financial statements with management. The Audit Committee has discussed with Prudential Bancorp's independent registered public accounting firm, S.R. Snodgrass, P.C., the matters required to be discussed under Public Company Accounting Oversight Board Auditing Standard No. 16, Communication with Audit Committees. The Audit Committee has received the written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the Public Company Accounting Oversight Board under Rule 3526 regarding S.R. Snodgrass, P.C.'s communications with the Audit Committee concerning its independence and the Committee has discussed with S.R. Snodgrass, P.C. its independence. Based on the review and discussions referred to above in this report, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in Prudential Bancorp's Annual Report on Form 10-K for fiscal year 2017 for filing with the Securities and Exchange Commission.

Members of the Audit Committee

A. J. Fanelli, Chairman

John C. Hosier

Bruce E. Miller

Francis V. Mulcahy

MANAGEMENT COMPENSATION

Compensation Discussion and Analysis

Overview of Compensation Philosophy and Program. Our compensation philosophy is to provide compensation to our executive officers that is competitive in the marketplace and provides elements of both reward and retention in order to attract and retain qualified and experienced officers. The compensation of our executive officers, including the various components of such compensation, is determined by our Compensation Committee. The Committee consists solely of non-employee directors who meet all applicable requirements to be independent of management.

When setting the compensation of our executive officers, the Committee generally targets compensation which is comparable with our peer group with respect to each of our components of compensation. The compensation we provide to our executive officers primarily consists of the following:

annual base salary,

annual cash bonuses,

periodic grants of stock options and restricted stock awards, and

other forms of compensation as approved by the Board of Directors, as appropriate, consisting principally of participation in an employee tax-qualified retirement plan consisting of a profit-sharing plan and medical, dental, life and related insurance programs.

Since our mutual holding company reorganization in 2005 and our second-step conversion to a fully public holding company in 2013, we have implemented various stock option, restricted stock and stock incentive plans in order to more closely align the interests of our directors and executive officers with our shareholders. Each of these plans was approved by our shareholders. Grants of stock options and grants of restricted stock to our executive officers and directors are made periodically both as a reward for past service as well as to provide an incentive for future performance.

We also provide all of our employees, including our executive officers, with tax-qualified retirement benefits through a profit-sharing 401(k) plan. We also offer various fringe benefits to all of our employees, including our executive officers, on a non-discriminatory basis, including group policies for medical, dental, life, disability and accidental death insurance. In addition, we have entered into split dollar life insurance agreements with certain executive officers. The Committee believes such benefits are appropriate and assist such officers in fulfilling their employment obligations.

Independent Compensation Committee. The Committee, composed entirely of independent directors, administers the Company's executive compensation program. None of the members is a current or former officer or employee of the Company or any of its subsidiaries or has any separate business relationship with the Company. The role of the Committee is to oversee the Company's compensation and benefit plans and policies, administer its equity incentive plans (including reviewing and approving equity grants to executive officers) and review and approve annually all compensation decisions relating to executive officers, including those for the President and Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer and the other executive officers named in the Summary Compensation Table (the "named executive officers").

The Compensation Committee is committed to high standards of corporate governance, as embraced most notably in the Sarbanes-Oxley Act of 2002 and the various regulations implementing that statute. The Compensation Committee's Charter reflects the foregoing responsibilities and commitment, and the Committee and the Board periodically review and revise the Charter. The full text of the Compensation Committee Charter is available on our website at www.prudentialbanker.com under the "Investor Relations" tab. The Committee's membership is determined by the Board.

As a matter of philosophy, the Company and the Committee are committed to creating a compensatory structure for executives that is simple and readily comprehensible to investors. The types of compensation we offer our executives remain within the traditional categories: salary, short and long-term incentive compensation (discretionary cash bonuses and stock-based awards), standard executive benefits, and retirement and severance benefits. The Company does not provide executives with excessive or exotic perquisites. It also does not make loans to executives or their families or families' businesses, other than those made in the ordinary course of the Bank's business and on substantially the same terms as those prevailing at the time for comparable transactions with other persons in accordance with applicable federal banking regulations. We do not permit our executives to receive any income or gain from affiliated transactions or arrangements with the Company, a major concern addressed by recent corporate governance laws and regulations.

General Compensation Philosophy. The Committee believes that compensation paid to executive officers should be closely aligned with the performance of the Company on both a short-term and long-term basis, and that such compensation should assist the Company in attracting and retaining key executives critical to its long-term success. The compensation of executive officers is structured to ensure that a significant portion of an executive's compensation will be directly related to the Company's corporate performance and other factors that directly and indirectly influence shareholder value. To that end, it is the view of the Board that the total compensation program for executive officers should consist primarily of the following:

Salaries;
Annual cash bonus awards; and
Long-term incentive compensation consisting of a mixture of stock options and restricted stock awards.

The overriding philosophy in setting corporate goals is to both create an executive compensation program that will attract, motivate and retain qualified and experienced officers as well as to ensure that the interests of senior management are aligned with the interests of shareholders. The Compensation Committee reviews the overall compensation of each named executive officer to determine the appropriateness of the level of overall compensation as well as the amount for each element of that compensation based upon the performance of the individual employee and the performance of the Company. The Compensation Committee generally intends to set total compensation levels at within a range of between 85% and 115% of the 75th percentile (based upon a review of the particular executive and his or her respective performance) of market, including a review of a peer group consisting of eight publicly-traded bank and savings and loan holding companies located in Pennsylvania and New Jersey with assets between approximately \$800 million and \$1.1 billion as well as compensation data obtained from third party sources. The Committee believes that, over time, the financial performance of the Company is reflected in the value of its stock and that internal results, such as financial performance, and external results, such as stock price, ultimately move in a complementary fashion.

The financial performance of the Company on a period-to-period comparative basis is the major factor considered by the Compensation Committee when it determines salary adjustments and discretionary cash bonuses. The Committee uses these elements of compensation to incentivize executives to achieve continuous, near-term results. Executives' equity-based compensation, on the other hand, is focused on achievement of long-term success. The Committee believes that the return to shareholders investing in our stock, including the level of dividends, is a good indicator of corporate performance. Stock-based awards are thus a way to link executive compensation to long-term performance. In addition, the Company has never re-priced stock options downward or exchanged new lower priced options for outstanding higher priced options.

In determining the overall amounts and types of executive compensation, the Committee weighs personal factors as well, including commitment, leadership, teamwork and community involvement. The Committee also considers executive compensation practices of our competitors and peers.

No compensation consultants were utilized during fiscal 2016 or 2017, but the use of compensation consultants may be considered in the future.

Role of Executive Officers and Management. The Chief Executive Officer provides recommendations to the Compensation Committee on matters of compensation philosophy, plan design and the general guidelines for executive officer compensation. These recommendations are then considered by the Committee. The Chief Executive Officer attends certain Committee meetings but is not present for the executive sessions or for any discussion of his own compensation.

Base Salaries. We provide named executive officers and other employees with a base salary to compensate them competitively for services rendered during the year. Base salary ranges for named executive officers are determined for each employee based on his or her position and responsibility, performance and compensation levels paid by our peers to executives in similar positions. The Compensation Committee targets base salaries to fall within a range of 85% to 115% of the market median (50th percentile) and structures incentive and total compensation to fall within a range of 85% to 115% of the 75th percentile of market. Merit increases granted in fiscal 2017 took effect during January 2017 in conjunction with the completion of the acquisition of Polonia Bancorp.

During its annual review of base salaries for executives, the Compensation Committee primarily considers:

- the financial condition and results of operations of the Company;
- individual performance of the executive;
- internal review of the executive's compensation, both individually and relative to other officers;
- peer and market data; and
- qualifications and experience of the officer.

For fiscal 2017, the Compensation Committee determined the salaries of senior and executive officers should increase by 5.9% to 40.0% with the base salary of the named executive officers Pollack, Migliorino, Rothkopf, Hanuscin and Gallagher being increased by 35.8%, 40.0%, 5.9%, 8.0% and 6.7%, respectively. Mr. Gallagher began his employment with the Company during January 2017 in conjunction with the acquisition of Polonia Bancorp. The increases with regard to the Chief Executive Officer and the Chief Operating Office reflected the Committee's determination with regard to the central role played by such officers in returning the Company to sustainable core profitability.

Bonuses. In the past, a discretionary cash bonus for eligible employees, including executive officers, had been determined on an annual basis and generally paid in December of each year for the prior fiscal year ended September 30th based on years of service and compensation. Unlike prior years, the amount of the aggregate bonus pool and the manner of allocating such amounts to individuals with respect to 2017 were based on the Committee's assessment of both the Company's overall financial performance and as well as the performance of the individual participant and was not related to years of service. The bonuses reflected the Committee's assessment of the individual's performance and the role such performance played in driving the Company's substantial improvement for fiscal 2017. See "-Summary Compensation Table."

Long-Term Compensation. The long-term incentive compensation portion of the Company's compensation program consists of grants of stock options and restricted stock awards under the Company's 2008 Stock Option Plan (the "2008 SOP"), the 2008 Recognition and Retention Plan (the "2008 RRP" and collectively (the "2008 Equity Plans") and the 2014 SIP (collectively, the "Equity Plans"). Under the Equity Plans, the Compensation Committee has discretion in determining grants of stock options and restricted stock awards to executive officers, including the timing, amounts and types of awards. The level of an individual's grants typically has been based in large on the officer's position within the organization, his or her individual performance and length of service.

The exercisability of options and the vesting of restricted stock awards generally depend upon the executive officer continuing to render services to the Company. In addition, although not granted to date, the Company's 2008 RRP and 2014 SIP provide that stock awards may be made based upon specified performance goals. All options granted under the Company's stock option plans must have an exercise price at least equal to the market value of the common stock on the date of grant. Options may be exercised only for a limited period of time after the optionee's departure from the Company in most cases. Under the terms of the Equity Plans, the grants cannot vest more rapidly than 20% per year except in certain specified circumstances, such as the death or disability of the award holder or in the event of a change in control (as defined in the Equity Plans) of the Company. To date, all the awards have been granted with five year vesting schedules.

Only limited equity grants were made in fiscal 2017, primarily to newly appointed or promoted officers who were not employees when equity grants were made in February 2015 upon receipt of shareholder approval of the 2014 SIP. Under the Company's 2014 SIP and the 2008 RRP, the Compensation Committee is also authorized to grant share awards, which are a right to receive a distribution of shares of common stock. Shares of common stock granted pursuant to a share award are in the form of restricted stock which vests upon such terms and conditions as established by the Committee. No grants of restricted stock were made to executive officers during fiscal 2017 in part due to the level of grants made in previous years.

Additional Components of Executive Compensation. The Bank and the Company currently have entered into employment agreements with Messrs. Pollack and Migliorino. The Bank also is party to a change in control severance agreement with Mr. Rothkopf. The purpose of the employment and change in control severance agreements is to retain for the benefit of the Bank and the Company the talents of highly skilled officers who are integral to the development and implementation of the Bank's and the Company's business. Such agreements, as discussed below, provide for termination benefits in the event of such executives' termination or in the event of the occurrence of certain events. The severance payments provided by the agreements are intended to align the executive officers' and

the shareholders' interests by enabling executive officers to consider corporate transactions that are in the best interests of the shareholders and other constituents of the Company without undue concern over whether the transactions may jeopardize the executive officers' own employment or impose financial hardship on him or her. The grounds under which severance payments are triggered in the employment and change in control agreements are similar to or the same as those included in many employment agreements or severance agreements for senior executive officers of comparable financial institutions.

Employment Agreements. Prudential Bank and Prudential Bancorp entered into an amended and restated employment agreement in December 2016 with Mr. Pollack as well as an employment agreement with Mr. Migliorino. The amended and restated agreement with Mr. Pollack increased the term of the agreement and the severance benefits (as discussed below) as well as his compensation in view of the Compensation Committee's determination that his performance and value to the Company warranted such enhanced provisions. The employment agreement with Mr. Migliorino superseded the change in control agreement he had previously entered into with the Bank in November 2015 and reflected the Compensation Committee's determination that his continued employment was critical to the Bank's and Company's ongoing performance. In December 2015, in connection with the restructuring of certain aspects of executive compensation, Mr. Rothkopf, as well as certain other officers who had employment agreements, entered into a change in control agreement which became effective January 1, 2017, upon expiration of the term of his employment agreement on December 31, 2016.

The employment agreements have a term of three years, with respect to Mr. Pollack, and two years, with respect to Mr. Migliorino with the initial terms expiring, if the agreements are not extended, on December 31, 2019 and December 31, 2018, respectively. The term is extended annually for one year on each December 31st starting December 31, 2017 unless either the Company and the Bank or the executive gives notice at least 30 days prior to the annual anniversary date that the agreement shall not be extended. The Compensation Committee determined in November 2017 to extend the terms of the executives' employment agreements for an additional year. The agreements are automatically extended for one year upon a change in control. The terms of the employment agreements provide for an initial annual base salary, which is reviewed annually by the Compensation Committee of the Board of Directors. Each of the employment agreements is terminable with or without cause by the Company or the Bank. The executives have no right to compensation or other benefits pursuant to the employment agreements for any period after voluntary termination by the executive without good reason, as defined in the agreements and which includes, among other things, a material change in the officer's position, salary or entities without the officer's consent, or termination by the Bank for cause, disability, retirement or death.

In the event that the executive terminates his employment because of failure to comply with any material provision of the employment agreement by the Company or the Bank or the employment agreement is terminated by the Company or the Bank other than for cause, disability, retirement or death, Messrs. Pollack and Migliorino will be entitled to (i) the payment of two times (Mr. Pollack) and one times (Mr. Migliorino), respectively, the executive's respective average annual cash compensation (salary and cash bonuses) based upon the five calendar years preceding the date of termination as cash severance, (ii) the maintenance until the earlier to occur of the passage of two years and one year, respectively, from the date of termination or until the executive's full time employment with another employer (which provides substantially similar benefits), of the executive's continued participation in all group insurance, life insurance, health, dental and accident insurance and disability insurance plans at no cost to the officer and (iii) a lump sum cash payment equal to the projected cost of providing the executive with benefits for two years, or one year in the case of Mr. Migliorino, pursuant to other employee benefit plans (excluding retirement plans and stock compensation plans) in which the executive was entitled to participate. In the event the executive's continued participation in any group insurance plan is barred or would trigger the payment of an excise tax under Section 4980D of the Code, or if any such group insurance plan is discontinued, then the Company or the Bank shall either (1) provide substantially similar benefits under an alternative plan or (2) pay a lump sum cash amount to the executive equal to the projected cost of providing continued coverage to the executive until the two-year, or one-year in the case of Mr. Migliorino, anniversary of the executive's date of termination.

In the event that the executive's employment is terminated in connection with a change in control, as defined in the employment agreements, for other than cause, disability, retirement or death or the executive terminates his employment as a result of certain adverse actions which are taken with respect to the executive's employment (i.e., good reason) following a change in control, as defined, the executive will be entitled to a cash severance payment equal to three times (Mr. Pollack), or two times (Mr. Migliorino) their respective average annual cash compensation, the maintenance, as described above, of the group insurance plans for three years (Mr. Pollack) or two years (Mr. Migliorino), respectively, or until the executive's full-time employment with another employer that provides similar benefits plus the aforementioned lump sum cash payment for the projected cost of providing the other employee benefits as noted above until the third anniversary (Mr. Pollack) or second anniversary (Mr. Migliorino) of the executive's termination.

The employment agreements with respect to Pollack and Migliorino previously provided that in the event any of the payments to be made thereunder or otherwise upon termination of employment are deemed to constitute "parachute payments" within the meaning of Section 280G of the Code, then such payments and benefits received thereunder shall be reduced by the minimum amount necessary to result in no portion of the payments and benefits being non-deductible by the Company or the Bank for federal income tax purposes. In November 2017 the Company, and the Bank entered into amendments to each of the employment agreements with Messrs. Pollack and Migliorino addressing the applicability of Sections 4999 and 280G of the Code. The agreements were revised to provide that if the payments that were otherwise payable to Mr. Pollack or Mr. Migliorino, as applicable, in connection with a termination after the occurrence of a change in control would trigger the imposition of an excise tax under Section 4999 of the Code, such amounts would be required to be reduced only if doing so would result in a greater tax amount to be retained by Mr. Pollack or Mr. Migliorino, as applicable.

For a description of potential payments under the employment agreements in the event of a termination of Messrs. Pollack's and Migliorino's employment, see "- Potential Payments Upon Termination of Employment or a Change in Control."

Change in Control Agreement. The Bank entered into a change in control severance agreement in December 2015 (effective January 1, 2017) with Mr. Rothkopf. The change in control agreement is intended to assist the Bank (and indirectly the Company) in maintaining a stable and competent management base. The change in control severance agreement has an initial term ending December 31, 2017 if the term of the agreement is not extended. The term is extended annually for one year on each December 31st starting December 31, 2017 unless either the Bank or the executive gives notice at least 30 days prior to the annual anniversary date that the agreement shall not be extended. The agreement with Mr. Rothkopf was extended for an additional one year in November 2017. The agreement automatically extends for one year upon a change in control.

Mr. Rothkopf's agreement provides that in the event of an involuntary termination of employment without cause and other than for retirement, death or disability following a change in control (including a termination by the executive for "good reason," which includes a material change in the executive's position, salary or duties without his consent), the executive will be entitled to (i) the payment of two times his average annual cash compensation (salary and cash bonuses) based upon the five calendar years preceding the date of termination as cash severance, (ii) the maintenance until the earlier to occur of the passage of two years from the date of termination or until his full time employment with another employer (which provides substantially similar benefits) of the executive's continued participation in all group insurance, life insurance, health, dental and accident insurance and disability insurance plans at no cost to the officer and (iii) a lump sum cash payment equal to the projected cost of providing him with benefits for one year pursuant to other employee benefit plans (excluding retirement plans and stock compensation plans) in which he was entitled to participate. In the event Mr. Rothkopf's continued participation in any group insurance plan is barred or would trigger the payment of an excise tax under Section 4980D of the Code, or if any such group insurance plan is discontinued, then the Bank shall either (1) provide substantially similar benefits under an alternative plan or (2) pay a lump sum cash amount to him equal to the projected cost of providing continued coverage to him until the two-year anniversary of his date of termination.

The change in control severance agreement provides that in the event any of the payments to be made thereunder or otherwise upon termination of employment are deemed to constitute "parachute payments" within the meaning of Section 280G of the Code, then such payments and benefits received thereunder shall be reduced by the minimum amount necessary to result in no portion of the payments and benefits being non-deductible by the Bank for federal income tax purposes.

For a description of potential payments under the agreements in the event of a termination of Mr. Rothkopf's employment, see "- Potential Payments Upon Termination of Employment or a Change in Control." Mr. Hanuscin also had a change in control severance agreement structured substantially the same as Mr. Rothkopf's agreement; such agreement was terminated as a result of Mr. Hanuscin's voluntary resignation in October 2017.

Endorsement Split Dollar Agreements. The Bank has purchased insurance policies on the lives of certain of its executive officers named in the Summary Compensation Table as well as other officers, and has entered into Endorsement Split Dollar Agreements with each of those officers. The policies are owned by the Bank. Under the agreements with the named executive officers, upon an officer's death while he or she remains employed by the Bank, the officer's beneficiary will receive two times the officer's salary as of the date of death. Pursuant to the terms of the agreements, the Bank has elected generally to not extend such benefits after a termination of employment. Such amounts will be funded from the receipt of the death benefits under the insurance policies on such officer's life in excess of the cash surrender value. The Bank will receive the full cash surrender value, which is expected to reimburse the Bank in full for its life insurance investment as well as the remainder, if any, in excess of the net proceeds after payments to the officer's beneficiaries pursuant to the Endorsement Split Dollar Agreements.

The Endorsement Split Dollar Agreements may be terminated at any time by the Bank or the officer or by the Bank upon the officer's termination of service to Prudential Bank. Upon termination, the Bank may surrender the policy and collect the cash surrender value.

Retirement and Other Benefits. The Company also provides its employees, including the named executive officers, with tax-qualified retirement benefits through the Prudential Savings Bank Employees Savings and Profit Sharing Plan and Trust (the "401(k) Plan"). The Company previously provided additional benefits through two additional tax-qualified retirement plans: an employee stock ownership plan (the "ESOP") and the Pentegra Defined Benefit Plan for Financial Institutions (the "Defined Benefit Plan"). The determination was made to terminate the ESOP effective December 31, 2016. In addition, the Defined Benefit Plan was frozen during November 2015. Such actions were taken as part of the Company's efforts to effect significant cost savings while still providing competitive compensation structure. All employees who meet the age and service requirements participate in the 401 (k) Plan, on a non-discriminatory basis. The Bank did not provide a 401(k) match to employee contributions for the past several years due to the existence of the benefits provided by the ESOP. However, as a result of the termination of the ESOP, the Bank determined to initiate a 401(k) match commencing in January 2018.

The Company also offers various fringe benefits to all of its employees, including the named executive officers, including group policies for medical and dental insurance, life insurance and long-term disability. We provide individual and family medical and dental coverage to employees. We also provide all of our employees with life and accidental death and disability insurance at no cost to the employee. The President and Chief Executive Officer is provided an automobile allowance. The Compensation Committee believes such benefit is appropriate and assists the President and Chief Executive Officer in fulfilling his employment obligations.

Results from the 2016 Annual Meeting Advisory Vote on Executive Compensation. At our 2016 annual meeting of shareholders, we presented our advisory vote on the compensation of our named executive officers, commonly known as a "say-on-pay" proposal. The vote was not binding on the Company, the board of directors or the Compensation Committee. A substantial majority of the votes cast on the proposal, approximately 87%, was voted "FOR" the compensation of our named executive officers as disclosed in the proxy statement. The Compensation Committee believes that this affirms the shareholders' support of the Company's compensation policies and practices. The Compensation Committee will continue to consider the outcome of the Company's say-on-pay proposals when making future compensation decisions for the named executive officers.

Compensation Policies and Practices as They Relate to Risk Management

The Compensation Committee of the Board of Directors has reviewed the Company's policies and practices applicable to employees, including the Company's benefit plans, arrangements and agreements, and does not believe that they are reasonably likely to have a material adverse effect on the Company. The Committee does not believe that the Company's policies and practices encourage officers or employees to take unnecessary or excessive risks or behavior focused on short-term results rather than the creation of long-term value.

Report of the Compensation Committee

We have reviewed and discussed with management the Compensation Discussion and Analysis disclosures to be included in the Company's Proxy Statement for the Annual Meeting of Shareholders to be held in February 2018 and filed with the SEC pursuant to Section 14(a) of the Securities Exchange Act of 1934. Based on the reviews and discussions referred to above, we recommend to the Board of Directors that the Compensation Discussion and Analysis referred to above be included in the Company's Proxy Statement.

Compensation Committee
John C. Hosier (Chairman)
Francis V. Mulcahy
A.J. Fanelli
Bruce E. Miller

Summary Compensation Table

The following table summarizes the total compensation paid by Prudential Bank (including amounts deferred, if any, to future periods by the officers) for services rendered in all capacities during the fiscal years ended September 30, 2017, 2016 and 2015 to the principal executive officer, the person who served as principal financial officer during fiscal 2017 and the three other executive officers of Prudential Bank during fiscal 2017 whose total compensation exceeded \$100,000, including one executive officer who resigned subsequent to September 30, 2017, collectively referred to as our "named executive officers." The Company has not paid separate cash compensation to our officers.

Name and Principal Position	Fiscal Year	Salary	Bonus(1)	Stock Awards(2)	Option Awards(2)	Change in Pension Value and Nonqualified Deferred Compensation(3)	All Other Compensation	Total
Dennis Pollack(4) President and Chief Executive Officer	2017	\$367,593	\$135,000	\$--	\$--	\$ --	\$9,750(5)	\$512,343
	2016	108,462	20,000	36,050	21,300	--	4,125	189,937
Anthony V. Migliorino(6) Executive Vice President and Chief Operating Officer	2017	263,077	84,006	--	--	--	47,869(7)	394,946
	2016	172,368	20,000	108,150	31,950	--	690	333,158
	2015	33,750	--	--	--	--	750	24,500
Kevin Gallagher(8)	2017	111,154	5,000	--	31,800	--	--	147,954
Jeffrey T. Hanuscin(9) First Vice President/Controller	2017	132,885	--	--	--	--	41,718(7)	174,602
	2016	120,495	10,000	--	--	9,000	16,690	156,185
	2015	120,120	--	61,150	50,380	15,000	11,978	258,628
Jack E. Rothkopf Senior Vice President, Chief Financial Officer and Treasurer	2017	177,874	10,000	--	--	(5,000)	161,548(7)	344,422
	2016	156,912	5,000	--	--	39,000	28,894	229,806
	2015	160,681	--	183,450	229,000	46,000	16,491	635,622

Represents discretionary bonuses earned in each fiscal year reflected but which were paid, with respect to fiscal (1) 2016 and 2015, in the following fiscal year. Bonuses were discretionarily determined based on Company performance as well as individual performance.

Reflects the grant date fair value in accordance with FASB ASC Topic 718 for awards of restricted stock and stock options that were granted during fiscal 2015, fiscal 2016 and fiscal 2017. The valuations of the restricted stock awards granted in fiscal 2015 and fiscal 2016 are based on grant date fair values of \$12.23 and \$14.42, (2) respectively, per share. The assumptions used in valuing the stock option awards granted in fiscal 2015, fiscal 2016 and fiscal 2017 are set forth in Note 13 to the Consolidated Financial Statements included in the Annual Report on Form 10-K for the year ended September 30, 2017.

(3) Represents the sum of the actuarial change in pension value in plan years 2014, 2015 and 2016 (plan years end December 31st) for Messrs. Hanuscin and Rothkopf pursuant to their participation in the Defined Benefit Plan, a

multiple employer tax-qualified defined benefit plan. The amounts reflect the effect of the adoption of the new mortality table (RP-2014). Messrs. Gallagher, Pollack and Migliorino are not participating in the Defined Benefit Plan. No value is reflected for Mr. Hanuscin since he resigned in October 2017 and had not become vested in his account in the Defined Benefit Plan at the time of his resignation.

(4) Effective as of May 1, 2016, Mr. Pollack was appointed President and Chief Executive Officer of the Company and Prudential Bank. Thus, Mr. Pollack's salary data for fiscal 2016 only reflects five months of salary.

(5) Consists of an automobile allowance in fiscal 2017.

(6) Mr. Migliorino joined Prudential Bank in June 2015. Accordingly, his salary amount for fiscal 2015 only reflects three and a half months of salary.

(Footnotes continued on the following page)

17

(7) Includes the fair market value on December 31, 2016 of the 2,796, 2,436 and 9,436 shares allocated for plan year 2016 to the ESOP accounts of Messrs. Migliorino, Hanuscin and Rothkopf, respectively, based on a value of \$17.12 per share on December 30, 2016 (last trading day of 2016). As of such date, Messrs. Gallagher and Pollack were not participants in the ESOP.

(8) Mr. Gallagher was appointed Senior Vice President and Chief Lending Officer effective January 1, 2017. Consequently, Mr. Gallagher's salary data for fiscal 2017 only reflects nine months of salary.

(9) Mr. Hanuscin resigned in October 2017. As a consequence, the unvested portion of the grants of restricted stock and options awarded previously were forfeited.

Equity Compensation Plans

Grants of Plan-Based Awards for the Year Ended September 30, 2017. The table below sets forth information regarding grants of awards pursuant to plans our executive officers named in the Summary Compensation Table during the fiscal year ended September 30, 2017.

Name	Grant Date	All Other Stock Awards:			Grant Date Fair Value of Stock and Option Awards ⁽³⁾
		Number of Shares of Stock or Units	Option Awards: Number of Securities Underlying Options ⁽¹⁾	Exercise Price or Base Price of Option Awards ⁽²⁾	
Kevin Gallagher	5/17/2017	--	10,000	\$ 18.36	\$ 31,800

(1) The stock options granted vest at the rate of 20% per year, starting May 17, 2018.

(2) Based upon the fair market value of a share of Company common stock on the date of grant.

(3) The fair value of the stock options granted is computed in accordance with FASB ASC Topic 718.

Outstanding Equity Awards at Fiscal Year-End. The table below sets forth outstanding equity awards at September 30, 2017 held by our executive officers named in the Summary Compensation Table above, which grants were made in fiscal years 2009, 2013, 2015, 2016 and 2017. With respect to restricted stock awards and stock options granted prior to the completion of the second-step conversion on October 9, 2013, the number of shares subject to the stock options and the stock awards as well as the exercise price of the stock options have been adjusted to reflect the second-step conversion.

Option Awards(1) Number of Securities Underlying Unexercised Options	Exercise Expiration	Stock Awards(1) Market Value	
		Number of Shares or Units of Stock That Have Not	Of Shares or Units of stock That Have Not

Edgar Filing: PRUDENTIAL BANCORP, INC. - Form DEF 14A

Name	Exercisable	Unexercisable	Price	Date	Vested	Vested(2)
Dennis Pollack	12,000(3)	18,000	\$ 12.23	2/18/2025	6,000(3)	\$ 111,180
	2,000(4)	8,000	14.42	8/17/2026	2,000(4)	37,060
Anthony V. Migliorino	3,000(4)	12,000	14.42	8/17/2026	6,000(4)	111,180
Kevin Gallagher	--	10,000(5)	18.36	5/17/2027	--	--
Jack E. Rothkopf	18,683(6)	--	11.84	1/5/2019	416(7)	7,708
	4,720(7)	1,181	7.68	1/5/2023	9,000(8)	166,770
	20,000(3)	30,000	12.23	2/18/2025		
Jeffrey T. Hanuscin(9)	8,136(8)	2,035	10.24	6/19/2023	737(8)	13,657
	4,400(3 (7)	6,600	12.23	2/18/2025	3,000(3)	55,590

Each of the option awards and stock awards outstanding as of October 9, 2013 was converted into an option award or stock award to purchase a number of shares of common stock of Prudential Bancorp equal to the product of the (1) number of shares of common stock multiplied by the exchange ratio of 0.9442, rounded down to the nearest whole share. Each option after the exchange has an adjusted exercise price equal to the quotient obtained by dividing the option exercise price by the exchange ratio of 0.9442, rounded up to the nearest whole cent.

(Footnotes continued on the following page)

- Calculated by multiplying the closing market price per share of our common stock on September 29, 2017, which was \$18.53, by the applicable number of shares of common stock underlying the named executive officer's unvested stock awards.
- (3) Granted pursuant to our 2014 SIP and vest at a rate of 20% per year commencing on February 18, 2016.
 - (4) Granted pursuant to our 2008 Stock Option Plan ("2008 SOP"), our 2014 SIP and our 2008 Recognition and Retention Plan ("2008 RRP"), as applicable, and vest at a rate of 20% per year commencing on August 17, 2017.
 - (5) Granted pursuant to our 2014 SIP and vest at a rate of 20% per year commencing on May 17, 2018.
 - (6) Granted pursuant to our 2008 SOP and our 2008 RRP, as applicable, and vested at a rate of 20% per year commencing on January 5, 2010, becoming fully vested on January 5, 2014.
 - (7) Granted pursuant to our 2008 SOP and 2008 RRP, as applicable, and vest at a rate of 20% per year commencing on January 5, 2014.
 - (8) Granted pursuant to our 2008 SOP and our 2008 RRP, as applicable, and vest at a rate of 20% per year commencing on June 19, 2014.
 - (9) Mr. Hanuscin resigned in October 2017. In accordance with the terms of the 2008 SOP, the 2008 RRP and the 2014 SIP, all unvested restricted stock awards and stock options granted to him were forfeited upon his resignation.

Option Exercises and Stock Vested. The following table sets forth certain information with respect to restricted stock awards which vested for the named executive officers during the fiscal year ended September 30, 2017. No stock options were exercised by any of the named executive officers during the fiscal year.

Name	Stock Awards	
	Number of Shares Acquired On Vesting ⁽¹⁾	Value Realized On Vesting ⁽²⁾
Dennis Pollack	2,000 500	\$ 34,960 9,080
Anthony Migliorino	1,500	27,240
Jack E. Rothkopf	416 3,000	7,193 52,440
Jeffrey T. Hanuscin	737 1,000	13,413 17,480

(1) Does not reflect the sale or withholding of shares to satisfy income tax withholding obligations.

Based upon the fair market value of a share of Company common stock on the date of vesting. Value is calculated (2) by multiplying the number of shares of Company common stock that vested by the fair market value on the date of vesting.

Potential Payments Upon Termination of Employment or a Change in Control

The following tables present potential payments to the named executive officers (other than Messrs. Hanuscin and Gallagher) if their employment was terminated under various situations. However, the presentation is based on the employment arrangements that were in effect as of September 30, 2017. Subsequent to such date, Prudential Bank and Prudential Bancorp entered into amendments to the amended and restated employment agreement with Mr. Pollack and the employment agreement with Mr. Migliorino.

The following table describes the potential payments to Dennis Pollack, President and Chief Executive Officer, upon an assumed termination of employment or a change in control as of September 30, 2017.

Payments and Benefits	Voluntary Termination	Termination for Cause	Involuntary Termination Without Cause or Termination by the Executive for Good Reason Absent a Change in Control	Change in Control With Termination of Employment	Death or Disability (j)	Retirement
Severance payments and benefits: (a)						
Cash severance (b)	\$ --	\$ --	\$ 563,334	\$ 845,000	\$--	\$ --
Medical and other insurance benefits (c)	--	--	37,167	58,582	--	--
Automobile expenses (d)	--	--	--	29,700	--	--
§280G cut-back (e)	--	--	--	(652,009)	--	--
Equity awards: (f)						
Unvested stock options (g)	--	--		146,280	146,280	--
Unvested restricted stock awards (h)	--	--		148,240	148,240	--
Total payments and benefits (i)	\$ --	\$ --	\$ 600,501	\$ 575,793	\$ 294,520	\$ --

The following table describes the potential payments to Anthony V. Migliorino, Executive Vice President and Chief Operating Officer, upon an assumed termination of employment or a change in control as of September 30, 2017.

Payments and Benefits	Voluntary Termination	Termination for Cause	Involuntary Termination Without Cause or Termination by the Executive for	Change in Control With Termination of Employment	Death or Disability (j)	Retirement

Good
Reason
Absent a
Change
in Control

Severance payments and benefits: (a)									
Cash severance (b)	\$	--	\$	--	\$ 169,584	\$ 339,168	\$--	\$	--
Medical and other insurance benefits (c)		--		--	7,726	16,226	--		--
Automobile expenses (d)		--		--	--	--	--		--
§280G cut-back (e)		--		--	--	--	--		--
Equity awards: (f)									
Unvested stock options (g)		--		--	--	49,320	49,320		--
Unvested restricted stock awards (h)		--		--	--	111,180	111,180		--
Total payments and benefits (i)	\$	--	\$	--	\$ 177,310	\$ 515,894	\$ 160,500	\$	--

(Footnotes following the table on page 22)

Edgar Filing: PRUDENTIAL BANCORP, INC. - Form DEF 14A

The following table describes the potential payments to Jack E. Rothkopf, Senior Vice President, Chief Financial Officer and Treasurer, upon an assumed termination of employment or a change in control as of September 30, 2017.

Payments and Benefits	Voluntary Termination	Termination for Cause	Termination Absent a Change in Control	Involuntary Termination Without Cause or Termination by the Executive for Good Reason	Change in Control With Termination of Employment	Death or Disability (j)	Retirement
Severance payments and benefits: (a)							
Cash severance (b)	\$ --	\$ --	\$ --	\$ 283,499	\$--	\$ --	
Medical and other insurance benefits (c)	--	--	--	1,166	--	--	
Automobile expenses (d)	--	--	--	--	--	--	
§280G cut-back (e)	--	--	--	--	--	--	
Equity awards: (f)							
Unvested stock options (g)	--	--	--	201,814	201,814	--	
Unvested restricted stock awards (h)	--	--	--	174,478	174,478	--	
Total payments and benefits (i)	\$ --	\$ --	\$ --	\$ 660,957	\$376,292	\$ --	

These severance payments and benefits are payable if the employment of Mr. Pollack or Mr. Migliorino is terminated either prior to a change in control or more than two years following a change in control either (i) by the Bank for any reason other than cause, disability, retirement or death or (ii) by Mr. Pollack or Mr. Migliorino if the (a) Bank takes certain adverse actions (a "good reason" termination). The severance payments and benefits are also payable if the executive's employment is terminated concurrently with or within two years following a change in control if the termination of employment occurs during the term of Mr. Pollack's or Mr. Migliorino's employment agreement or during the term of Mr. Rothkopf's severance agreement.

If the employment of Mr. Pollack or Mr. Migliorino is terminated prior to a change in control or more than two years following a change in control, the executive will be entitled to a lump sum payment equal to two times (one times for Mr. Migliorino) the average of his base salary and cash bonus received by the executive (excluding any deferred amounts) during the five calendar years preceding the year in which the date of termination occurs (or (b) such shorter period that the executive was employed). The amounts in the change in control column represent a lump sum payment equal to three times for Mr. Pollack and two times for Messrs. Migliorino and Rothkopf the average of the executive's base salary and cash bonus received by the executive (excluding any deferred amounts) during the five calendar years preceding the year in which the date of termination occurs (or such shorter period that the executive was employed).

(c) If the employment of Mr. Pollack or Mr. Migliorino is terminated prior to a change in control or more than two years following a change in control, the amounts shown represent the estimated present value cost of providing continued medical, dental, vision, life and accidental death and disability coverage to Messrs. Pollack and Migliorino for an assumed additional 24 months and 12 months, respectively, at no cost to the executives. The

amounts in the change in control column represent the estimated present value cost of providing continued medical, dental, vision, life and accidental death and disability coverage for 36 months for Mr. Pollack and 24 months for Messrs. Migliorino and Rothkopf at no cost to the executives. The estimated costs assume the current insurance premiums increase by 10% on each renewal date. The amounts have not been discounted to present value.

(Footnotes continued on the following page)

21

Represents a lump sum cash payment equal to the estimated costs of paying automobile related expenses for Mr. Pollack for an assumed (i) 24 months if his employment is terminated prior to or more than two years following a change in control or (ii) 36 months if his employment is terminated concurrently with or within two years following a change in control, based on the amounts paid during 2016.

If the parachute amounts associated with the payments and benefits to Messrs. Pollack, Migliorino and Rothkopf in the change in control column equal or exceed three times the executive's average taxable income for the five calendar years immediately preceding the year in which the change in control occurs (or such shorter period that the executive was employed), such payments and benefits in the event of a change of control will be reduced by the minimum amount necessary so that they do not trigger the 20% excise tax imposed by Sections 280G and 4999 of the Internal Revenue Code. Based upon the assumptions made, Mr. Pollack is above his Section 280G threshold and would be subject to a cutback, while Messrs. Migliorino and Rothkopf are each below their respective Section 280G threshold. The employment agreements for Messrs. Pollack and Migliorino were amended in November 2017 to provide for a Section 280G cutback only if such cutback would result in a greater after-tax benefit to the executive than the after-tax benefit the executive would realize if he received his full change in control benefits and paid the applicable excise taxes.

The vested stock options held by Messrs. Pollack, Migliorino and Rothkopf had a value of approximately \$87,100, \$12,300 and \$302,200, respectively, based on the September 29, 2017 closing price of \$18.53 per share. Such value can be obtained in the event of termination due to voluntary termination, death, disability, retirement or cause only if the executive actually exercises the vested options in the manner provided for by the relevant option plan and subsequently sells the shares received for \$18.53 per share. In the event of a termination of employment, each executive (or his or her estate in the event of death) will have the right to exercise vested stock options for the period specified in his or her option grant agreement. If the termination of employment occurs following a change in control, each executive can exercise the vested stock options for the remainder of the original ten-year term of the option.

Represents the value of the unvested stock options held by Messrs. Pollack, Migliorino and Rothkopf that had an exercise price below the September 29, 2017 closing price of \$18.53 per share, based on the difference between the September 29, 2017 closing price and the per share exercise price of the unvested stock options. All unvested stock options will become fully vested upon an executive's death or disability or upon a change in control.

Represents the value of the unvested restricted stock awards held by Messrs. Pollack, Migliorino and Rothkopf based on the September 29, 2017 closing price of \$18.53 per share, excluding accumulated cash dividends, if any, on the unvested shares for each of the executives. All unvested restricted stock awards will become fully vested upon an executive's death or disability or upon a change in control.

Does not include the value of the vested benefits to be paid under our tax-qualified defined benefit pension plan, 401(k) plan and ESOP. See the pension benefits table under "- Benefit Plans – Retirement Plan" below. The ESOP was terminated effective December 31, 2016, and the unallocated ESOP shares held in the suspense account were first used to repay the then outstanding balance of the ESOP loan, with the remaining balance in the suspense account allocated among the ESOP participants on a pro rata basis. At September 30, 2017, all shares of common stock held by the ESOP were fully allocated, and the shares held by the named executive officers are reflected in the table under "Beneficial Ownership of Common Stock by Certain Beneficial Owners and Management." Also does not include the value of vested stock options set forth in Note (f) above, earned but unpaid salary, accrued but unused vacation leave and reimbursable expenses.

If the employment of Mr. Pollack, Mr. Migliorino or Mr. Rothkopf had terminated at September 30, 2017 due to death, his beneficiaries or estate would have received life insurance proceeds of approximately \$874,000, \$660,000 and \$460,000, respectively. If the employment of Mr. Pollack, Mr. Migliorino or Mr. Rothkopf had terminated at September 30, 2017 due to disability, they each would have received disability benefits under our disability policy of \$12,000 per year.

Mr. Hanuscin resigned in October 2017, which resulted in his change in control severance agreement being terminated and deemed null and void. Mr. Hanuscin did not receive any severance benefit under the terms of his agreement since his resignation was voluntary. In addition, since his termination was voluntary, his unvested restricted stock awards

and options were forfeited.

Mr. Gallagher is not a party to an employment or change in control severance agreement. As a result, if his employment is terminated for any reason, he would not be entitled to any severance benefits. If Mr. Gallagher's employment is terminated due to disability or death or if a change in control occurs, his unvested stock options would become fully vested. If any of such events had occurred as of September 30, 2017, the value of Mr. Gallagher's unvested options would have been \$1,700.

Benefit Plans

Retirement Plan. Prudential Bank participates in the Financial Institutions Retirement Fund, a multiple employer defined benefit plan intended to satisfy the tax-qualification requirements of Section 401(a) of the Internal Revenue Code. In November 2015, the retirement plan was frozen such that no new participants can be added and existing participants will receive no further benefit service credit, compensation credit or other accrued benefit increases except for additional service credits which may affect a participant's vesting or early vesting retirement eligibility or as otherwise required by law to maintain the tax-qualified status of such plan.

The retirement plan provides for a monthly benefit upon a participant's retirement at or after the age of 65, or if later, the fifth anniversary of the participant's initial participation in the retirement plan (i.e., the participant's "normal retirement date"). A participant may also receive a benefit on his early retirement date, which is the date on which he attains age 45 and is partially or fully vested under the terms of the retirement plan. Benefits received prior to a participant's normal retirement date are reduced by certain factors set forth in the retirement plan. The retirement plan provides a benefit of 1.50% of a participant's highest 5-year average earnings, multiplied by the participant's years of benefit service. Earnings are defined as base salary, subject to an annual Internal Revenue Service limit of \$265,000 on earnings for 2015. Annual benefits provided under the retirement plan also are subject to Internal Revenue Service limits, which vary by age and benefit payment type. Participants become fully vested in their benefits under the retirement plan upon the completion of five years of vesting service as well as upon the attainment of normal retirement age (age 65).

The table below shows the present value of accumulated benefits payable to Mr. Rothkopf, the only named executive officer participating in the Plan, including the number of years of credited service, under the retirement plan determined using interest rate and mortality rate assumptions consistent with those used in our financial statements. No named executive officer received payments from the retirement plan during fiscal 2017.

Name	Plan Name	Number of Years Credited Service	Present Value of Accumulated Benefit ⁽²⁾	Payments During Last Fiscal Year
Dennis Pollack ⁽³⁾	Financial Institutions Retirement Fund ⁽¹⁾	0	\$ --	\$ --
Kevin Gallagher ⁽³⁾	Financial Institutions Retirement Fund ⁽¹⁾	0	--	--
Jeffrey T. Hanuscin ⁽⁴⁾	Financial Institutions Retirement Fund ⁽¹⁾	3	--	--
Anthony V. Migliorino ⁽³⁾	Financial Institutions Retirement Fund ⁽¹⁾	0	--	--
Jack E. Rothkopf	Financial Institutions Retirement Fund ⁽¹⁾	10	181,000	--

(1) A multiple employer tax-qualified defined benefit plan.

(2) Reflects value as of September 30, 2017.

(3) None of Messrs. Pollack, Migliorino or Gallagher are participants in the Plan since the plan was frozen prior to their ability to participate.

(4) Mr. Hanuscin resigned, effective October 13, 2017; at the time of his resignation, he was not vested in any retirement benefit under the Plan.

Related Party Transactions

In accordance with applicable federal laws and regulations, Prudential Bank offers mortgage loans to its directors, officers and employees as well as members of their immediate families for the financing of their primary residences and certain other loans. These loans are made on substantially the same terms as those prevailing at the time for comparable loans with persons not related to Prudential Bank except that Prudential Bank provides for a reduced interest rate of one hundred basis points to all employees, officers and directors for a first mortgage on their primary residence and waives the origination fees, other than appraisal and document review fees. Other than as described below, it is the belief of management that these loans neither involve more than the normal risk of collectability nor present other unfavorable features.

The table below lists the outstanding loans made by Prudential Bank to related persons, where the amount involved exceeds \$120,000 and the interest rate was reduced and loan origination fee was waived.

Name	Year ended September 30,	Largest Principal Amount	Amount Outstanding	Amounts Paid		Interest Rate
		Outstanding During Year	at Year-End	During Year	PrincipalInterest	
John C. Hosier	2017	\$ 369,147	\$ 359,469	\$9,678	\$11,398	3.125 %
	2016	378,527	369,147	9,380	11,695	3.125
Jack E. Rothkopf	2017	164,040	158,337	5,703	5,051	3.125
	2016	169,140	164,040	5,100	5,210	3.125

**BENEFICIAL OWNERSHIP OF COMMON STOCK BY CERTAIN BENEFICIAL OWNERS
AND MANAGEMENT**

The following table sets forth information as to Prudential Bancorp common stock beneficially owned, as of December 29, 2017, by (i) the only persons or entities, including any "group" as that term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), who or which was known to Prudential Bancorp to be the beneficial owner of more than 5% of the issued and outstanding Prudential Bancorp common stock, based on filings made with the Securities and Exchange Commission, (ii) each director of Prudential Bancorp, (iii) certain executive officers of Prudential Bancorp and (iv) all directors and executive officers of Prudential Bancorp as a group.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership as of December 29, 2017(1)(2)	Percent of Common Stock
Firefly Value Partners, LP 601 West 26 th Street Suite 1520 New York, New York 10001	475,250(3)	5.3 %
Warren A. Mackey 40 Worth Street, 10 th Floor New York, New York 10013	871,204(4)	9.7 %
Lawrence B. Seidman 100 Misty Lane, 1st Floor Parsippany, New Jersey 07054	831,559(5)	9.3 %
Directors:		
A. J. Fanelli	69,171(6 (7)	*
John C. Hosier	71,649(6 (8)	*
Bruce E. Miller	56,750(6)	*
Francis V. Mulcahy	73,031(6 (9)	*
Dennis Pollack	54,936(6) (10)	*
Certain Executive Officers		
Anthony V. Migliorino	18,182(6) (11)	*
Jack E. Rothkopf	94,393(6) (12)	1.0
Kevin Gallagher	--	*
All Directors and Executive Officers as a Group (9 persons)	448,788(6)	4.8 %

* Represents less than one percent of Prudential Bancorp's outstanding common stock.

(1) Based upon filings made pursuant to the Securities Exchange Act of 1934 and information furnished by the respective individuals. In addition, due to share repurchases by the Company, the ownership percentages reflected in the filings may differ from the percentages reflected in the table above. Furthermore, share ownership reflected on Schedules 13D, 13G and/or 13F may differ from what is actually held by the reporting persons as of December 29, 2017 due to changes in ownership which were not required to be reported prior to such date. In addition, the amounts held by persons other than directors and officers of the Company may not reflect shares that may have been received by such persons in the merger with Polonia Bancorp by shareholders of the Company who owned in excess of 5% of the Company's common stock who were also shareholders of Polonia Bancorp if the changes in share ownership were not required to be reported. Under regulations promulgated pursuant to the Securities

Exchange Act of 1934, shares of common stock are deemed to be beneficially owned by a person if he or she directly or indirectly has or shares (i) voting power, which includes the power to vote or to direct the voting of the shares, or (ii) investment power, which includes the power to dispose or to direct the disposition of the shares. Unless otherwise indicated, the named beneficial owner has sole voting and dispositive power with respect to the shares.

(Footnotes continued on following page)

- (2) Each beneficial owner's percentage ownership is determined by assuming that options held by such person (but not those held by any other person) and that are exercisable within 60 days of December 29, 2017 have been exercised.

Based on a Schedule 13G/A and a Schedule 13F filed with the Securities and Exchange Commission on February 14, 2017 and November 14, 2017, respectively, by Firefly Value Partners, LP ("Firefly Partners"), FVP GP, LLC ("FVPGP"), Firefly Management Company GP, LLC ("Firefly Management"), FVP Master Fund, L.P. ("FVP MasterFund"), Ryan Heslop and Ariel Warszawski. Firefly Partners is the investment manager of FVP Master

- (3) Fund; FVP GP serves as the general partner of FVP Master Fund; and Firefly Management serves as general partner of Firefly Partners. Messrs. Heslop and Warszawski are the managing members of FVP GP and Firefly Management. FVP Master Fund directly owns the shares set forth in the Schedule 13G/A. Messrs. Heslop and Warszawski, Firefly Partners, Firefly Management and FVP GP may be deemed to share with FVP Master Fund both voting and dispositive power with respect to such shares.

Based on a Schedule 13D/A filed with the Securities and Exchange Commission on February 12, 2014 by Warren A. Mackey, Homestead Partners LP, a Delaware limited partnership, Arles Partners LP, a New York limited partnership, and Arles Advisors Inc., a New York corporation. Arles Advisors is the general partner of Homestead Partners and Arles Partners. The sole shareholder, director and executive officer of Arles Advisors is Warren A.

- (4) Mackey. By virtue of his position with Arles Advisors, Mr. Mackey has the shared investment discretion and voting authority with respect to the 838,676 shares owned by Homestead Partners and Arles Partners. Arles Advisors, as general partner of Homestead Partners and Arles Partners, may be deemed to beneficially own the 838,976 shares owned by these partnerships. Mr. Mackey individually has the sole investment discretion and voting authority with respect to the 32,228 shares held for himself. Additional shares of Prudential Bancorp common stock may have been received in connection with the merger with Polonia Bancorp.

Based on a Schedule 13D/A and a Schedule 13F filed on December 6, 2016 and November 8, 2017, respectively, by Lawrence B. Seidman, Seidman and Associates L.L.C. ("SAL"), Seidman Investment Partnership, L.P. ("SIP"), Seidman Investment Partnership II, L.P. ("SIPII"), Seidman Investment Partnership III, L.P. ("SIPIII"),

- (5) LSBK06-08 ("LSBK"), Broad Park Investors ("Broad Park"), CBPS, L.L.C. ("CBPS"), JRBC I, LLC ("JRBC"), 2514 Multi-Strategy Fund, L.P. ("2514 MSF"), Veteri Place Corporation ("Veteri"), Chewy Goopy Cookies, L.P. ("CGC"), and Sonia Seidman (collectively, the "Seidman Group"). Pursuant to the Schedule 13D/A, Mr. Seidman (i) as the manager of SAL, may be deemed the beneficial owner of the 139,347 shares owned by SAL, (ii) as the sole officer of Veteri, the corporate general partner of each of SIP and SIPII, may be deemed the beneficial owner of the 110,606 shares owned by SIP and the 157,905 shares owned by SIPII, (iii) as the managing member of JBRC I, LLC, the co-general partner of SIPIII, may be deemed the beneficial owner of the 27,780 shares owned by SIPIII, (iv) as the sole officer of Veteri, the Trading Advisor of LSBK and CBPS, may be deemed the beneficial owner of the 75,393 shares owned by LSBK and the 83,181 shares owned by CBPS, (v) as the investment manager for each of Broad Park and CGC, may be deemed the beneficial owner of the 90,968 shares owned by Broad Park and the 22,147 shares owned by CGC, and (vi) as the husband of Sonia Seidman, may be deemed the beneficial owner of the 43,261 shares owned by Sonia Seidman. Accordingly, Seidman may be deemed the beneficial owner of an aggregate of 750,318 shares. In the foregoing capacities, Seidman has sole and exclusive investment discretion and voting authority with respect to all such shares. Additional shares of Prudential Bancorp may have been received in connection with the merger with Polonia Bancorp.

- (6) Includes shares held in trust by Prudential Bancorp's 2008 RRP or granted pursuant to the 2014 SIP which have been awarded to the directors and officers and stock options which have been granted to the directors and officers under Prudential Bancorp's 2008 SOP or under the 2014 SIP and which are exercisable within 60 days of December 29, 2017 as follows:

Name	Restricted Stock	
	Stock	Options

Edgar Filing: PRUDENTIAL BANCORP, INC. - Form DEF 14A

A.J. Fanelli	6,000	44,690
John C. Hosier	7,068	44,690
Bruce E. Miller	7,070	42,021
Francis V. Mulcahy	6,000	44,690
Dennis Pollack	8,000	20,000
Anthony V. Migliorino	6,000	3,000
Jack E. Rothkopf	9,416	54,584
Kevin Gallagher	--	--
All directors and executive officers as a group (9 persons)	49,554	253,695

(Footnotes continued on following page)

(7) Includes 3,304 shares held jointly with Mr. Fanelli's spouse.

(8) Includes 6,119 shares held in Mr. Hosier's account in his 401(k) plan.

(9) Includes 4,000 shares held jointly with Mr. Mulcahy's spouse and 2,832 shares held directly by Mr. Mulcahy's spouse.

(10) Includes 19,588 shares held in Mr. Pollack's individual retirement account.

(11) Includes 2,886 shares allocated to Mr. Migliorino in the Prudential Bank 401(k) Plan and 2,796 shares allocated to Mr. Migliorino's account in the ESOP over which Mr. Migliorino has voting authority as well as 1,000 shares held in Mr. Migliorino's individual retirement account.

(12) Includes 19,680 shares allocated to Mr. Rothkopf's account in the Prudential Bank ESOP, over which Mr. Rothkopf has voting authority.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the officers and directors, and persons who own more than 10% of Prudential Bancorp's common stock to file reports of ownership and changes in ownership with the Securities and Exchange Commission. Officers, directors and greater than 10% shareholders are required by regulation to furnish Prudential Bancorp with copies of all Section 16(a) forms they file.

Based solely on our review of the copies of such forms furnished to us, or written representations from our officers and directors, we believe that during, and with respect to, the fiscal year ended September 30, 2017, our officers and directors complied in all respects with the reporting requirements promulgated under Section 16(a) of the Securities Exchange Act of 1934.

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (PROPOSAL TWO)

The Audit Committee of the Board of Directors of Prudential Bancorp has appointed S.R. Snodgrass, P.C., an independent registered public accounting firm, to perform the audit of our financial statements for the year ending September 30, 2018, and further directed that the appointment of S.R. Snodgrass as our auditors be submitted for ratification by the shareholders at the annual meeting.

We have been advised by S.R. Snodgrass that neither that firm nor any of its associates has any relationship with Prudential Bancorp or its subsidiaries other than the usual relationship that exists between an independent registered public accounting firm and its clients. S.R. Snodgrass will have one or more representatives at the annual meeting who will have an opportunity to make a statement, if they so desire, and will be available to respond to appropriate questions.

In determining whether to appoint S.R. Snodgrass as our independent registered public accounting firm, the Audit Committee considered whether the provision of services, other than auditing services, by S.R. Snodgrass is compatible with maintaining its independence. In addition to performing auditing services, our independent registered public accounting firm reviewed our public filings. The Audit Committee believes that S.R. Snodgrass's performance of these other services is compatible with maintaining the independent registered public accounting firm's independence.

Audit Fees

The following table sets forth the aggregate fees paid by us to S.R. Snodgrass for professional services in connection with the audit of Prudential Bancorp's consolidated financial statements for fiscal 2017 and 2016 and the fees paid by us to S.R. Snodgrass for audit-related services, tax services and all other services during fiscal 2017 and 2016.

	Year Ended	
	September 30,	
	2017	2016
Audit fees (1)	\$207,216	\$178,000
Audit-related fees	--	--
Tax fees (2)	40,423	20,300
All other fees (3)	--	9,000
Total	\$247,300	\$207,300

Audit fees consist of fees incurred in connection with the audit of our annual financial statements and the review of the interim financial statements included in our quarterly reports filed with the Securities and Exchange

(1) Commission, as well as work generally only the independent auditor can reasonably be expected to provide, such as statutory audits, consents and assistance with and review of documents filed with the Securities and Exchange Commission.

(2) Tax fees consist of compliance fees for the preparation of tax returns during fiscal 2017 and 2016.

(3) Consists of fees related to registration statements filed by the Company during fiscal 2016 with the Securities and Exchange Commission.

The Audit Committee selects our independent registered public accounting firm and pre-approves all audit services to be provided by it to Prudential Bancorp. The Audit Committee also reviews and pre-approves all audit-related and non-audit related services rendered by our independent registered public accounting firm in accordance with the Audit Committee's Charter. In its review of these services and related fees and terms, the Audit Committee considers, among other things, the possible effect of the performance of such services on the independence of our independent registered public accounting firm. The Audit Committee pre-approves certain audit-related services and certain non-audit related tax services which are specifically described by the Audit Committee on an annual basis and separately approves other individual engagements as necessary. The Chairman of the Audit Committee has been delegated the authority to approve non-audit related services in lieu of the full Audit Committee. On a quarterly basis, the Chairman of the Audit Committee presents any previously approved engagements to the full Audit Committee.

Each new engagement of S.R. Snodgrass, P.C. was approved in advance by the Audit Committee or its Chairman, and none of those engagements made use of the de minimis exception to pre-approval contained in the Securities and Exchange Commission's rules.

The Board of Directors recommends that you vote FOR the ratification of the appointment of S.R. Snodgrass, P.C. for the fiscal year ending September 30, 2018.

SHAREHOLDER PROPOSALS, NOMINATIONS AND COMMUNICATIONS WITH THE BOARD OF DIRECTORS

Shareholder Proposals. Any proposal which a shareholder wishes to have included in the proxy materials of Prudential Bancorp relating to the next annual meeting of shareholders of Prudential Bancorp, which is expected to be held in February 2019, must be received at the principal executive offices of Prudential Bancorp, 1834 West Oregon Avenue, Philadelphia, Pennsylvania 19145, Attention: Dennis Pollack, President and Chief Executive Officer, no later than September 17, 2018. If such proposal is in compliance with all of the requirements of Rule 14a-8 under the Securities Exchange Act of 1934, it will be included in the proxy statement and set forth on the form of proxy issued for such annual meeting of shareholders. It is urged that any such proposals be sent certified mail, return receipt requested. We did not receive any shareholder proposals for this annual meeting.

Shareholder proposals which are not submitted for inclusion in Prudential Bancorp's proxy materials pursuant to Rule 14a-8 may be brought before an annual meeting pursuant to Section 2.10 of Prudential Bancorp's Bylaws. Notice of the proposal must be given in writing and delivered to, or mailed and received at, our principal executive offices by September 18, 2018. The notice must include the information required by Section 2.10 of our Bylaws.

Shareholder Nominations. Our Bylaws provide that, subject to the rights of the holders of any class or series of stock having a preference over the common stock as to dividends or upon liquidation, all nominations for election to the Board of Directors, other than those made by the Board or a committee thereof, shall be made by a shareholder who has complied with the notice and information requirements contained in Section 3.12 of our Bylaws. Written notice of a shareholder nomination generally must be communicated to the attention of the Secretary and either delivered to, or mailed and received at, our principal executive offices not later than, with respect to an annual meeting of shareholders, 120 days prior to the anniversary date of the mailing of proxy materials by us in connection with the immediately preceding annual meeting of shareholders or, in the case of the 2019 annual meeting, by September 18, 2018. We did not receive any shareholder nominations for this annual meeting.

Other Shareholder Communications. Shareholders who wish to communicate with the Board may do so by sending written communications addressed to the Board of Directors of Prudential Bancorp, Inc., c/o Sharon M. Slater, Corporate Secretary, at 1834 West Oregon Avenue, Philadelphia, Pennsylvania 19145. Ms. Slater will forward such communications to the director or directors to whom they are addressed.

ANNUAL REPORTS

A copy of Prudential Bancorp's Annual Report to Shareholders, which includes the Annual Report on Form 10-K for the year ended September 30, 2017, accompanies this proxy statement. Such Annual Report is not part of the proxy solicitation materials.

Upon receipt of a written request, we will furnish to any shareholder a copy of the exhibits to the Annual Report on Form 10-K. Such written requests should be directed to Mr. Jack E. Rothkopf, Senior Vice President and Chief Financial Officer, Prudential Bancorp, Inc., 1834 West Oregon Avenue, Philadelphia, Pennsylvania 19145.

OTHER MATTERS

Management is not aware of any business to come before the annual meeting other than the matters described above in this proxy statement. However, if any other matters should properly come before the meeting, it is intended that the proxies solicited hereby will be voted with respect to those other matters in accordance with the judgment of the persons voting the proxies.

Solicitation of Proxies. The cost of the solicitation of proxies will be borne by Prudential Bancorp. Prudential Bancorp will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending the proxy materials to the beneficial owners of Prudential Bancorp's common stock. In addition to solicitations by mail, directors, officers and employees of Prudential Bancorp may solicit proxies personally or by telephone without additional compensation.

