

CENTRAL FEDERAL CORP  
Form DEF 14A  
April 21, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES

EXCHANGE ACT OF 1934

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 Section 240.14a-12

Central Federal Corporation

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

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

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

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(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):

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(4) Proposed maximum aggregate value of transaction:

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(5) Total fee paid:

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Fee paid previously with preliminary materials.

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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.

(1) Amount Previously Paid:

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

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(3) Filing Party:

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(4) Date Filed:

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7000 N. High Street  
Worthington, Ohio 43085

April 22, 2016

Fellow Stockholders:

You are cordially invited to attend the Annual Meeting of Stockholders (the “Meeting”) of Central Federal Corporation (the “Company”) which will be held at the New Albany County Club, located at 1 Club Lane, New Albany, Ohio 43054, on Wednesday, May 25, 2016, at 10:00 a.m., local time.

The attached Notice of Annual Meeting and Proxy Statement describe the formal business to be transacted at the Meeting. Directors and officers of the Company, as well as one or more representatives of the Company’s independent registered public accounting firm, will be present at the Meeting to respond to any questions stockholders may have regarding the business to be transacted. In addition, the Meeting will include management’s report on the Company’s financial performance for 2015. Attendance at the Meeting is limited to stockholders of record as of the close of business on April 11, 2016, their duly appointed proxies and guests of the Board of Directors and management.

Your vote is very important. Whether or not you expect to attend the Meeting, please read the enclosed Proxy Statement and then complete, sign and return the enclosed proxy card promptly in the postage-paid envelope provided, or follow the procedures on the proxy card to vote your shares electronically, so that your shares will be represented. If you attend the Meeting and are a stockholder of record, or hold a legal proxy from your bank or broker, you may vote in person even if you have previously submitted a proxy.

On behalf of the Board of Directors, management and all of the employees of Central Federal Corporation, thank you for your continued interest and support.

Sincerely yours,

Timothy T. O'Dell

President and Chief Executive Officer

CENTRAL FEDERAL CORPORATION

7000 N. High Street

Worthington, Ohio 43085

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To be held on May 25, 2016

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders (the "Meeting") of Central Federal Corporation (the "Company") will be held at the New Albany County Club, 1 Club Lane, New Albany, Ohio 43054, on Wednesday, May 25, 2016, at 10:00 a.m., local time, for the following purposes:

- 1.To elect two (2) Directors to serve for terms of three (3) years each;
- 2.To consider and vote upon a non-binding advisory resolution to approve the compensation of the Company's named executive officers;
- 3.To ratify the appointment of BKD LLP as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2016; and
- 4.To transact such other business as may properly come before the 2016 Annual Meeting and any adjournment(s) thereof.

Record holders of the common stock of the Company at the close of business on April 11, 2016 are entitled to receive notice of and to vote at the Meeting and any adjournment(s) or postponement(s) of the Meeting. A list of stockholders entitled to vote will be available at the Meeting and for the ten days preceding the Meeting at Central Federal Corporation, 7000 N. High Street, Worthington, Ohio 43085.

Included with this Notice are the Company's Proxy Statement for the Meeting, a form of proxy card and the Company's 2015 Annual Report to Stockholders.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be held on May 25, 2016: The Company's Proxy Statement for the Meeting, the form of proxy card and the Company's 2015 Annual Report to Stockholders are available at <http://CFBankonline.com>.

BY ORDER OF THE BOARD OF DIRECTORS

Timothy T. O'Dell

President and Chief Executive Officer

Worthington, Ohio

April 22, 2016

IMPORTANT: THE PROMPT RETURN OF PROXIES WILL SAVE THE COMPANY THE EXPENSE OF FURTHER REQUESTS FOR PROXIES IN ORDER TO ENSURE A QUORUM. PLEASE READ THE ENCLOSED PROXY MATERIALS AND FOLLOW THE PROCEDURES ON THE PROXY CARD TO VOTE YOUR SHARES ELECTRONICALLY, OR SIGN AND RETURN THE PROXY CARD IN THE SELF-ADDRESSED ENVELOPE ENCLOSED FOR YOUR CONVENIENCE. NO POSTAGE IS REQUIRED IF MAILED IN THE UNITED STATES.

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CENTRAL FEDERAL CORPORATION

7000 N. High Street

Worthington, Ohio 43085

(614) 334-7979

cfbankonline.com

PROXY STATEMENT

FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD MAY 25, 2016

INFORMATION CONCERNING SOLICITATION AND VOTING

This Proxy Statement is being furnished in connection with the solicitation by the Board of Directors of Central Federal Corporation (the "Company") of proxies to be voted at the Annual Meeting of Stockholders of the Company (the "Meeting") to be held at the New Albany County Club, 1 Club Lane, New Albany, Ohio 43054, at 10:00 a.m., local time, on May 25, 2016, and at any and all postponements or adjournments thereof. Your vote is very important. This Proxy Statement, the accompanying proxy card and the 2015 Annual Report to Stockholders are being first sent or given on or about April 22, 2016 to stockholders of record of the Company as of the close of business on April 11, 2016. The Board of Directors encourages you to read this Proxy Statement thoroughly and to take this opportunity to vote on the matters to be decided at the Meeting.

This Proxy Statement, the form of proxy card and the Company's 2015 Annual Report to Stockholders are also available at <http://CFBankonline.com>.

ATTENDING THE MEETING AND VOTING PROCEDURES

#### WHO MAY ATTEND THE MEETING?

If you are a stockholder of record as of the close of business on April 11, 2016 (the “Record Date”), you are entitled to attend the Meeting. Please note, however, that if you hold your shares in street name (i.e., you are a beneficial owner of shares of Company common stock that are held by a broker, bank or other nominee), you will need proof of ownership to be admitted to the Meeting. See “HOW DO I VOTE” and “Must I VOTE BY proxy or may I vote in person at the annual meeting?” for additional information.

#### WHO IS ENTITLED TO VOTE?

You are entitled to vote your shares of common stock if the Company’s records show that you held your shares as of the close of business on the Record Date. As of the close of business on the Record Date, a total of 16,024,210 shares of common stock of the Company were outstanding and entitled to vote. Each share of common stock is entitled to one vote on each matter presented at the Meeting, except as described below.

As provided in the Company’s Certificate of Incorporation, as amended, record holders of common stock that is beneficially owned, either directly or indirectly, by a person (either a natural person or an entity) who, as of the close of business on the Record Date, beneficially owned a total number of shares of common stock in excess of 10% of the outstanding shares of common stock (the “10% limit”) are not entitled to vote any of their shares that are in excess of the 10% limit, and those shares are not treated as outstanding for voting purposes. For purposes of calculating the 10% limit, a person is deemed to beneficially own shares owned by an affiliate of, as well as by persons acting in concert with, such person. The Company’s Certificate of Incorporation, as amended, authorizes the Board of Directors (i) to make all determinations necessary to implement and apply the 10% limit, including determining whether persons are acting in concert, and (ii) to demand that any person who is reasonably believed to beneficially own stock in excess of the 10% limit supply information to the Company to enable the Board of Directors to implement and apply the 10% limit. As of the Record Date, the Company was not aware of any person who beneficially owned more than 10% of the Company’s outstanding common stock.

## HOW DO I VOTE?

If you were a stockholder of record as of the Record Date, you may vote in person by attending the Meeting or you may vote by completing the enclosed proxy card and returning it signed and dated in the enclosed postage-paid envelope, or by following the procedures on the proxy card to vote your shares electronically. If you hold your shares through a broker, bank or other nominee, you are considered to hold your shares in “street name,” and you will receive separate instructions from the nominee describing how to vote your shares. Please note that if you hold your shares in street name and wish to vote those shares in person at the Meeting, you will need to obtain a “legal proxy” from the broker, bank or other nominee that holds those shares for you.

## Must I VOTE BY proxy or may I vote in person at the annual meeting?

You may vote in person at the Meeting if you are a stockholder of record and you provide at the Meeting the identification required for admission. To be admitted at the Meeting, you may need to present personal photo identification. If your shares are held in street name (i.e., the shares are not registered in your name), you must (1) bring personal photo identification and proof of stock ownership to the Meeting to be admitted, and (2) obtain and bring with you to the Meeting a legal proxy from your broker, bank or other institution in whose name your shares are held in order to vote those shares at the Meeting. A copy of your account statement or a letter from your broker, bank or other institution reflecting the number of shares of common stock you owned as of the Record Date (April 11, 2016), will constitute adequate proof of stock ownership for admission to the Meeting.

## HOW WILL MY SHARES BE VOTED?

Shares of Company common stock which are represented by properly executed proxy cards that are received prior to the Meeting, and not subsequently revoked, will be voted by your proxies in accordance with your instructions. If you submit a valid proxy card prior to the Meeting but do not provide voting instructions, your proxies will vote your shares as recommended by the Board of Directors, except in the case of broker non-votes where applicable, as follows:

- “FOR” the election as Directors of the Company of the two (2) nominees listed below under the heading “PROPOSAL 1 – ELECTION OF DIRECTORS”;
- “FOR” the non-binding advisory resolution to approve the compensation of the Company’s named executive officers as disclosed in this Proxy Statement; and
- “FOR” the ratification of the appointment of BKD, LLP as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2016.

If any other matters are properly presented for voting at the Meeting, the persons appointed as proxies will vote on those matters, to the extent permitted by applicable law, in accordance with their best judgment. No appraisal or dissenters’ rights exist for any action proposed to be taken at the Meeting.

## CAN I REVOKE OR CHANGE MY VOTE AFTER I SUBMIT MY PROXY?

You may revoke your proxy at any time before the vote is taken at the Meeting. To revoke your proxy, you must either advise the Corporate Secretary of the Company in writing before your shares have been voted at the Meeting, deliver to the Company another proxy that bears a later date, or attend the Meeting and vote your shares in person. Attendance at the Meeting will not, by itself, revoke your proxy. The last-dated proxy you submit (by any means) will supersede any previously submitted proxy. If you have instructed your broker, bank or nominee to vote your shares, you must follow directions received from your broker, bank or nominee to change your vote.

#### WHAT CONSTITUTES A QUORUM FOR THE MEETING?

A quorum exists if a majority of the outstanding shares of common stock entitled to vote (after subtracting any shares in excess of the 10% limit) at the Meeting is present in person or represented by proxy at the Meeting. The Meeting will be held if a quorum exists at the Meeting. If you return valid proxy instructions or attend the Meeting in person, your shares will be counted for purposes of determining whether there is a quorum, even if you abstain from voting. Broker non-votes also will be counted for purposes of determining a quorum. If there are not sufficient shares present or represented by proxy at the Meeting to constitute a quorum or to approve or ratify any proposal at the time of the Meeting, the Meeting may be adjourned or postponed in order to permit the further solicitation of proxies.

## WHAT VOTE IS REQUIRED FOR EACH PROPOSAL?

The rules of The NASDAQ Stock Market LLC (“NASDAQ”), the stock exchange on which the Company’s common stock is listed, determine whether proposals presented at stockholder meetings are routine or non-routine. If a proposal is routine, a broker holding common shares for a beneficial owner in street name may vote on the proposal without receiving instructions from the beneficial owner. If a proposal is non-routine, the broker may vote on the proposal only if the beneficial owner has provided voting instructions. A broker non-vote occurs when the broker is unable to vote on a proposal because the proposal is non-routine and the beneficial owner does not provide appropriate voting instructions.

The ratification of the appointment of the Company’s independent registered public accounting firm (Proposal 3) is the only routine matter. Each of the other proposals is considered a non-routine matter and, therefore, your broker may vote on these matters only if you provide voting instructions. Accordingly, it is important that you provide instructions to your broker on these matters.

- Proposal 1 – Election of Directors

Under Delaware law and the Company’s Bylaws, Directors are elected by a plurality of the votes cast. This means that the two (2) nominees receiving the greatest number of votes “FOR” election will be elected Directors. Shares as to which the authority to vote is withheld and broker non-votes will be counted for quorum purposes but will not affect whether a nominee has received sufficient votes to be elected.

- Proposal 2 – Non-Binding Advisory Resolution to Approve the Compensation of the Company’s Named Executive Officers

Under the Company’s Bylaws, the affirmative vote of a majority of the votes cast is required to approve the non-binding advisory resolution to approve the compensation paid to the Company’s named executive officers as disclosed in this Proxy Statement. The effect of an abstention is the same as a vote “AGAINST” the proposal. Broker non-votes will not be counted in determining whether the proposal has been approved.

- Proposal 3 – Ratification of the Appointment of the Company’s Independent Registered Public Accounting firm

Under the Company's Bylaws, the affirmative vote of a majority of the votes cast is required to ratify the appointment of BKD LLP as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2016. The effect of an abstention is the same as a vote "AGAINST" the proposal.

#### WHO WILL COUNT THE VOTE?

Broadridge, a servicing company for the financial industry, will tally the vote, which will be certified by an Inspector of Election. The Board of Directors has designated John W. Helmsdoerfer, Executive Vice President and Chief Financial Officer of the Company, to act as the Inspector of Election for the meeting. Mr. Helmsdoerfer is an officer of the Company and an officer and employee of the Company's wholly-owned operating subsidiary, CFBank, a federally chartered savings association.

#### IS THE BOARD OF DIRECTORS AWARE OF ANY OTHER MATTERS THAT WILL BE PRESENTED AT THE ANNUAL MEETING?

The Company's Board of Directors is not aware of any other matters to be presented at the Meeting. If any matters not described in this Proxy Statement are properly presented at the Meeting, the persons named in the proxy card will use his or her best judgment to determine how to vote your shares. This includes a motion to adjourn or postpone the Meeting in order to solicit additional proxies.

#### WHO PAYS THE COST OF PROXY SOLICITATION?

The Company will pay the cost of this proxy solicitation. The Company will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of the Company's common stock. Directors, officers and regular employees of the Company may also solicit proxies personally or by telephone and will not receive additional compensation for these activities.

#### Delivery of Proxy Materials to Multiple Stockholders Sharing the Same Address

Unless we have received contrary instructions, we send a single copy of the annual report, proxy statement and notice of annual meeting to any household at which two or more stockholders reside if we believe the stockholders are members of the same family. Each stockholder in the household will continue to receive a separate proxy card. This process, known as "householding," reduces the volume of duplicate information received at those households and helps reduce our expenses.

If you would like to receive your own set of the annual report, proxy statement and notice of annual or special meetings this year or in future years, please follow the instructions described below:

If your shares are registered in your own name, please contact our transfer agent, Computershare, and inform them of your request to revoke householding by calling them at 1-800-368-5948 or writing to them at Computershare, 250 Royall Street, Canton, MA 02021. After receiving your revocation, we will promptly send individual documents to you.

If a bank, broker or other nominee holds your shares, please contact your bank, broker or other nominee directly.

If two or more stockholders residing in the same household individually receive copies of the annual report, proxy statement and notice of annual or special meeting and as a household wish to receive only one copy, you may contact our transfer agent at the address and telephone number listed above in the case of registered holders, or your bank, broker or other nominee directly if such bank, broker or other nominee holds your shares, and request that householding commence as soon as practicable.

#### WHO SHOULD I CALL IF I HAVE QUESTIONS?

If you have questions concerning this proxy solicitation, or the proposals to be considered at the Meeting, please call Timothy T. O'Dell, President and Chief Executive Officer, at (614) 334-7979.

#### Important Notice Regarding the Availability of Proxy Materials

for the Annual Meeting to Be Held on May 25, 2016:

The Company's Proxy Statement for the Annual Meeting, the form of proxy card and the Company's 2015 Annual Report to Stockholders are available at <http://CFBankonline.com>.

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## CORPORATE GOVERNANCE

### DIRECTOR INDEPENDENCE

The Board of Directors of the Company has determined that the following directors of the Company are “independent directors,” as that term is defined by applicable listing standards of the NASDAQ Marketplace Rules and by the Securities and Exchange Commission (the “SEC”): Thomas P. Ash, Edward W. Cochran, James Frauenberg II, Robert E. Hoeweler and Robert H. Milbourne. Timothy O’Dell does not qualify as an “independent director” of the Company as a result of serving as Chief Executive Officer of the Company and CFBank during 2015, and Thad Perry did not qualify as an “independent director” during his service as a director of the Company until October 9, 2015, as a result of serving as President of the Company and CFBank until his resignation on October 9, 2015.

The NASDAQ independence definition includes a series of tests, such as that the director is not an employee of the Company and has not engaged in various types of business dealings with the Company. As required by the NASDAQ Marketplace Rules, the Board of Directors has made a subjective determination as to each independent director that no relationships exist that, in the opinion of the Board, would interfere with the exercise of his independent judgment in carrying out the responsibilities of a director. In making these determinations, the Board of Directors reviewed and discussed information provided by the directors and the Company with regard to each director’s business and personal activities as they may relate to the Company and its management, including those described under the heading “CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS” on page 9 of this Proxy Statement.

### BOARD LEADERSHIP STRUCTURE

The Company’s current Chairman, Robert E. Hoeweler, has served in this capacity since August 24, 2012. Mr. Hoeweler has extensive experience in the banking industry and intimate familiarity with the operations of financial institutions. As a result, he is able to provide unique insights as Chairman that are valuable to the Board in determining and overseeing the strategic direction of the Company.

Currently, the Board of Directors has placed the responsibilities of Chairman with an “independent” member of the Board, which we believe provides strong accountability between the Board and our management team. Our Chairman is responsible for providing leadership to the Board of Directors and facilitating communication among the directors, setting the Board meeting agendas in consultation with the Chief Executive Officer, and presiding at Board meetings. The Chairman also actively provides oversight to the activities and controls of the Company and CFBank.

This delineation of duties allows the Chief Executive Officer to focus his attention on managing the day-to-day business of the Company and CFBank. We believe this structure provides strong leadership for our Board while positioning our Chief Executive Officer as the leader of the Company in the eyes of our customers, employees, stockholders and other stakeholders.

The Board also believes that the Company and its shareholders are best served by a Board that has the flexibility to establish and change the Board's leadership structure from time to time to fit the needs of the Company. Pursuant to the Company's Corporate Governance Guidelines, the Board of Directors has the power and authority to combine or separate the positions of Chairman and Chief Executive Officer. Thus, from time to time, the Board may consider combining the roles of Chief Executive Officer and Chairman, and/or appointing a Lead Independent Director. These decisions will be dependent upon the needs of the Company at that time, including the composition of the Board and the availability, willingness and qualifications of candidates to serve as Chairman and/or Lead Independent Director, as well as other factors.

#### BOARD ROLE IN RISK OVERSIGHT

The Board of Directors is responsible for consideration and oversight of risks facing the Company and CFBank and is responsible for ensuring that material risks are identified and managed appropriately. The Audit Committee meets at least eight (8) times annually and with management for a portion of each meeting in order to review our major financial risk exposures and the steps management is taking to monitor and control such exposures. Directors also serve on committees that focus on major areas of risk in the Company and CFBank that include loans and compensation. Directors discuss risk and risk mitigation strategies with management within these committees. All risk oversight discussions are included in committee and other reports to the full Board of Directors.

## BOARD MEETINGS AND COMMITTEES

The Board of Directors of the Company holds four (4) regular meetings annually and special meetings as called from time to time in accordance with the Bylaws of the Company. During fiscal 2015, the Company's Board of Directors held twelve (12) meetings. The Board of Directors of CFBank has the same composition as the Board of the Company and holds regular meetings monthly and special meetings as called from time to time in accordance with the Bylaws of CFBank. During fiscal 2015, CFBank's Board of Directors held twelve (12) meetings. No director during the period he served attended less than 75% of the Company's Board meetings and any committees on which he served.

The Board's principal standing committees during fiscal 2015 were the Audit Committee, the Compensation and Management Development Committee, and the Corporate Governance and Nominating Committee. Information regarding the functions of the Board's committees, their present membership and the number of meetings held by each committee during fiscal 2015 is set forth below. All committees operate under formal written charters adopted by the Board of Directors.

**AUDIT COMMITTEE.** The Audit Committee provides assistance to the Board in fulfilling its oversight responsibility relating to the integrity of our consolidated financial statements and the financial reporting processes, the systems of internal accounting and financial controls, compliance with legal and regulatory requirements, the annual independent audit of our consolidated financial statements, the qualifications and independence of our independent registered public accounting firm, the performance of our internal audit function and of our independent registered public accounting firm, and any other areas of potential financial risk to the Company as specified by the Board. The Audit Committee also is responsible for the appointment, retention and oversight of our independent registered public accounting firm, including pre-approval of all audit and non-audit services to be performed by the independent registered public accounting firm, and for the review and approval, on an ongoing basis, of all related-party transactions for potential conflict-of-interest situations. The Audit Committee Report appears on page 25 of this Proxy Statement.

During fiscal 2015, the Audit Committee held thirteen (13) meetings. The following directors served as members of the Audit Committee during fiscal 2015:

### Audit Committee Members

Thomas P. Ash (Chair)  
Robert E. Hoeweler  
Edward W. Cochran  
James H. Frauenberg II  
Robert H. Milbourne

Each director who currently serves on the Audit Committee qualifies, and each director who served as a member of the Audit Committee during 2015 qualified, as an “independent director” under Rule 5605(a)(2) of the NASDAQ Marketplace Rules and under SEC Rule 10A-3(b)(1). None of such members of the Audit Committee has participated in the preparation of the financial statements of the Company or any of its current subsidiaries at any time during the past three years, and all of such members are able to read and understand fundamental financial statements, including our balance sheet, income statement and cash flow statement. The Board has also determined that Thomas P. Ash, the Chair of the Audit Committee, qualifies as an “audit committee financial expert” for purposes of Item 407(d)(5) of SEC Regulation S-K.

**EXECUTIVE COMMITTEE.** The Executive Committee is responsible for strategy formulation, the detailed development of the Company’s and CFBank’s Business and Capital Plan and for oversight of the detailed operations of the Company. The Executive Committee is also the working committee of the Board responsible for various activities including: identification, analysis, scenario development and action planning regarding issues and opportunities impacting CFBank’s current operations and future success. The Executive Committee also signs off on all information releases to outside parties. The Executive Committee is comprised of the Board Chairman and the Chief Executive Officer and President, and meetings of the Executive Committee are also attended by the Company’s Chief Financial Officer. Effective as of October 28, 2015 the Board of Directors also appointed Director Robert H. Milbourne to serve on the Executive Committee. Executive Committee meetings are generally held on a monthly basis, or as matters arise requiring consideration by the Executive Committee, and its activities are discussed with the full Board at Board meetings.

**COMPENSATION AND MANAGEMENT DEVELOPMENT COMMITTEE.** The Compensation and Management Development Committee (the “Compensation Committee”) has overall responsibility for reviewing, evaluating and approving the director, officer and employee compensation plans, policies and programs of the Company and CFBank. The Compensation Committee is responsible for administering our equity compensation plans and for establishing, in consultation with executive management, the Company’s general compensation philosophy and overseeing the development and implementation of executive compensation programs.

During fiscal 2015, the Compensation Committee held fourteen (14) meetings. All members of the Compensation Committee are independent as defined under the NASDAQ Marketplace Rules. The following directors served as members of the Compensation Committee during fiscal 2015:

#### Compensation Committee Members

Robert H. Milbourne (Chair)  
Robert E. Hoeweler  
James H. Frauenberg II

**CORPORATE GOVERNANCE AND NOMINATING COMMITTEE.** The Corporate Governance and Nominating Committee is responsible for identifying individuals qualified to serve as Board members and recommending to the Board of Directors the director nominees for election or appointment to the Board. The Corporate Governance and Nominating Committee considers nominees in the context of standards codified in the Board’s Corporate Governance Guidelines. The Committee periodically reviews the size and composition of the Board of Directors and determines whether to add or replace directors. The Corporate Governance and Nominating Committee may employ professional search firms, for which the Company would pay a fee to assist in identifying potential members of the Board of Directors with the desired skills and disciplines. However, no such firms were engaged or otherwise utilized during 2015. Final approval of director nominees is determined by the full Board of Directors, based on the recommendation of the Corporate Governance and Nominating Committee.

During fiscal 2015, the Corporate Governance and Nominating Committee held one (1) meeting. The following directors served as members of the Corporate Governance and Nominating Committee during 2015:

#### Corporate Governance and Nominating Committee Members

Thomas P. Ash  
Robert E. Hoeweler

Edward W. Cochran  
James H. Frauenburg II  
Robert H. Milbourne

All members of the Corporate Governance and Nominating Committee during fiscal 2015 qualified as independent under the NASDAQ Marketplace Rules.

COMMITTEE CHARTERS. The authority and responsibilities of the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee are set forth in their charters, which are posted in the Investor Relations section of our website at <http://CFBankonline.com>.

#### NOMINATING PROCEDURE

The Corporate Governance and Nominating Committee recommends candidates, including incumbents, for election and appointment to the Board of Directors, subject to the provisions set forth in the Company's Certificate of Incorporation and Bylaws. Nominations are based on the criteria the Committee deems appropriate, which may include: business experience, education, integrity and reputation, independence, conflicts of interest, diversity, age, number of other directorships and commitments (including charitable obligations), tenure on the Board, attendance at Board and committee meetings, stock ownership, specialized knowledge (such as an understanding of banking, accounting, marketing, finance, regulation and public policy) and a commitment to the Company's communities and shared values, as well as overall experience in the context of the needs of the Board as a whole. Nominations received from stockholders will be considered and evaluated using the same criteria as all other nominations.

Nominations, other than those made by the Board of Directors after its review of the recommendations of the Corporate Governance and Nominating Committee, must be made by timely notice in writing to the Corporate Secretary as set forth in Article I, Section 6(c) of the Company's Bylaws. In general, to be timely, a stockholder's notice must be received by the Company not less than ninety (90) days before the date of the scheduled annual meeting; however, if less than one hundred (100) days' notice or prior disclosure of the date of the scheduled annual meeting is given by the Company, the stockholder has until the close of business on the tenth (10th) day following the day on which notice or prior disclosure of the date of the scheduled annual meeting was made. The stockholder's notice must include all the information set forth in Article I, Section 6(c) of the Company's Bylaws, which includes the following:

(i) As to each person whom a stockholder proposes to nominate for election as a director:

- All information relating to the proposed nominee that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); and

(ii) As to the stockholder giving the notice:

- The name and address of the stockholder as they appear on the Company's books; and
- The class and number of shares of the Company's capital stock that are beneficially owned by the stockholder.

The description above is a summary of the Company's nominating process. Any stockholder wishing to propose a director candidate to the Company must comply in full with the procedures set forth in the Company's Certificate of Incorporation and Bylaws, the SEC's proxy rules, and Delaware law.

## QUALIFICATIONS OF DIRECTORS

The Board of Directors has codified certain standards for directors in the Board's Corporate Governance Guidelines. These guidelines provide that the Board of Directors should encompass, among other things, a diverse range of viewpoints, backgrounds, experiences and demographics sufficient to build a Board that is effective, collegial and responsive to the Company's operations and interests. The Corporate Governance Guidelines also provide that Board membership should be based on judgment, character, expertise, skills and knowledge useful to the oversight of the Company's business as well as on business or other relevant experience. Further, at all times a majority of the Board must be "independent directors," as defined from time to time by the listing requirements of NASDAQ and any specific requirements established by the Board. Each director also is expected to:

- provide loyalty, direction and oversight to the business and management of the Company;
- establish strategic direction of the Company;
- exercise business judgment in the best interests of the Company;
- review at least annually a management succession plan to ensure continuity in senior management;
- evaluate the principal executive officer;
- review and evaluate significant transactions;
- possess sufficient familiarity with the Company's principal operational and financial objectives and plans to ensure active and effective participation in the deliberations of the Board of Directors and each committee on which the director serves; and
- possess the capacity to obtain a basic understanding of the Company's results of operations and financial condition.

The Corporate Governance Guidelines are posted in the Investor Relations section of our website at <http://CFBankonline.com>.



## CODE OF ETHICS AND BUSINESS CONDUCT

The Board of Directors has adopted a Code of Ethics and Business Conduct, which applies to all of our directors, officers and employees, including directors, officers and employees of our subsidiaries and other affiliates. Our Code of Ethics and Business Conduct is posted in the Investor Relations section of our website at <http://CFBankonline.com>.

## BOARD MEMBER ATTENDANCE AT ANNUAL STOCKHOLDER MEETINGS

Although the Company does not have a formal policy regarding director attendance at annual stockholder meetings, directors are expected to attend these meetings absent extenuating circumstances. All of our directors attended last year's annual meeting of stockholders.

## COMMUNICATIONS WITH DIRECTORS

The Board of Directors has adopted a process by which stockholders and other interested parties may communicate with the Board, any individual director or any committee chair by e-mail or regular mail. Communications by e-mail should be sent to [roberthoeweler@CFBankmail.com](mailto:roberthoeweler@CFBankmail.com). Communications by regular mail should be sent to the attention of the Board of Directors; any individual director by name; Chair, Audit Committee; Chair, Compensation and Management Development Committee; or Chair, Corporate Governance and Nominating Committee, c/o Corporate Secretary, Central Federal Corporation, 7000 N. High Street, Worthington, Ohio 43085. Management will pass on all communications received to the appropriate director or directors without any screening.

## CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

CFBank policy and Federal regulations related to insured financial institutions require that any and all loans or extensions of credit made by CFBank to related persons of the Company or CFBank, including executive officers, directors or their immediate family members, must (i) be made in the ordinary course of business on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with persons not related to CFBank, (ii) not involve more than the normal risk of collectability and (iii) not present any other unfavorable features. All outstanding loans or extensions of credit made by CFBank to such related persons were made in compliance with these regulations and policies. In addition, loans made to a director or executive officer may not exceed an amount which, when aggregated with the amount of all other loans to such person and his or her related interests, is equal to 15 percent of the Bank's unimpaired capital and unimpaired surplus in the case of loans not fully secured, and an additional 10 percent of the Bank's unimpaired capital and unimpaired surplus with respect to loans that are fully secured. All loans outstanding to such related persons totaled \$635,000 at December 31, 2015, and were performing in accordance with their terms at that date.

On an annual basis, each director and each executive officer of the Company must complete a Directors' and Officers' questionnaire which requires disclosure of any transaction, arrangement or relationship with the Company and/or any of our subsidiaries since the beginning of the last fiscal year in which the director or executive officer, or any member of his or her immediate family, has or had a direct or indirect interest. As a part of its review process, CFBank

compares information to track originations of any new loans for a director or an executive officer, or any member of his or her immediate family, and reconciles all then current account information to ensure the data has been gathered and recorded accurately.

The Audit Committee is responsible for reviewing and overseeing policies designed to identify related person transactions that are material to the Company's consolidated financial statements or otherwise require disclosure under applicable rules adopted by the SEC, including those transactions required to be disclosed under Item 404 of SEC Regulation S-K, or the rules of any other appropriate regulatory agency or body. All such transactions must be approved in advance by the Audit Committee. Further, under the terms of the Company's Code of Business Conduct and Ethics, the Audit Committee is responsible for reviewing and overseeing all actions and transactions which involve the personal interest of a director or executive officer of the Company and determining in advance whether any such action or transaction represents a potential conflict of interest. In addition, under the terms of CFBank's Insider and Affiliate Credit and Regulation O Policy, all loans made to directors or executive officers of the Company or one of our subsidiaries must be reported to the Senior Credit Officer and the Compliance Officer. All such related party loans must conform to the Company's credit policy. To the extent any transaction represents an ongoing business relationship with the Company or any of our subsidiaries, such transaction must be reviewed annually and be on terms no more favorable than those which would be usual and customary in similar transactions between unrelated persons dealing at arm's length.

PROPOSAL 1 –

ELECTION OF DIRECTORS

In accordance with the Bylaws of the Company, the number of directors is currently fixed at six (6). There are currently six (6) directors serving on the Board. The independent members of the Board have nominated the two (2) directors named below for re-election as directors of the Company to serve three-year terms expiring at the annual meeting in 2019.

NOMINEES

Thomas P. Ash

James H. Frauenberg II

Each nominee has expressed his willingness to serve as a director if elected. Should a nominee decline or be unable to accept such nomination or be unable to serve, an event which the Board of Directors does not now expect, the Board of Directors reserves the right in its discretion to substitute another person as a nominee or to reduce the number of nominees. In this event, the proxy holders may vote your shares in their discretion for any substitute nominee proposed by the Board of Directors unless you have withheld authority.

The following sets forth information regarding each of the nominees for election as director of the Company and each of the current directors whose term will continue following the meeting. Unless otherwise indicated, each individual has held his principal occupation for more than five years. There are no family relationships among any of the directors and executive officers.

NOMINEES

Thomas P. Ash has been Director of Governmental Relations at the Columbus, Ohio-based Buckeye Association of School Administrators since August 2005. Prior to that time, Mr. Ash was Superintendent of Schools, Mid-Ohio Educational Service Center in Mansfield, Ohio from January 2000 through July 2005. Mr. Ash was the Superintendent of Schools, East Liverpool City School District in East Liverpool, Ohio from August 1984 to December 1999. As Superintendent at Mid-Ohio Educational Service Center and East Liverpool City School District, his experience included financial reporting and analysis, supervising and directing financial staff members, implementing and complying with U.S. generally accepted accounting principles (GAAP) reporting requirements, and developing internal controls. Mr. Ash's public-sector and advocacy experience, both on the local level in Columbiana County and on the state level, lends a perspective unique to the Board of Directors. Age 66. Director since 1985.

James H. Frauenberg, II has been the principal owner of Addison Holdings, LLC, which makes domestic investments across capital structures, since 2007. He was active in opening/owning new franchises for two retail chains, Five Guys Burgers and Fries and Flip Flop Shops. He was a senior officer with Check Smart Financial in Dublin, Ohio from 1995 to 2008. Mr. Frauenberg's strong financial and entrepreneurial skills bring a high level of insight and judgment to the Company and CFBank. Age 40. Director since August 23, 2012.

#### CONTINUING DIRECTORS

Robert E. Hoeweler has been the Chairman of the Board of the Company and CFBank since August 2012. Since 1980 he has been the Chief Executive Officer of a diverse group of companies owned by the Hoeweler family, including manufacturing, communications, distribution, business services and venture capital entities. He serves on the boards of a major waste management company and a large commercial bakery. He previously has served as the Chairman of two family led businesses in financial services, a midsized community bank and a major payment processing service company. He brings diverse business and banking skills and experience to the Company and CFBank. Age 68. Term expires in 2017. Director since August 23, 2012.

Edward W. Cochran has been engaged in the practice of law for 41 years since graduating from Columbia University Law School in 1975. He holds an undergraduate degree from Harvard University, where he was a Harvard National Scholar. Mr. Cochran is admitted to practice before the United States Supreme Court, as well as the courts of Ohio, the U.S. District Court for the Northern District of Ohio, and the United States Circuit Courts of Appeal for the Second, Third, Sixth, Seventh and Ninth Circuits. In addition, Mr. Cochran is involved in various business interests and is a successful investor. Mr. Cochran has strong relationships in Cleveland and brings a valuable legal perspective and regulatory understanding to the Company and CFBank. Age 66. Term Expires in 2018. Director since December 19, 2012.

Robert H. Milbourne has led RHM Advisors, a business consulting firm, specializing in business strategy, financing, and corporate development for public and private companies, for the last five years. Mr. Milbourne was the founding President and CEO of the Columbus Partnership, a civic organization of top business, education and community leaders formed in 2002 to improve the region's economic future. He served in this role through 2008. He came to Columbus after serving as CEO of a similar group in Milwaukee for 17 years. He also was involved as a founder and board member of a Milwaukee de novo bank. Prior to his work in Milwaukee, he enjoyed a career in government and business. Mr. Milbourne has served on the board of the following public companies during the past five years: AirNet Systems (small package express cargo airline), Skybus (airline), and Percuision (medical devices). He has also served on many corporate and non-profit boards including: Care Network; Columbus Chamber; Compete Columbus; University of Wisconsin Athletic Board; Columbus School for Girls; and CEOs for Cities. He brings extensive business and regulatory experiences and relationships that are valuable to the Company and CFBank. Age 69. Term expires in 2017. Director since May 2013.

Timothy T. O'Dell has been the CEO and a Director of CFBank and the Company since August 2012. Prior to joining CFBank in 2012, Mr. O'Dell owned and operated a consulting company specializing in providing advisory services to a number of privately held enterprises in construction, health care, real estate and professional services. Mr. O'Dell previously spent 22 years at Fifth Third Bank, and was a senior executive with Fifth Third's Central Ohio affiliate for 12 of those years, concluding his tenure serving as President and Chief Executive Officer of the Central Ohio affiliate. At Fifth Third's Central Ohio affiliate, Mr. O'Dell also served as Executive Vice President and senior lender and managed its commercial banking, residential, and commercial real estate divisions. Prior to that he managed the Asset Based Lending Division for Fifth Third Bank engaged in financing growth companies and acquisition financing. During his tenure, Fifth Third's Central Ohio affiliate grew by \$4 billion in deposits and \$5 billion in loans from organic growth and through strategic acquisitions. Mr. O'Dell has served on the board of the Columbus Chamber of Commerce and The Ohio State University Medical Center, and he was a founding investor in the Ohio TechAngel Venture Fund. Mr. O'Dell holds a B.B.A. from Marshall University. Age 62. Term expires in 2018. Director since August 23, 2012.

#### Recommendation and Vote

Under Delaware law and the Company's Bylaws, the two (2) nominees for election as directors of the Company who receive the greatest number of votes "FOR" election will be elected directors. Shares represented by properly executed proxy cards that are received prior to the Meeting and not subsequently revoked will be voted "FOR" the election of the

nominees listed above unless authority to vote for one or more nominees is withheld. Shareholders may withhold authority to vote for the entire slate as nominated or may withhold the authority to vote for an individual nominee. Shares as to which the authority to vote is withheld and broker non-votes will be counted for quorum purposes but will not be counted toward the election of directors, or toward the election of the individual nominees specified on the proxy card.

The Board of Directors recommends that you vote "FOR" the re-election of each of the nominees listed above.

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## 2015 COMPENSATION OF DIRECTORS

Members of the Board of Directors who are not also officers or employees of the Company or CFBank (“non-employee directors”) receive certain fees for their service on the Board of the Directors of the Company and CFBank. For 2015, each non-employee director received an annual retainer in the amount of \$24,000, except that Mr. Hoeweler received an annual retainer in the amount of \$100,000 for his service as Chairman of the Board. The additional retainer was paid to Mr. Hoeweler in recognition of the significant additional time and effort expended by Mr. Hoeweler as a non-employee director in 2015 in connection with his duties as Chairman and as a member of the Executive Committee. Each non-employee director, other than the Chairman of the Board, also received a \$250 fee for each committee meeting attended, except that the chair of each committee received a \$500 fee for each committee meeting attended.

The Board of Directors, upon the recommendation of the Compensation Committee, has approved revised fees payable to members of the Board of Directors in 2016. Effective as of January 1, 2016, each non-employee member of the Board of Directors will receive an annual retainer, payable quarterly, in the amount of \$30,000, except that (1) the amount of annual retainer payable to each of the Chairs of the Audit Committee and of the Compensation Committee will be \$36,000, and (2) effective as of April 1, 2016, the annual retainer payable to the Chairman of the Board of Directors will be \$48,000. Also, effective as of April 1, 2016, each non-employee director serving as a member of the Executive Committee of the Board of Directors will receive a fee of \$1,000 for attendance at each meeting of the Executive Committee.

Members of the Board of Directors are also eligible to receive stock options and other equity awards under the Company’s 2009 Equity Compensation Plan. Effective as of October 28, 2015, each of the directors of the Company were granted 12,000 shares of restricted stock, except that Mr. Hoeweler was granted 24,000 shares of restricted stock as Chairman of the Board of Directors. The shares of restricted stock will vest ratably over a three-year period beginning on October 28, 2016.

The following table summarizes compensation paid to each director who is not a named executive officer during the year-ended December 31, 2015.

| Name                | Director Compensation for 2015   |                                  |                                 | Total (\$) |
|---------------------|----------------------------------|----------------------------------|---------------------------------|------------|
|                     | Fees Earned or Paid in Cash (\$) | Equity Incentive Awards (\$) (1) | All Other Compensation (\$) (2) |            |
| Robert E. Hoeweler  | \$ 100,000                       | \$ 32,880                        | \$ -                            | \$ 132,880 |
| Thomas P. Ash       | 30,500                           | 16,440                           | 1,351                           | 48,291     |
| Edward W. Cochran   | 27,250                           | 16,440                           | -                               | 43,690     |
| James Frauenberg II | 30,500                           | 16,440                           | -                               | 46,940     |
| Robert Milbourne    | 34,250                           | 16,440                           | -                               | 50,690     |

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- (1) The above amounts represent the aggregate grant date fair value of shares of restricted stock awarded in 2015. No director received any stock option awards during 2015.
- (2) The amounts shown in the "All Other Compensation" column include costs associated with life insurance benefits for Mr. Ash.



EXECUTIVE OFFICERS

Provided below is information regarding each of the Company’s executive officers:

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| Name                 | Age at<br>December 31,<br>2015 | Position held with the Company and/or Subsidiaries  |
|----------------------|--------------------------------|---|
| Timothy T. O’Dell    | 62                             | Chief Executive Officer of the Company and CFBank since August 2012 and President and Chief Executive Officer of the Company and CFBank since October 2015. |
| John W. Helmsdoerfer | 57                             | Chief Financial Officer of the Company and CFBank since March 2013; Treasurer of the Company since March 2013.  |

Mr. Helmsdoerfer has been the CFO of the Company and CFBank since March 2013. As a CPA with over 30 years of financial experience, which includes Big Four public accounting and 24 years as a CFO, he has a diverse finance and operations background in addition to his financial services background. Prior to joining CFBank, Mr. Helmsdoerfer spent 18 years with Fifth Third Bank where he held positions as both a CFO and Regional CFO for the Central Ohio affiliate and region. He also served as CFO for Nationwide Bank and Wilmington Savings Bank during his career. Mr. Helmsdoerfer holds a B.S.B.A degree from Miami University where he graduated cum laude.

The biography for Mr. O’Dell is included in the section entitled “Proposal 1 – Election of Directors” above.

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## COMPENSATION OF EXECUTIVE OFFICERS

### OVERVIEW OF COMPENSATION PROGRAMS

The Compensation Committee of the Board has overall responsibility for reviewing, evaluating and approving the director, officer and employee compensation plans, policies and programs of the Company and CFBank. The Compensation Committee is responsible for administering our equity compensation plans and for establishing, in consultation with executive management, the Company's general compensation philosophy and overseeing the development and implementation of executive compensation programs. The responsibilities of the Compensation Committee include, but are not limited to: evaluation and approving goals and objectives relevant to compensation of the chief executive officer and other executives; evaluating the performance of those executive officers in light of those goals and objectives; and recommending to the Board compensation policies for non-employee directors.

The compensation programs include a base salary as the primary source of compensation. However, other forms of compensation are utilized including: bonus incentive; stock options; restricted stock; retirement plans; health and life insurance benefits; and other perquisites including car, mobile phone and travel allowances.

The Compensation Committee regularly reviews the Company's compensation programs to ensure that controls are in place to ensure that employees are not presented with the opportunity to take unnecessary or excessive risks that could threaten the value of the Company. The committee reviews and approves both the company-wide and individual performance objectives that are used to determine how incentive payments are determined. The performance metrics are based on customary banking metrics as well as peer comparisons and trend analysis.

No compensation consultants were engaged by the Compensation Committee or the Board in 2015 or 2014.

### COMPENSATION PHILOSOPHY AND OBJECTIVES

The Company's compensation program is designed to provide market relevant incentives and rewards to those leadership employees who are largely responsible for the success and growth of the Company and CFBank, and to assist the Company and CFBank in attracting executives and other key employees with experience and ability. Our compensation objectives begin with the premise that our success depends on the dedication and commitment of the employees in key management positions, and the incentives we provide those employees to successfully implement our business strategy and corporate goals. We base our compensation practices on meeting the demands of the employment market, aligning the compensation of our employees with our stockholders' interests, and driving superior performance.

Our compensation programs are designed to reward employees based upon their management responsibilities, performance levels, and their ability to create long-term value. Other considerations in the design of our compensation programs include: safe and sound operation of CFBank; management of business risk; experience levels to operate in a complex business environment; and, the retention and development of incumbent executive management. The Company's compensation program includes an annual review and adjustment to base salary based on company-related objectives by which each employee's contribution to the Company's success is measured.

The Company believes that its' incentive compensation arrangements appropriately balance risk and financial results in a manner that does not expose the Company to imprudent risk taking. As such, the Company's incentive compensation arrangements take into account the risks, as well as the financial benefits, from the employee's activities and the impact of those activities on the Company's safety and soundness. In addition to the compensation programs being balanced in design, the implementation is such that actual payments may vary based on risks or risk outcomes. Management has risk-management processes and internal control processes in place that reinforce and support the development and maintenance of balanced incentive arrangements. Appropriate personnel have input into the process to assess the effectiveness of these processes in discouraging imprudent risk-taking. In addition, the Company monitors performance against key measurements and reserves the flexibility to revise the payments as needed if payments do not appropriately reflect risks.

## COMPONENTS OF COMPENSATION

Compensation paid to executive officers in 2015 and 2014 consisted of base salary, stock option and restricted stock awards granted under the Central Federal Corporation 2009 Equity Compensation Plan, 401(k) plan matching contributions and car and mobile phone allowances for certain executive officers.

In addition, the Board of Directors, upon the recommendation of the Compensation Committee, awarded discretionary bonuses to executive officers in 2015. The discretionary bonuses were awarded in recognition of the Company's performance in achieving certain financial and risk management objectives, as well as each employee's relative contribution and impact on these results and objectives. Key considerations included such items as: (a) the Company's and CFBank's significant improvement in financial performance; (b) CFBank's improved capital; (c) CFBank's improved credit quality, including the reduction in special mention/classified loans and non-performing loans and increase in the allowance for loan losses and coverage ratios, and (d) management and improvement of various other risk management metrics and objectives based on customary banking metrics as well as peer comparisons and trend analysis.

The Company does not currently have any employment agreements, change of control agreements, or "golden parachute" arrangements in place with any of its executive officers or other employees. However, on October 30, 2015, CFBank and Thad Perry executed a Resignation Agreement and General Release (the "Resignation Agreement") in connection with the resignation of Thad Perry as President of the Company and CFBank effective as of October 9, 2015 (the "Resignation Date").

Pursuant to the Resignation Agreement, Mr. Perry confirmed his resignation of employment with CFBank and as an officer of the Company and CFBank, effective as of the Resignation Date, and resigned as a member of the Boards of Directors of the Company and CFBank effective as of October 30, 2015. Under the terms of the Resignation Agreement, Mr. Perry was entitled to (a) continue to receive his base salary, in the amount of \$16,667 per month, for a period of nine months following the Resignation Date (but will not be entitled to receive any other compensation or benefits, including but not limited to any bonus payments), (b) reimbursement for up to \$5,000 of actual costs incurred by Mr. Perry for outplacement services, and (c) immediate vesting of the remaining unvested portion of the incentive stock options previously granted to Mr. Perry under the Central Federal Corporation 2009 Equity Compensation Plan, as amended. Pursuant to the Resignation Agreement, Mr. Perry agreed to abide by confidentiality and non-disparagement covenants. Mr. Perry also agreed to a release of any and all claims against CFBank and its affiliates (including the Company) and related parties relating to Mr. Perry's employment and association with CFBank or the termination of that employment and association.



## 2015 COMPENSATION

In accordance with the rules established by the SEC, the Company is required to provide certain data and information in regard to the compensation and benefits provided to the Company's Chief Executive Officer and certain of its other most highly compensated executive officers of the Company for the years ended December 31, 2015 and 2014.

## Summary Compensation Table

| Name and Principal Position   | Year | Salary     | Bonus     | Stock Awards (1)<br>(\$) | All Other<br>Compensation<br>(2) | Total      |
|---|------|------------|-----------|--------------------------|----------------------------------|------------|
| Timothy T. O'Dell<br>President and Chief Executive<br>Officer                   | 2015 | \$ 220,000 | \$ 92,000 | \$ 49,320                | \$ 16,533                        | \$ 377,853 |
|   | 2014 | 200,000    | 60,000    | -                        | 8,988                            | 268,988    |
| John W. Helmsdoerfer<br>Executive Vice President and<br>Chief Financial Officer | 2015 | \$ 189,167 | \$ 28,000 | \$ 32,880                | \$ 13,884                        | \$ 263,931 |
|   | 2014 | 175,000    | 25,000    | -                        | 11,296                           | 211,296    |
| Thad R. Perry<br>Former President(3)  | 2015 | \$ 200,000 | \$ -      | \$ -                     | \$ 3,667                         | \$ 203,667 |
|   | 2014 | 180,000    | 50,000    | -                        | 8,294                            | 238,294    |

- (1) The above amounts represent the aggregate grant date fair value of shares of restricted stock awarded in 2015. No executive received any stock option awards during 2015.
- (2) The amounts shown in the "All Other Compensation" column represent employer matching contributions to the 401(k) plan, car and mobile phone allowances and premiums paid for group term life insurance.
- (3) Mr. Perry resigned as President of the Company and CFBank effective as of October 9, 2015. Salary for 2015 includes payments made in 2015 after Mr. Perry's resignation pursuant to the resignation agreement entered into with Mr. Perry.

## EQUITY COMPENSATION PLAN INFORMATION

On May 21, 2009, the stockholders of the Company approved the Central Federal Corporation 2009 Equity Compensation Plan (the “2009 Plan”). The 2009 Plan was developed to provide incentives and rewards to those employees and directors who are largely responsible for the success and growth of the Company and its affiliates, and to assist the Company and CFBank in attracting and retaining directors, executive officers and other key employees with experience and ability. The 2009 Plan provides for discretionary grants of stock options, stock appreciation rights and restricted stock. The First Amendment to the 2009 Plan approved by stockholders at the May 13, 2013 annual meeting increased the number of shares of common stock reserved for awards thereunder from 200,000 to 1,500,000. Stock Options expire after ten years and vest over a three-year period; the price of the options are set based upon the fair market value of our common stock at the date of the grant. Shares of restricted stock vest over a three-year period.

AWARDS DURING 2015 FISCAL YEAR. Effective as of November 3, 2015, Mr. O’Dell and Mr. Helmsdoerfer were granted 36,000 shares and 24,000 shares of restricted stock, respectively. The shares of restricted stock will vest ratably over a three-year period beginning on November 3, 2016.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END. The following table shows information regarding equity awards outstanding to our named executive officers as of December 31, 2015. All outstanding equity awards were granted under the 2009 Plan.

Outstanding Equity Awards at Fiscal Year-End for 2015

| Name                 | Option Awards   |   | Option Exercise Price (\$) | Option Expiration Date | Stock Awards   |  |
|----------------------|---|---|----------------------------|------------------------|--|--|
|                      | Number of Securities Underlying Unexercised Options (#) Exercisable | Number of Securities Underlying Unexercised Options (#) Unexercisable (1) |                            |                        | Number of Shares or Units of Stock That Have Not Vested (#)(2) | Market Value of Shares or Units of Stock That Have Not Vested (\$) |
| Timothy T. O'Dell    | 33,333  | 16,667  | \$ 1.43                    | 10/16/23               | -  | \$ -   |
|                      | 50,000  | -   | \$ 1.27                    | 12/19/22               | -  | \$ -   |
|                      | -   | -   | \$ -                       | -                      | 36,000   | \$ 47,520  |
| John W. Helmsdoerfer | 20,000  | 10,000  | \$ 1.43                    | 10/16/23               | -  | \$ -   |
|                      | 20,000  | 10,000  | \$ 1.50                    | 03/20/23               | -  | \$ -   |
|                      | -   | -   | \$ -                       | -                      | 24,000   | \$ 31,680  |

(1) The unexercisable Option Awards as of December 31, 2015 have a vesting date or will vest as follows:

| Date     | Mr. O'Dell | Mr. Helmsdoerfer |
|----------|------------|------------------|
| 3/20/16  | -          | 10,000           |
| 10/16/16 | 16,667     | 10,000           |
|          | 16,667     | 20,000           |

(2) The unexercisable Restricted Stock Awards as of December 31, 2015 have a vesting date or will vest as follows:

| Date    | Mr. O'Dell | Mr. Helmsdoerfer |
|---------|------------|------------------|
| 11/3/16 | 12,000     | 8,000            |
| 11/3/17 | 12,000     | 8,000            |
| 11/3/18 | 12,000     | 8,000            |
|         | 36,000     | 24,000           |





The following table sets forth information about Company common stock that may be issued upon exercise of options, warrants and rights under all of the Company's equity compensation plans as of December 31, 2015.

#### Equity Compensation Plan Information

| Plan Category  | Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights | Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights | Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans |
|--|---|---|--|
| Equity compensation plans approved by stockholders     | 566,696   | \$ 1.48   | 807,842  |
| Equity compensation plans not approved by stockholders | -   | -   | -  |
| Total  | 566,696   | \$ 1.48   | 807,842  |

PROPOSAL 2 – NON-BINDING ADVISORY VOTE ON  
NAMED EXECUTIVE OFFICER COMPENSATION

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “Dodd-Frank Act”) and corresponding SEC rules enable the Company’s stockholders to vote to approve, on an advisory and non-binding basis, the compensation of the Company’s named executive officers as disclosed in this Proxy Statement in accordance with SEC rules. At the Company’s 2013 annual meeting, the Company’s stockholders voted to recommend holding an advisory vote for the approval of the compensation of the Company’s named executive officers every year. Consistent with this recommendation, the Board of Directors is submitting the following resolution for stockholder approval at the Meeting:

“RESOLVED, that the stockholders of Central Federal Corporation (the “Company”) hereby approve, on an advisory basis, the compensation of the Company’s named executive officers as disclosed in the Company’s Proxy Statement for its 2016 Annual Meeting of Stockholders pursuant to Item 402 of SEC Regulation S-K, including the compensation tables, notes and narrative disclosures contained under the heading “COMPENSATION OF EXECUTIVE OFFICERS” in the Company’s Proxy Statement.

The Board of Directors believes that the Company’s compensation policies and procedures, which are reviewed and approved by the Compensation Committee, are effective in aligning the compensation of the Company’s named executive officers with the Company’s short-term goals and long-term success and that such compensation and incentives are designed to attract, retain and motivate the Company’s key executives who are directly responsible for the Company’s continued success. The Board of Directors believes that the Company’s compensation policies and practices do not threaten the value of the Company or the investments of the Company’s stockholders or create incentives to engage in behaviors or business activities that are reasonably likely to have a material adverse impact on the Company. The Board of Directors further believes that the Company’s compensation policies and procedures are reasonable in comparison both to the Company’s peer bank holding companies and to the Company’s performance during the past year.

Stockholders are encouraged to carefully review the information provided in this Proxy Statement regarding the compensation of the Company’s named executive officers in the section captioned “COMPENSATION OF EXECUTIVE OFFICERS” beginning on page 14 of this Proxy Statement.

Because your vote is advisory, the outcome of the vote will not: (i) be binding upon the Company's Board of Directors or the Compensation Committee with respect to future executive compensation decisions, including those relating to the Company's named executive officers, or otherwise; (ii) overrule any decision made by the Company's Board of Directors or the Compensation Committee; or (iii) create or imply any additional fiduciary duty by the Company's Board of Directors or the Compensation Committee. However, the Compensation Committee expects to take into account the outcome of the advisory vote when considering future executive compensation arrangements.

#### Recommendation and Vote

Under the Company's Bylaws, the affirmative vote of a majority of the votes cast is required to approve Proposal 2. The effect of an abstention is the same as a vote "AGAINST" the proposal. Broker non-votes will not be counted in determining whether the proposal has been approved.

The Board of Directors recommends that you vote "FOR" Proposal 2.

PROPOSAL 3 – RATIFICATION OF APPOINTMENT OF  
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The appointment of the Company's independent registered public accounting firm is made annually by the Audit Committee. The Audit Committee, with the approval of the Board of Directors, has appointed BKD, LLP to serve as the Company's independent registered public accounting firm for 2016, subject to ratification by stockholders. BKD, LLP audited the Company's consolidated financial statements for the fiscal year ended December 31, 2015.

One or more representatives of BKD, LLP is expected to be present at the Meeting to respond to appropriate questions from stockholders and will have the opportunity to make a statement should he or she desire to do so.

Recommendation and Vote

The affirmative vote of a majority of the shares of common stock represented at the Meeting, in person or by proxy, and entitled to vote on the proposal, is required to ratify the appointment of BKD, LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2016. The effect of an abstention is the same as a vote "AGAINST" Proposal 3. Even if the appointment of BKD, LLP is ratified by the shareholders, the Audit Committee, in its discretion, could decide to engage another firm if the Audit Committee determines such action is necessary or desirable. If the appointment of BKD, LLP is not ratified, the Audit Committee will reconsider the appointment (but may decide to maintain the appointment).

The Board of Directors recommends that you vote "FOR" Proposal 3.



BENEFICIAL OWNERSHIP OF  
COMPANY COMMON STOCK

The following table provides information as of April 11, 2016 about the persons known by the Company to be beneficial owners of more than 5% of the Company's outstanding common stock. A person may be considered to beneficially own any shares of common stock over which he or she has, directly or indirectly, sole or shared voting or investment power. A provision in the Company's Certificate of Incorporation eliminates the ability of any beneficial owner of more than 10% of the Company's outstanding common stock to vote any shares in excess of this 10% limit. As of the April 11, 2016, the Company was not aware of any person who beneficially owned more than 10% of the Company's outstanding common stock.

| Name and Address of Beneficial Owner  | Amount and Nature of Beneficial Ownership | Percent of Common Stock Outstanding (1) |
|---|---|---|
| Edward W Cochran (2)<br>20030 Marchmont Road<br>Shaker Heights, Ohio 44122  | 1,639,667                                 | 9.9%                                    |
| Elizabeth Park Capital Advisors, Ltd. (3)<br>29525 Chagrin Blvd<br>Pepper Pike, Ohio 44122  | 1,415,949                                 | 8.8%                                    |
| MacNealy Hoover Investment Management, Inc.<br>(4)<br>Harry C.C. MacNealy<br>200 Market Avenue North, Suite 200<br>Canton, OH 44702 | 1,332,772                                 | 8.4%                                    |

|   |           |      |
|---|-----------|------|
| Wellington Management Company, LLP (5)<br>280 Congress Street<br>Boston, MA 02210   | 1,079,660 | 6.7% |
| AllianceBernstein L.P. (6)<br>1345 Avenue of the Americas<br>New York, NY 01015   | 953,936   | 5.9% |
| Thornapple River Capital - Financial Services<br>Industry Fund LLC (7)<br>2693 Thornapple Drive<br>Grand Rapids, MI 49546 | 932,029   | 5.6% |
| Thad R. Perry (8)<br>2 New Albany Farms Road<br>New Albany, Ohio 43054  | 858,619   | 5.4% |
| James R. Frauenberg II (9)<br>6410 Business Park Loop Road #B<br>Park City, Utah 84098                                    | 856,333   | 5.2% |



(1) Percent of Common Stock Ownership is computed based on the sum of (a) 16,024,210 shares of common stock outstanding on April 11, 2016, (b) the number of shares of common stock, if any, as to which the named person has the right to acquire beneficial ownership upon the exercise of options which are currently exercisable or will first become exercisable within 60 days after April 11, 2016, and (c) the number of shares of common stock, if any, as to which the named person has the right to acquire beneficial ownership upon the conversion of shares of the Company's Series B Preferred Stock and/or the exercise of Warrants to purchase common stock of the Company.

(2) Based on information provided to the Company, Mr.

Cochran has sole voting power over 1,639,667 shares of the outstanding common stock of the Company.

(3) Based on information contained in a statement on Schedule 13G filed on February 18, 2016, Elizabeth Park Capital Advisors, Ltd. has shared voting power and shared investment power over 1,415,949 shares of the outstanding common stock of the Company.

(4) Based on information contained in a statement on Schedule 13G filed on March 3, 2016, MacNealy Hoover Investment Management, Inc., has shared voting power and shared investment power over 1,332,772 shares of the outstanding common stock of the Company.

(5) Based on information contained in a statement on Schedule 13G filed on February 11, 2016,

Wellington Management, Inc. has shared voting power and shared investment power over 1,079,660 shares of the outstanding common stock of the Company.

(6) Based on information contained in a statement on Schedule 13G filed on February 16, 2016, AllianceBernstein L.P. has sole voting power and sole investment power over 953,936 shares of the outstanding common stock of the Company.

(7) Based on information contained in a statement on Schedule 13G filed on December 10, 2015, Thornapple River Capital - Financial Services Industry Fund LLC has shared voting power and shared investment power over 932,029 shares of the outstanding common stock of the Company.

(8) Based on information contained in a

statement on  
Schedule 13D  
filed on February  
17, 2015, Mr.  
Perry has shared  
voting power and  
shared investment  
power over  
858,619 shares of  
the outstanding  
common stock of  
the Company.

(9) Based on  
information  
provided to the  
Company, Mr.  
Frauenberg has  
sole voting power  
over 856,333  
shares of the  
outstanding  
common stock of  
the Company.

The following table sets forth information as of April 11, 2016 with respect to the number of shares of Company common stock considered to be beneficially owned by each director or nominee for director of the Company, by each executive officer named in the Summary Compensation Table, and by all directors and executive officers of the Company as a group. A person may be considered to beneficially own any shares of common stock over which he or she has, directly or indirectly, sole or shared voting or investment power.

|  | Amount and Nature<br>of Beneficial<br>Ownership (1) (2) |         |
|--|---|---------|
|  | Shares  | Percent |
| Robert E Hoeweler, Chairman of the Board, Director (3) | 195,013   | 1.2%    |
| Thomas P. Ash, Director (4)                            | 62,410  | 0.4%    |
| Edward W Cochran, Director (5)                         | 1,639,667   | 9.9%    |

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|   |           |       |
|---|-----------|-------|
| James H. Frauenberg, Director (6)                                   | 856,333   | 5.2%  |
| John W. Helmsdoerfer, Chief Financial Officer (7)                   | 89,529    | 0.6%  |
| Robert H. Milbourne, Director (8)                                   | 61,238    | 0.4%  |
| Timothy T. O'Dell, President, Chief Executive Officer, Director (9) | 637,952   | 3.9%  |
| All directors and executive officers as a group (7 persons)         | 3,542,142 | 20.3% |

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(1) Unless otherwise indicated, each executive officer of director has voting and investment power with respect to all of the shares reflected in the table for such executive officer or director. The mailing address of each of the executive officers and directors of the Company is 7000 N. High Street, Worthington, Ohio 43085.

(2) Percent of ownership is computed based on the sum of (a) 16,024,210 shares of common stock outstanding on April 11, 2016, (b) the number of shares of common stock, if any, as to which the named person or group has the right to acquire beneficial ownership upon the exercise of options which are currently exercisable or will first

become exercisable within 60 days after April 11, 2016, and (c) the number of shares of common stock, if any, as to which the named person or group has the right to acquire beneficial ownership upon the conversion of shares of Series B Preferred Stock and/or the exercise of Warrants to purchase common stock of the Company.

(3) Includes options to acquire 66,667 shares of common stock which are currently exercisable or will first become exercisable within 60 days after April 11, 2016, Warrants to acquire 2,000 shares of common stock, and shares of Series B Preferred Stock convertible into an aggregate of 14,286 shares of common stock.

(4) Includes options to acquire 20,600 shares of common stock which are currently exercisable or will first become exercisable within 60 days after April 11, 2016, Warrants to acquire 800 shares of common stock, and shares of Series B Preferred Stock convertible into an aggregate of 5,714 shares of common stock.

(5) Includes options to acquire 20,000 shares of common stock which are currently exercisable or will first become exercisable within 60 days after April 11, 2016, Warrants to acquire 91,000 shares of common stock, and shares of Series B Preferred Stock convertible into an aggregate of 400,000 shares of common stock.



(6) Includes options to acquire 20,000 shares of common stock which are currently exercisable or will first become exercisable within 60 days after April 11, 2016, Warrants to acquire 91,000 shares of common stock, and shares of Series B Preferred Stock convertible into an aggregate of 400,000 shares of common stock.

(7) Includes options to acquire 50,000 shares of common stock which are currently exercisable or will first become exercisable within 60 days after April 11, 2016, Warrants to acquire 1,600 shares of common stock, and shares of Series B Preferred Stock convertible into an aggregate of 11,429 shares of common stock.

(8) Includes options to acquire 16,667 shares of common stock which are currently exercisable or will first become exercisable within 60 days after April 11, 2016, Warrants to acquire 4,000 shares of common stock, and shares of Series B Preferred Stock convertible into an aggregate of 28,571 shares of common stock.

(9) Includes options to acquire 83,333 shares of common stock which are currently exercisable or will first become exercisable within 60 days after April 11, 2016. Also includes 30,000 shares of common stock owned by Colleen O'Dell, Mr. O'Dell's spouse, and 5,000 shares of common stock owned by Colleen O'Dell as custodian for

Mr. O'Dell's daughter, Sarah F. O'Dell. Also includes Warrants to acquire 16,000 shares of common stock, and shares of Series B Preferred Stock convertible into an aggregate of 114,286 shares of common stock.

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE.** Section 16(a) of the Securities Exchange Act of 1934 requires the Company's executive officers and directors and persons who own more than 10% of any registered class of the Company's equity securities to file reports of ownership and changes in ownership with the Securities and Exchange Commission. Executive officers, directors and beneficial owners of more than 10% of the outstanding common stock of the Company are required by regulations of the SEC to furnish the Company with copies of all Section 16(a) reports they file. To the Company's knowledge, based solely on a review of the Section 16(a) reports filed on behalf of these persons and written representations that no other Section 16(a) reports were required to be filed for transactions during 2015, all filing requirements applicable to executive officers, directors and beneficial owners of more than 10% of the outstanding common stock of the Company under Section 16(a) of the Exchange Act were complied with.

## AUDIT COMMITTEE MATTERS

### INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors of Central Federal Corporation (the “Company”), upon the recommendation of the Audit Committee (the “Audit Committee”) of the Board of Directors, approved the engagement of BKD, LLP (“BKD”) to serve as the Company’s independent registered public accounting firm for the year ending December 31, 2015. The engagement of BKD as the Company’s independent registered public accounting firm for 2015 was also ratified by the Company’s stockholders at the 2015 annual meeting of stockholders.

### PRE-APPROVAL OF SERVICES

The Company’s Audit Committee must pre-approve all engagements of the independent registered public accounting firm by the Company and its subsidiaries, including CFBank, as required by the Audit Committee’s charter and the rules of the Securities and Exchange Commission. Prior to the beginning of each fiscal year, the Audit Committee approves an annual estimate of fees for engagements, taking into account whether the services are permissible under applicable law and the possible impact of each non-audit service on the independent registered public accounting firm’s independence from management. In addition, the Audit Committee evaluates known potential engagements of the independent registered public accounting firm, including the scope of the proposed work to be performed and the proposed fees, and approves or rejects each service. Management may present additional services for approval at subsequent Committee meetings. The Audit Committee has delegated to the Audit Committee Chairman the authority to evaluate and approve engagements on behalf of the Audit Committee in the event a need arises for pre-approval between Committee meetings and in the event the engagement for services was within the annual estimate but not specifically approved. If the Chairman so approves any such engagements, he reports that approval to the full Committee at the next Committee meeting.

### FEES OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

BKD served as the Company's independent registered public accounting firm for the 2015 fiscal year. The Audit Committee pre-approved all services rendered by BKD for 2015. The Company was billed the aggregate fees shown below for audit services, audit related services, tax services and other services rendered to the Company and its subsidiaries for the 2014 and 2015 fiscal years.

|                        | 2015       | 2014       |
|------------------------|------------|------------|
| Audit Fees (1)         | \$ 110,000 | \$ 112,500 |
| Audit-Related Fees (2) | 4,000      | 5,735      |
| Tax Fees (3)           | 11,400     | -          |
| All Other Fees (4)     | -          | 2,691      |
| Total                  | \$ 125,400 | \$ 120,926 |

(1) Audit fees for 2015 include BKD audit fees of \$110,000. Audit fees for 2014 include BKD audit fees of \$105,000 and fees in the amount of \$7,500 for Crowe's consent work since Crowe audited the Company's financial statements in prior years.

(2) Includes fees for consent work performed in 2015 related to the Form S-8 filing and fees related to the Company's 2014 private placement of Series B Preferred Stock and Warrants.

(3) Includes fees related to tax services provided to the Company.

(4) Includes fees related to accounting research products.

## AUDIT COMMITTEE REPORT

The Company's Audit Committee has reviewed and discussed with management and with BKD, the Company's independent registered public accounting firm for 2015, the audited financial statements of the Company for the year ended December 31, 2015. In addition, the Audit Committee has discussed with BKD the matters required to be discussed by Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1. AU Section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

The Audit Committee also has received the written disclosures and the letter from BKD required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communication with the Audit Committee concerning independence and has discussed with BDK its independence from the Company.

Based on the foregoing discussions and reviews, the Audit Committee has recommended to the Company's Board of Directors that the audited financial statements for the year ended December 31, 2015 be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2015, for filing with the SEC

## AUDIT COMMITTEE

Thomas P. Ash, Chairman

Edward W. Cochran

James Frauenberg II

Robert Hoeweler

Robert Milbourne



## STOCKHOLDER PROPOSALS FOR 2017 ANNUAL MEETING

If a stockholder desires to have a proposal included in the Company's proxy statement and form of proxy for the 2017 annual meeting of stockholders, the proposal must conform to the requirements of Rule 14a-8 promulgated under the Securities Exchange Act of 1934 and other applicable proxy rules and interpretations of the SEC concerning the submission and content of proposals. Proposals for the 2017 annual meeting of stockholders must be received by the Company, at 7000 N. High Street, Worthington, Ohio 43085, prior to the close of business on December 23, 2016 in order to be eligible for inclusion in the Company's proxy, notice of meeting and proxy statement relating to the 2017 annual meeting.

The Company's Bylaws provide an advance notice procedure for a stockholder to properly bring business before an annual meeting of stockholders. For business to be properly brought before an annual meeting by a stockholder, the business must relate to a proper subject matter for stockholder action and the stockholder must have given timely notice thereof in writing to the Corporate Secretary of the Company. To be timely, a stockholder's notice must be delivered or mailed to and received at the principal executive offices of the Company not less than 90 days prior to the date of the annual meeting; provided, however, that in the event that less than 100 days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be received not later than the close of business on the 10th day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure was made. A stockholder's notice to the Corporate Secretary shall set forth as to each matter such stockholder proposes to bring before the annual meeting: (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting; (ii) the name and address, as they appear on the Company's books, of the stockholder proposing such business; (iii) the class and number of shares of the Company's capital stock that are beneficially owned by such stockholder; and (iv) any material interest of such stockholder in such business.

Assuming that the 2017 annual meeting of stockholders is held on the fourth Wednesday of May, 2017 and that such date is announced at least 100 days in advance, a stockholder's proposal for that meeting must be received by the Company at 7000 N. High Street, Worthington, Ohio 43085, not later than the close of business on February 23, 2017, in order to be considered timely. If any such proposal is received after such date, it will be considered untimely, and the persons named in the proxies solicited by the Board of Directors of the Company may exercise discretionary voting power with respect to that proposal

ANNUAL REPORT



A COPY OF THE COMPANY'S ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2015, AS FILED WITH THE SEC, WILL BE FURNISHED WITHOUT CHARGE TO STOCKHOLDERS OF RECORD UPON WRITTEN REQUEST TO THE CORPORATE SECRETARY, CENTRAL FEDERAL CORPORATION, 7000 N. HIGH STREET, WORTHINGTON, OHIO 43085.

BY ORDER OF THE BOARD OF DIRECTORS

Timothy T. O'Dell

Chief Executive Officer

Worthington, Ohio

YOU ARE CORDIALLY INVITED TO ATTEND THE ANNUAL MEETING IN PERSON. WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, YOU ARE REQUESTED TO SIGN, DATE AND PROMPTLY RETURN THE ACCOMPANYING PROXY CARD IN THE ENCLOSED POSTAGE-PAID ENVELOPE.

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