

AUDIT COMMITTEE CHARTER

Purpose

The Audit Committee (the "Audit Committee") of the Board of Directors (the "Board") of Central Federal Corporation (the "Company") will be appointed by the Board: (A) to assist the Board in its oversight of (i) the integrity of the Company's financial statements, (ii) the independence and qualifications of the Company's independent registered public accounting firm, (iii) the performance of the Company's internal audit function and independent registered public accounting firm and (iv) the Company's compliance with legal and regulatory requirements and (B) to prepare the Audit Committee report required to be included in the Company's proxy statement.

Membership

The Audit Committee will be comprised of a minimum of three members, each a director who is appointed by the Board on recommendation of the Company's Corporate Governance and Nominating Committee and who shall serve at the pleasure of the Board for such term or terms as the Board may determine. Each member must meet the independence and experience requirements set forth in NASDAQ Rule 4200(a)(15), Section 10A(m)(3) of the Securities Exchange Act of 1934 (the "Exchange Act") and the rules and regulations of the Securities Exchange Commission (the "Commission"), as such requirements may be amended from time to time, and no member may have participated in preparation of the financial statements of the Company at any time during the most recent three-year period.

Each member must be able to read and understand financial statements at the time of appointment. At least one member shall have past employment experience in finance or accounting, requisite professional certification in accounting or any other comparable experience that results in the member's financial sophistication, such as service as a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. At least one member shall be an "audit committee financial expert" as defined in applicable law and regulations; specifically, such member must have (i) an understanding of U.S. generally accepted accounting principles and financial statements, (ii) the ability to assess the general application of such principles in connection with accounting for estimates, accruals and reserves, (iii) experience in preparing, auditing, analyzing and evaluating financial statements comparable in breadth and complexity to the Company's financial statements, or experience in actively supervising one or more persons engaged in such activities, (iv) an understanding of internal controls and procedures for financial reporting and (v) an understanding of audit committee functions.

No member of the Audit Committee may accept any consulting, advisory or compensatory fee from the Company, other than in the member's capacity as a member of the Board or a committee of the Board. No member of the Audit Committee may be an affiliated person of the Company, except as a member of the Board or a committee

of the Board. No member may serve simultaneously on the audit committees of more than two other public companies, unless the Board determines that such simultaneous service would not impair the ability of such member to serve effectively on the Audit Committee, and the Company discloses this determination in its proxy statement.

In addition, if an Audit Committee member ceases to be independent for reasons outside the member's reasonable control, his or her membership on the Audit Committee may continue until the earlier of the Company's next annual shareholders' meeting or one year from the occurrence of the event that caused the failure to qualify as independent. If the Company is not already relying on this provision, and falls out of compliance with the requirements regarding Audit Committee composition due to a single vacancy on the Audit Committee, then the Company will have until the earlier of the next annual shareholders' meeting or one year from the occurrence of the event that caused the failure to comply with this requirement. The Company shall provide notice to NASDAQ immediately upon learning of the event or circumstances that caused the non-compliance, if it expects to rely on either of these provisions for a cure period.

The members of the Audit Committee shall be appointed and may be replaced by the Board.

Meetings

The Audit Committee will meet as often as it deems necessary, but not less frequently than quarterly. It will meet periodically with management, internal auditors and the independent registered public accounting firm in separate executive sessions. The Audit Committee may request any officer or other employee of the Company, the independent registered public accounting firm or outside legal counsel to attend any meeting of the Audit Committee or to meet with any member of or consultant to the Audit Committee.

Authority and Responsibility

- The Audit Committee will have sole authority to appoint or replace the independent registered public accounting firm and will have direct responsibility for compensation and oversight of the independent registered public accounting firm with respect to preparation and issuance of the audit report and related work. The Audit Committee will resolve disputes between management and the independent registered public accounting firm relating to the audit report or related work. The independent registered public accounting firm will report directly to the Audit Committee.
- The Audit Committee must approve in advance all audit services and permitted non-audit services to be provided to the Company by the independent registered public accounting firm, including the fees for such services and the terms of service; provided, however, that non-audit services that fall within the *de minimis*

exceptions described in Section 10A (i) (1) (B) of the Exchange Act will not require advance approval, if approved by the Audit Committee prior to completion of the audit.

- The Audit Committee hereby delegates to its chair the authority to grant advance approval of audit services and necessary non-audit services (as determined by the chair), provided, however, that any such decision by the chairman shall be presented to the full Audit Committee at its next scheduled meeting.
- The Audit Committee shall have the authority, to the extent it deems necessary or appropriate, to engage and determine funding for independent legal, accounting, or other advisors. The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent registered public accounting firm for the purpose of rendering or issuing an audit report or for performing other audit, review, or attest services for the Company and to any advisors employed by the Audit Committee, as well as funding for the payment of legal fees and ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.
- The Audit Committee will make regular reports to the Board. The Audit Committee will review this charter annually to assess its adequacy and recommend changes to the Board. The Audit Committee will review its own performance annually.
- With respect to financial statements and disclosure matters, the Audit Committee, to the extent it deems appropriate, will:
 1. Review and discuss with management and the independent registered public accounting firm the annual audited financial statements, including disclosures made in management's discussion and analysis, and recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K.
 2. Review and discuss with management and the independent registered public accounting firm the Company's quarterly financial statements prior to the filing of its Form 10-Q, including the results of the independent registered public accounting firm's review of the quarterly financial statements.
 3. Discuss with management and the independent registered public accounting firm significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.

4. Review and discuss with management and the independent registered public accounting firm any major issues as to the adequacy of the Company's internal controls, any special steps adopted in light of material control deficiencies, and the adequacy of disclosures about changes in internal control over financial reporting.
5. Review and discuss with management (including the senior internal audit executive) and the independent registered public accounting firm the Company's internal controls report prior to the filing of the Company's Form 10-K.
6. Review and discuss quarterly reports from the independent registered public accounting firm on: (a) all critical accounting policies and practices to be used; (b) all alternative treatments of financial information within U.S. generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent registered public accounting firm; (c) other material written communications between the independent registered public accounting firm and management, such as any management letter or schedule of unadjusted differences.
7. Discuss with management the Company's earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies. Such discussion may be done generally (consisting of discussing the types of information to be disclosed and the types of presentations to be made).
8. Discuss with management and the independent registered public accounting firm the effect of regulatory and accounting initiatives as well as off-balance-sheet structures on the Company's financial statements.
9. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
10. Discuss with the independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
11. Review disclosures made to the Audit Committee by the Company's CEO and CFO during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls or

material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

12. Ensure that a public announcement of the Company's receipt of an audit opinion that contains a going concern qualification is made no later than seven calendar days following the filing of such an audit opinion with the Securities and Exchange Commission.
- In connection with its oversight of the Company's relationship with its independent registered public accounting firm, the Audit Committee, to the extent it deems appropriate, will:
 1. Review and evaluate the lead partner of the independent registered public accounting firm's team.
 2. Obtain and review a report from the independent registered public accounting firm at least annually regarding (a) the independent registered public accounting firm's internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, (c) any steps taken to deal with any such issues and (d) all relationships between the independent registered public accounting firm and the Company. Evaluate the qualifications, performance and independence of the independent registered public accounting firm, including considering whether the registered public accounting firm's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the registered public accounting firm's independence, taking into account the opinions of management and internal auditors. The Audit Committee shall present its conclusions with respect to the independent registered public accounting firm to the Board.
 3. Obtain from the independent registered public accounting firm a formal written statement delineating all relationships between the independent registered public accounting firm and the Company. It is the responsibility of the Audit Committee to actively engage in a dialogue with the independent registered public accounting firm with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent registered public accounting firm and for purposes of taking, or recommending that the full Board take, appropriate action to oversee the independence of the independent registered public accounting firm.
 4. Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law. Consider whether, in order to assure continuing independent registered public accounting firm independence, it is appropriate to adopt a policy of rotating the independent auditing firm on a regular basis.

5. Recommend to the Board policies for the Company's hiring of employees or former employees of the independent registered public accounting firm who participated in any capacity in the audit of the Company.
 6. Discuss with the independent registered public accounting firm material issues on which the national office of the independent registered public accounting firm was consulted by the Company's audit team.
 7. Meet with the independent registered public accounting firm prior to the audit to discuss the planning and staffing of the audit.
- In connection with its responsibility to provide oversight of the Company's internal audit function, the Audit Committee, to the extent it deems appropriate, will:
 1. Review the appointment and replacement of the senior internal auditing executive.
 2. Review the significant reports to management prepared by the internal auditing department and management's responses.
 3. Discuss with the independent registered public accounting firm and management the internal audit department responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audit.
 - In connection with its compliance oversight responsibilities, the Audit Committee, to the extent it deems appropriate, will:
 1. Obtain from the independent registered public accounting firm assurance that Section 10A (b) of the Exchange Act has not been implicated.
 2. Obtain reports from management, the Company's senior internal auditing executive and the independent registered public accounting firm that the Company and its subsidiary entities are in conformity with applicable legal requirements and the Company's ethics codes.
 3. Review and approve or ratify all related party transactions in accordance with the Company's Policies and Procedures with respect to Related Person Transactions.
 4. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by

- employees of concerns regarding questionable accounting or auditing matters.
5. Discuss with management and the independent registered public accounting firm any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies.
 6. Discuss with the Company's outside legal counsel, if deemed necessary, and management legal matters that may have a material impact on the financial statements or the Company's compliance policies.

Limitation of Audit Committee's Role

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with U.S. generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent registered public accounting firm.