

# **CENTRAL FEDERAL CORPORATION**

## **CODE OF ETHICS AND BUSINESS CONDUCT**

**OCTOBER 2017  
SCHEDULE I UPDATED NOVEMBER 2015**

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## CENTRAL FEDERAL CORPORATION

### CODE OF ETHICS AND BUSINESS CONDUCT

This Code of Ethics and Business Conduct represents an overview of the corporate policies that govern the actions of all employees, officers and Directors of Central Federal Corporation and its subsidiaries (the “**Company**”). This Code embodies the commitment of the Company to conduct its business in accordance with all applicable laws, rules and regulations and the highest ethical standards. This Code serves as the Company’s written code of ethics that is the subject of Section 406 of the Sarbanes-Oxley Act of 2002 (the “**Act**”) and related rules of the Securities and Exchange Commission (the “**SEC**”).

This Code is not a replacement for policies and procedures that address the specifics of our business or which may impose stricter or more detailed requirements. No code of conduct can cover every potential situation. It is, therefore, your responsibility to apply the principles in this Code in a responsible fashion and with the exercise of good business judgment.

Certain parts of this Code may apply specifically to executive officers. “**Executive Officer**” means a member of the Company’s management so designated by the applicable Board of Directors.

The policies and procedures contained in this Code do not constitute a legal contract and may be changed, modified or discontinued from time to time without notice, except as required by law, and in the sole discretion of the Company. Failure to adhere to these policies and procedures may result in disciplinary action up to and including dismissal. Except as otherwise provided by written agreement or applicable law, persons employed by the Company or its subsidiaries are employed at will, and the Company reserves the right to take employment action, including termination, at any time for any reason without notice.

#### **Financial Policies**

The Company is committed to achieving compliance with all applicable securities laws and regulations, accounting standards, accounting controls and audit practices.

#### **Integrity of Records and Reports**

The Company’s accounting records are relied upon to produce reports to the Company’s management, shareholders, governmental entities and others. All Company accounting records and reports produced from those records shall be kept and presented in accordance with the laws of each applicable jurisdiction and must

accurately and fairly reflect in reasonable detail the Company's assets, liabilities, revenues and expenses. The Company's principal executive and financial and accounting officers ("**Covered Officers**") are responsible for full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the Company with the SEC. It is the responsibility of each such person to assist the Company in fulfilling its disclosure obligations and to notify the Audit Committee of the Company's Board of Directors (the "Audit Committee") via the Vice President, Enterprise Risk Management and Internal Audit, of any material information of which such person may become aware that affects the disclosures made by the Company in its public filings.

No employee shall unduly or fraudulently influence, coerce, manipulate or mislead any authorized audit or interfere with any auditor engaged in the performance of an internal or independent audit of the Company's financial statements or accounting books and records.

Each individual shall comply with rules and regulations of federal, state and local governments and other appropriate private and public regulatory agencies.

### **Use of Company Assets**

The Company's assets are to be used exclusively in the pursuit of the Company's business except for minimal personal use authorized by your supervisor in accordance with other Company policies. The Company's assets include equipment, facilities, supplies, services such as telephones and computer networks, and the time and efforts of the Company's employees. You should not use Company assets for personal gain or convenience, or make Company assets available for the gain or convenience of anyone else, or for any purpose other than conducting the Company's business unless you have management authorization to do so.

### **Authority to Make Commitments**

Only specific employees are authorized to make financial or other commitments on behalf of the Company. Commitments might be such things as approving a loan or other extension of credit, ordering equipment or materials, authorizing business travel, approving payment of an invoice or expense report, authorizing budgets or budget overruns, signing leases or other contracts, selling Company assets, settling litigation or other claims, borrowing money, setting compensation or employee benefits, making charitable contributions, and other transactions. These authorizations are in writing and are governed by corporate policies. You should not make a Company commitment unless you have the authority to do so.

### **Bribes and Other Illegal Corporate Payments**

The use of Company funds for payments to any individual, company or organization for the purpose of obtaining favorable treatment in securing business or other special

considerations is prohibited. Normal and customary business expenses such as reasonable entertainment, trade organization dues or similar expenses are and must be properly reported on an appropriate expense report form.

### **Relations with Government Employees**

The United States government has various regulations prohibiting government personnel from accepting entertainment, gifts, gratuities or other business courtesies that may be acceptable in the private commercial sector. All Company employees who may have to make these sorts of judgments must understand and comply with the letter and intent of such regulations.

Responsibility for accurate and complete financial records does not rest solely with the Company's accounting employees. All employees involved in approving transactions, supplying supporting information for transactions and determining account classifications have responsibility for complying with our policies.

### **Reports to Management**

The same high standards required in the Company's external reporting apply to financial reports to management. Accruals and estimates included in internal reports such as business plans, budgets and forecasts shall be supported by appropriate documentation and based on good-faith judgment.

### **Payments and Disbursements**

All payments made by or on behalf of the Company must be documented in the accounting records with appropriate approval(s) and an adequate description of the business purpose of the disbursement.

### **Cash Deposits and Bank Accounts**

All cash received by the Company shall be promptly recorded in the accounting records and deposited in a bank account properly authorized by the Company. All bank accounts and other cash accounts shall be clearly and accurately recorded in the accounting records. No unrecorded accounts, funds or assets shall be established for any purpose.

### **Cooperation with Inquiries**

Employees shall provide complete and accurate information in response to inquiries from the Company's internal and external independent auditors as well as the Company's legal counsel.

## **Political Contributions and Activities**

No Company funds or assets, including the work time of any employee, may be contributed, loaned or made available, directly or indirectly, to any political party or to the campaign of any candidate for a local, state or federal office.

## **Conflicts of Interest**

No person subject to this Code shall use confidential information acquired in the course of Company work for personal advantage or use or share such information for stock trading purposes. All covered officers also shall abide by the Company's specific policies governing trading in securities of the Company by its employees.

You must carry out your professional responsibilities with integrity and with a sense of loyalty to the Company. You must avoid any situation that involves a possible conflict or an appearance of a conflict of interest between your personal interests and the interests of the Company. Knowingly acting in a manner that presents a conflict between your personal interests and the best interests of the Company is a violation of this Code.

A conflict of interest cannot be defined precisely, only illustrated. The basic factor that exists in all conflict situations is a division of loyalty between the Company's best interests and the personal interest of the individual. Many, but not all, conflict situations arise from personal loyalties or personal financial dealings. It is impossible to list every circumstance giving rise to a possible conflict of interest, but the following illustrates the types of situations that may cause conflicts.

## **Family Members**

A conflict of interest may exist when the Company does business with or competes with an organization in which a family member has an ownership or employment interest. "Family members" include a spouse, parents, children, siblings and in-laws. You may not conduct business on behalf of the Company with family members or an organization with which you or a family member is associated unless you receive prior written approval under this Code.

## **Ownership in Other Businesses**

You may not own, directly or indirectly, a significant financial interest in any business entity that does business with or is in competition with the Company unless you receive prior written approval under this Code. As a guide, "a significant financial interest" is defined as ownership by an employee and/or family members of more than 1% of the outstanding securities/capital value of a corporation or that represents more than 5% of the total assets of the employee and/or family members.

## **Outside Employment**

Employees must keep outside business activities, such as a second job or self-employment, completely separate from the employee's activities with the Company. Employees may not use Company assets, facilities, materials, or services of other employees for outside activities unless specifically authorized by the Company, such as for certain volunteer work.

### **Disclosure Required -- When in Doubt, Ask!**

You should avoid any actual or apparent conflict of interest. Conflicts can arise unexpectedly, and prompt disclosure is critically important. Employees must disclose existing or emerging conflicts of interest, including personal relationships that could reasonably be considered to create conflicts, to their managers and follow the guidance provided. Executive Officers and Directors must disclose existing or emerging conflicts of interest to the Chairman of the Audit Committee via Senior Vice President of Compliance.

## **Accepting Gifts and Gratuities**

### **Accepting Things of Value**

Except as provided below, you may not solicit or accept for yourself or for a third party anything of value from anyone in return for any business, service or confidential information of the Company. Things of value include gifts, meals, favors, services and entertainment. The purpose of this policy is to ensure that the Company's business is safeguarded from undue influence of bribery and personal favors.

The solicitation and acceptance of things of value is generally prohibited by the Bank Bribery Act. Violations may be punished by fines and imprisonment.

### **Permitted Transactions**

Acceptance of the following are permitted and will be considered as exceptions to the general prohibition against accepting things of value; *provided, however*, that in no event will acceptance of gifts in violation of the Real Estate Settlement Procedures Act ("**RESPA**") be acceptable:

- Gifts, gratuities, amenities or favors based on family or personal relationships when the circumstances make clear that it is those relationships, rather than the business of the Company, that are the motivating factors;
- Meals, refreshments, travel arrangements, accommodations or entertainment, all of a reasonable value, in the course of a meeting or other occasion, the purpose

of which is to hold bona fide business discussions or to foster better business relations, provided that the expense would be paid for by the Company as a reasonable business expense if not paid for by another party;

- Advertising or promotional material of reasonable value, such as pens, pencils, note pads, key chains, calendars and similar items;
- Discounts or rebates on merchandise or services that do not exceed those available to other customers;
- Gifts of reasonable value related to commonly recognized events or occasions, such as a promotion, new job, wedding, retirement, birthday or holiday; or
- Civic, charitable, education or religious organizational awards for recognition of service and accomplishment.

If you have any question about whether your receipt of a thing of value violates RESPA, contact the Senior Vice President of Compliance.

### **Other Transactions**

If you are offered or receive something of value beyond what is permitted in this Code, you must obtain prior approval before you may accept or keep it. Transactions other than those described above may be approved so long as approval is consistent with the Bank Bribery Act. If you are at all uncertain as to whether you may accept something of value, do not hesitate to ask the Senior Vice President of Compliance.

### **Corporate Opportunities**

Directors and officers of the Company stand in a fiduciary relationship to the Company. It is a breach of this duty for any such person to take advantage of a business opportunity for his or her own personal profit or benefit when the opportunity is within the corporate powers of the Company and when the opportunity is of present or potential practical advantage to the Company, unless the Board of Directors knowingly elects not to avail itself of such opportunity and the Director's or officer's participation is approved in advance by the Board. It is the policy of the Company that no Director or Executive Officer appropriate a corporate opportunity without the consent of the Board of Directors.

Certain actual or apparent conflicts of interest shall be permissible if the contract, transaction, relationship or interest is disclosed or known to the Board of Directors or the stockholders of the Company and the Board or the stockholders in good faith authorize, approve or ratify the contract, transaction, relationship or interest

# **Equal Employment Opportunity, Harassment and Sexual Harassment**

## **Equal Employment Opportunity**

It is the policy of the Company to provide equal employment opportunity in full compliance with all federal, state and local equal employment opportunity laws and regulations.

## **Harassment Prohibited**

The Company is committed to providing a work environment where all employees work free from harassment because of race, color, religion, age, gender, sexual orientation, national origin, disability or any characteristic protected by applicable law. The Company will not tolerate harassment by management, supervisors, employees, customers or others.

Our policy is essentially based on common sense: all employees should treat each other with respect and courtesy. Harassment in any form, including verbal and physical conduct, visual displays, threats, demands and retaliation, is prohibited.

## **What Constitutes Sexual Harassment**

The Equal Employment Opportunity Commission has guidelines that define sexual harassment as unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when:

- Submission to such conduct is made, either explicitly or implicitly, a term or condition of an individual's employment or used as the basis for employment decisions affecting such individual; or
- Such conduct creates an intimidating, hostile or offensive working environment.

Sexual harassment can involve either a tangible employment action or a hostile work environment. Sexual harassment includes more than overt physical or verbal intimidation. Lewd or vulgar remarks, suggestive comments, posters, pictures and calendars, pressure for dates and sexual favors, and unacceptable physical contact are examples of what can constitute harassment.

It is important to realize that what may not be offensive to you may be offensive to others. You should consider carefully the effect of your words and actions on others, and should not assume that another employee's failure to object means that the employee welcomes the behavior at issue. The Company as a general matter does not seek to regulate the private social behavior of employees; *however*, intimate relationships between management or supervisors and employees whom they directly supervise are discouraged. Because of potential undesirable workplace repercussions,

any such ongoing relationship should be disclosed to the Human Resources department. All employees should understand that no one at the Company has the authority to offer job benefits or threaten job disadvantages based on the provision of sexual favors.

Sexual harassment also can occur among co-workers or result from behavior by contractors or other non-employees who have reason to interact with Company employees. Our policy extends to these circumstances as well.

### **Obligation to Report**

Any employee who has reason to believe that he or she is being harassed must promptly report the harassment to the Human Resources department. The official procedure for reporting violations or suspected violations of this policy is located on page 20 of this Code under the heading "Reporting a Violation." Do not allow an inappropriate situation to continue by not reporting it, regardless who is creating the situation.

### **No Retaliation**

The Company will not tolerate retaliation in any form against an employee who has, in good faith, reported an incident of harassment. Employees should not fear that such a report will endanger their jobs.

### **Illegal and Impairing Substances**

You may not possess, use, sell, distribute or be under the influence of illegal drugs while on Company property or while conducting Company business anywhere. Such behavior is a violation of Company policy in addition to being a violation of the law.

When reporting for work and throughout the work day, you must be fit for duty at all times and, in particular, not pose a safety hazard to yourself or others through your use of alcohol or other legal, but impairing, substances.

### **Workplace Violence**

The Company prohibits any acts of violence or threats of violence by any Company employee against any other person in or about Company facilities or in connection with the conduct of Company business elsewhere at any time. You are prohibited from possessing firearms while on Company property or while conducting Company business anywhere at any time unless authorized by the Company.

## **Marketing Practices and Antitrust**

### **Marketing Practices**

The Company's products and services must be sold fairly and honestly. You should not attempt to take advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practice. Many of the products and services provided by the Company are subject to laws and regulations that specify the information that must be provided to the Company's customers. It is the policy of the Company to comply fully with these disclosure requirements.

### **Antitrust**

The antitrust laws are intended to foster free and open competition and it is important that the Company comply with the letter and the spirit of such laws. Agreements that reduce business competition are a core concern of the antitrust laws and violations may result in severe civil and criminal penalties to the Company and to individuals. Antitrust laws pertain to dealings with customers and suppliers as well as competitors.

In some cases, depending on the circumstances, the antitrust laws prohibit discussions among competitors about competitively sensitive subjects. The most serious antitrust violations are agreements among competitors that directly restrict competition among them.

These include agreements to:

- Raise, lower or stabilize prices;
- Divide the areas in which competitors will do business or the customers competitors will serve; or
- Refuse to deal with certain customers or suppliers.

Conduct intended to drive a competitor out of business may also violate antitrust laws. It is the policy of the Company to fully comply with all applicable antitrust laws.

Antitrust is a complex area of the law and violations have serious consequences for the Company and for individuals personally. The Company's Executive Management team should be consulted with any questions.

## **Computer Networks, Voice Mail, E-mail and the Internet**

Many Company employees depend on access to computer networks, voice mail, e-mail and the Internet to do their jobs. These tools come with risks and responsibilities that all employees must understand and accept.

You must use these resources only for the business activities of the Company, except as described under “Authorized Uses” on page 11, and:

- Properly identify yourself in electronic communication;
- Use only your own password and user ID to gain access to systems or data;
- Accept full personal responsibility for the activities undertaken with your password and user ID;
- Delete e-mail, voice mail and other electronic files in accordance with applicable record retention policies; and
- Comply with the computer security policies of the Company and conduct yourself in a manner that protects the Company from damage, theft, waste and violations of the law, including protecting against:
  - Exposure to potentially destructive elements, intentional (viruses, sabotage, etc.) or unintentional (bugs); and
  - Unauthorized access to Company information or resources (hacking).

### **Company Property and Privacy**

Computer networks and electronic communications systems, and all messages and log files generated on or handled by them, including back-up copies, are property of the Company. There should be no expectation of privacy in these electronic interactions.

The Company may monitor the content of your electronic communications and monitor the content of server log files to review what Web sites or other Internet locations you have visited and what files you may have sent or received.

Computer networks, e-mail systems, voice mail systems and server logs are monitored regularly to support routine and non-routine activities such as operations, maintenance, auditing, security and investigations. You should also keep in mind that, as a matter of law, the Company may be called upon to turn over this information to law enforcement and private litigants. You may not intercept or disclose, or assist in intercepting or disclosing, electronic communications or Internet activity except as specifically provided above and only then with appropriate authorization.

## **Authorized Uses**

Company computer networks, e-mail and voice mail systems and Internet access generally must be used only for Company business activities. Incidental personal use is permitted if it:

- Does not preempt or interfere with any Company business activity or with employee productivity; and
- Consumes only a trivial amount of Company resources.

Incidental personal use is subject to the same policies as business use.

## **Prohibited Uses**

Under no circumstances should Company computer networks, e-mail and voice mail systems or Internet access be used:

- For any illegal activity;
- To communicate offensive sexual, racial or other remarks, jokes, slurs and obscenities;
- For private business, commercial or solicitation activities;
- For chain-letter communications of any kind;
- For charitable endeavors that are not Company-sponsored or authorized, including any fundraising;
- For gambling; or
- For pornography.

Additional uses may be prohibited or limited by other provisions of this Code or by other Company policies.

## **Blogging and Social Media Policy**

The Company recognizes the importance of the Internet's role in shaping public thinking and the importance of our employees helping to shape industry conversation and direction through blogging and interaction in social media. These guidelines are intended to guide decisions about work-related blogging. The Bank's internal Internet

and E-mail Policy remains in effect. These policies and guidelines apply to work-related social media issues and are not meant to infringe upon your personal or private blogging interaction or commentary online. You are personally responsible to identify yourself and take full responsibility for your content. Unless given permission by management, you are not authorized to speak on behalf of the Company, or to represent that you do so.

You may not share information that is confidential and proprietary about either the company or our customers. If you have any questions about whether information is confidential or if use of social media or blogging impacts the Company, please read below provisions of this policy and ask the Human Resources department before posting.

In all cases, speak respectfully about the Company and its business. Write knowledgeably, accurately, and using appropriate professionalism. Note that the use of copyrighted materials, unfounded or derogatory statements, or misrepresentation is not authorized by the Company and can result in disciplinary action up to and including employment termination. Employees can be personally liable and will be disciplined by the Company for commentary, content, or images that are defamatory, pornographic, proprietary, harassing, libelous, or that can create a hostile work environment. If the information published can be offensive to your audience or harmful to the Company, it should not be posted.

Work e-mail addresses should not be used in the account settings for social media sites (i.e. Facebook or Twitter) or provided for any other personal use. All communications received by social media websites should be directed to a personal e-mail account.

## **Confidential Information**

Many employees learn confidential Company information in the course of their jobs and use confidential Company information to perform important functions. All employees must handle confidential information properly at all times in order to:

- Prevent the release of unauthorized or inappropriate information that might adversely affect the Company's business; and
- Avoiding violations of the law, particularly the securities laws relating to disclosure of material financial information before the information is made public.

### **What is Confidential Information?**

The following is not a complete list of what is considered to be confidential information, but the list illustrates what is typically confidential unless the information has been disclosed by the Company in a securities filing, press release, or other authorized formal or official public communication:

- Financial results, budgets or forecasts;
- Business plans, operating plans, strategy statements, memos, operating manuals, organization charts and other internal communications;
- Company investments, acquisitions or divestitures;
- New products, processes or designs;
- Whether a product or business is meeting financial or other expectations;
- Business relationships or the terms of any business arrangement, including prices paid or received by the Company;
- Customer data such as customer names and addresses or any confidential personal or business information of the customer, including whether a person or entity is a customer of the Company, unless the person or entity has authorized disclosure;
- Advertising and marketing plans and campaigns;
- Wages and salaries, bonus or compensation plans, notices to employees or unannounced personnel changes; and
- Personal information about any employee.

In general, if information about the Company has not been made public by the Company, it should be treated as confidential.

### **Non-Disclosure and Non-Use**

You may not disclose to unauthorized persons or use for your own personal advantage or profit, or the advantage or profit of another, any confidential information that you obtain as a result of your position with the Company. This includes not only financial analysts and the press, but also business associates, family members and personal friends. It is a serious mistake to disclose such information to anyone simply because you are confident that that person will neither try to benefit from it nor disclose it to others.

Your obligations not to disclose the Company's confidential information and not to use it for unauthorized purposes continue after your affiliation with the Company ends.

## **Privacy of Customer Information**

The Company is entrusted with important information about individuals and businesses. It is essential that you respect the confidential nature of this information. The Company is legally obliged to protect the privacy of a consumer's personal financial information. The Company's privacy practices are set out in a privacy policy that is circulated to our customers and made available to the public. All employees are expected to adhere to the Company's privacy policy.

## **Public Disclosures**

You may be asked for information about the Company by the media, trade groups, consultants and others collecting information for various purposes. You should not make public statements on behalf of the Company or provide confidential information in response to external inquiries unless you have been authorized to do so.

## **Proper Disclosures**

Some employees must disclose confidential Company information as a part of their job responsibilities. This policy on confidential information is not intended to prohibit such authorized disclosures. A few examples of situations in which confidential information might properly be disclosed are:

- Disclosure of operational data to vendors or consultants in connection with providing services to the Company;
- Participation in legitimate and authorized industry surveys;
- Providing data to governmental agencies as part of required filings; or
- Authorized response to auditors or the Accounting department inquiries.

You should be certain that you understand what you have been authorized to disclose, and to whom, prior to disclosing any confidential information.

## **“Inside” Information and Insider Trading**

You must not trade in the Company's stock when you have material information about the Company that is not yet public. Material information is information that would reasonably be expected to either:

- Affect the price of securities issued by the Company; or
- Be important to an investor in deciding whether to buy, sell or hold securities issued by the Company.

You must not communicate material non-public information to persons outside the Company so that they may profit from transactions in the Company's securities.

Engaging in insider trading, or providing confidential information that is used in insider trading is illegal and can result in substantial fines and criminal penalties to you. The Company maintains a policy on insider trading that provides more complete guidance on this subject, including rules on trading in Company securities by Executive Officers, Directors and employees who have access to certain financial information. You should call the Chief Financial Officer (CFO) with any questions about buying or selling of Company stock.

## **Fraud**

This portion of this Code applies to any fraud or suspected fraud involving employees, Directors, stockholders, consultants, vendors, contractors, outside agencies doing business with the Company, employees of such agencies, and any other parties with a business relationship with the Company. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the Company.

Management is responsible for the detection and prevention of fraud, misappropriations, and other inappropriate conduct. "**Fraud**" is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act on it or to refrain from acting on it to his or her injury. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility and will be alert for any indication of irregularity. Any fraud that is detected or suspected must be reported in line with reporting instructions detailed below.

### **Actions Constituting Fraud**

The terms "**defalcation**," "**misappropriation**," and other fiscal wrongdoings refer to, but are not limited to:

- Any dishonest or fraudulent act;
- Forgery or alteration of a check, bank draft, or any other instrument, document or account of the Company or any of its customers;
- Unauthorized personal use of funds, securities, supplies, or other assets;
- Impropriety in the handling or reporting of money or financial transactions;
- Profiteering as a result of insider knowledge of company activities;

- Disclosing private, confidential and proprietary information to outside parties;
- Disclosing to other persons any non-public securities activities engaged in or contemplated by the Company;
- Accepting or seeking anything of material value from contractors;
- Acceptance of services or materials from vendors of the Company, except that gifts of reasonable value are permitted consistent with the “Permitted Transactions” delineated on page 6 of this Code, unless the gift is prohibited by RESPA, in which no receipt of a gift or remuneration is permitted; and
- Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment.

If there is any question whether an action constitutes fraud, contact the Chief Executive Officer for guidance.

### **Investigation Responsibilities**

The Bank Secrecy Act Officer (BSA) has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. If the investigation substantiates that fraudulent activities have occurred, then the Chief Executive Officer (CEO) will issue reports to appropriate internal personnel and, if appropriate, to the Audit Committee. Decisions to prosecute or refer the examination results to the appropriate law enforcement and regulatory agencies for independent investigation will be made in conjunction with senior management, as will final decisions on disposition of the case.

### **Confidentiality**

The BSA Officer treats all information received under this Fraud section of this Code confidentially. Any employee who suspects dishonest or fraudulent activity will follow reporting instructions below and should not attempt to personally conduct investigations, interviews or interrogations related to any suspected fraudulent act.

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. Confidentiality of investigation results is important in order to avoid damaging the reputations of persons suspected but subsequently exonerated of wrongful conduct and to protect the Company from potential civil liability.

## **Authorization for Investigating Suspected Fraud**

The BSA/AML Officer and any selected internal or external investigators will have:

- Free and unrestricted access to all Company records and premises, whether owned or leased; and

The authority to examine, copy, and remove all or any portion of the contents of files, desks, cabinets, and other storage facilities, whether physical or electronic, on the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of an investigation.

## **Termination**

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the Chief Executive Officer and, if necessary, by outside counsel, before any such action is taken.

## **Examinations, Government Investigations and Litigation**

### **Regulatory Examinations**

The Company is subject to examination by federal banking regulators. It is Company policy to cooperate fully with the Company's regulators.

### **Government Investigations**

While it is Company policy to cooperate with reasonable and valid requests by federal, state or local government investigators, the Company is entitled to all the safeguards provided in the law for persons under investigation, including representation by legal counsel. Accordingly, if a government investigator requests an interview with you, seeks information or access to files, or poses written questions, the investigator should be told that you must first consult with the Company's Chief Executive Officer.

### **Penalties**

Criminal sanctions may be imposed upon any person who submits false or misleading information to the government in connection with any regulatory examination or government investigation. Full cooperation and proper legal supervision of any response in connection with a regulatory examination or government investigation are essential from both Company and individual viewpoints.

## **Litigation**

If any litigation is begun or threatened against the Company, notify the Chief Executive Officer immediately, even if the action or threats appear to be without merit or insignificant.

## **Preservation of Records**

All records relating to the business of the Company shall be retained as required by the Company's record retention guidelines. Notwithstanding such guidelines, under no circumstances shall any physical or electronic records known to be the subject of or any anticipated, threatened or pending lawsuit, governmental or regulatory investigation, or bankruptcy proceeding be removed, concealed or destroyed.

## **Whistleblower Protections Under the Act**

Among its various corporate governance enhancements, the Act contains several provisions intended to facilitate the reporting by employees of violations of the Act or federal securities laws. This section describes the protections afforded employees who disclose information about suspected violations of federal laws relating to fraud against shareholders (i.e. whistleblower protections) and its effect on the Company.

### **Scope**

All companies with a class of securities registered under Section 12 of the Securities Exchange Act of 1934 (the "**Exchange Act**") or that are required to file reports under Section 15(d) of the Exchange Act, which includes the Company, are subject to the provisions regarding protection for whistleblowers.

### **Protected Conduct**

No officer, employee, contractor, subcontractor or agent of any company covered under the Act may discharge, demote, suspend, threaten, harass or in any other manner discriminate against any employee in the terms and condition of employment because of any lawful act done by the employee:

- To provide information, cause information to be provided or otherwise assist in an investigation regarding any conduct which the employee reasonable believes constitutes a violation of the accounting and auditing procedures of the Act, any rule or regulation of the Securities and Exchange Commission (the "**SEC**") or any provision of federal law relating to fraud against shareholders, when the information or assistance is provided or the investigation is conducted by:
  - A federal regulatory or law enforcement agency;

- Any member of Congress or any committee of Congress; or
- A person with supervisory authority over the employee, which includes such other person working for the employer who has authority to investigate, discover or terminate misconduct; or
- To file, cause to be filed, testify, participate in or otherwise assist in a proceeding filed or about to be filed relating to an alleged violation of the new accounting and auditing procedures of the Act, any rule or regulation of the SEC or any provision of federal law relating to fraud against shareholders.

### **Procedure for Making a Claim Under the Act**

Employees must file any complaints they have under the Act with the Secretary of Labor within 90 days after the date of an alleged violation. The Secretary of Labor will then conduct an investigation of the claim, provided that the employee has made a *prima facie* showing that his or her protected conduct was a contributing factor in the adverse employment action taken by the employer. If, however, the employer can show, by clear and convincing evidence, that the employer would have taken the adverse action despite the employee engaging in the protected conduct, the Secretary of Labor will not conduct an investigation. If the Secretary of Labor has not issued a final decision within 180 days after the filing of the complaint, and there is no showing that such delay was due to the bad faith of the employee), then the employee may bring an action in federal court.

### **Penalties and Remedies**

An employee prevailing in any action will be entitled to all relief necessary to make that employee whole, including:

- Back pay, with interest;
- Reinstatement with the same seniority status that the employee would have had without the discrimination;
- Litigation costs, including reasonable attorneys' fees and expert witness fees; and
- Compensatory damages.

Additionally, in certain cases of retaliation against a person providing information to a law enforcement officer relating to the commission of a federal offense, the Act imposes criminal sanctions, including a fine against the offending company and a fine and imprisonment up to ten years against the individual or individuals who committed the offense.

## **Rights Retained By Employee**

The Act does not diminish the rights, privileges or remedies that the employee may have under any federal or state law or under any collective bargaining agreement.

## **Detailed Policies and Procedures**

This Code does not contain all of the policies of the Company or all of the details of the policies that are included. The Company has written policies and procedures that provide more information on some of the topics in this Code. Talk to your manager about the Company's policies and procedures that you are responsible for following in your position and make sure that you have reviewed and understand them.

## **Administration of this Code**

### **Employee Obligations**

Every employee has an obligation to:

- Comply with this Code, which prohibits violation of local, state, federal or foreign laws and regulations applicable to our businesses, and which requires compliance with all Company policies;
- Be familiar with laws and Company policies applicable to the employee's position and communicate them effectively to subordinates;
- Ask questions if a policy or the action to take in a specific situation is unclear;
- Be alert to indications and/or evidence of possible wrongdoing; and
- Report violations and suspected violations of this Code of Business Conduct to the appropriate person as described in "Reporting a Violation" below or elsewhere in this Code.

The Company's managers have a responsibility to notice and question incidents, circumstances and behaviors which point to a reasonable possibility that a violation of this Code has occurred. A manager's failure to follow up on reasonable questions is, in itself, a violation of this Code.

### **How to Ask a Question**

Whenever possible, an employee should work with his or her immediate manager to obtain answers to routine questions. If a manager's answer does not resolve a question or if an employee has a question that cannot comfortably be addressed with the manager, then the employee should follow the reporting instructions in the next

section of this Code. Executive Officers and Directors may bring any questions to the Chairman of the Board or the Chairman of the Audit Committee.

### **Reporting a Violation**

The Audit Committee has adopted Procedures for Reporting Complaints. Any person may submit a good faith complaint, report or concern regarding violations of this Code, violations of accounting or auditing matters relating to the Company (“**Accounting Matters**”), or violations of the Company’s policies. The procedures provide that these reports may be made to the management of the Company without fear of dismissal or retaliation of any kind. These procedures cover the confidential, anonymous submission of, and the receipt, retention and treatment of, complaints, reports and concerns regarding ethics and business conduct, Accounting Matters and potential violations of applicable laws, rules and regulations or of the Company’s codes, policies and procedures (“**Compliance Matters**”).

Any person with concerns regarding Accounting Matters or Compliance Matters may report those concerns on a confidential or anonymous basis to the Audit Committee of the Company by calling the Senior Vice President of Compliance at 614-334-7991 or Vice President of Human Resources at 330-532-5070 or 330-532-5082. The numbers also may be used by interested persons, on a direct and confidential basis, to raise concerns regarding the Company to the non-management Directors of the Company.

### **Determining Whether a Violation Has Occurred**

If the alleged violation of this Code concerns an Executive Officer or Director, the determination of whether a violation has occurred shall be made by the Audit Committee, in consultation with such external legal counsel as the Audit Committee deems appropriate. If the alleged violation concerns any other employee, the determination of whether a violation has occurred shall be made by the Chief Executive Officer, in consultation with such legal counsel as the Chief Executive Officer deems appropriate.

In determining whether a violation of this Code has occurred, the committee or person making such determination may take into account to what extent the violation was intentional, the materiality of the violation from the perspective of either the detriment to the Company or the benefit to the Director, Executive Officer or other employee, the policy behind the provision violated and such other facts and circumstances as they shall deem advisable. Acts or omissions determined to be violations of this Code by other than the Audit Committee under the process set forth above shall be promptly reported by the Chief Executive Officer to the Audit Committee and by the Audit Committee to the Board of Directors.

## **Confidentiality**

Reports of suspected violations will be kept confidential to the extent possible and consistent with the conduct of an appropriate investigation.

## **No Retaliation**

Retaliation in any form against an employee who has, in good faith, reported a violation of this Code will not be tolerated.

## **Consequences of a Violation**

Employees who violate this Code, or who fail to report violations of which they are aware or should be aware, will subject themselves to disciplinary action up to and including dismissal. Some violations may also result in civil liability or lead to criminal prosecution or both.

## **Waivers**

You must request a waiver of a provision of this Code if there is a reasonable likelihood that your contemplated action will violate the Code.

If a waiver request relates to an Executive Officer or Director, the determination with respect to the waiver shall be made by the Audit Committee, in consultation with such external legal counsel as the Audit Committee deems appropriate. Any waivers granted by the Audit Committee shall be submitted to the Board of Directors for ratification.

If a waiver request relates to any other employee, the determination shall be made by the Chief Executive Officer, in consultation with such external legal counsel as the Chief Executive Officer deems appropriate. If, however, the waiver request is quantitatively or qualitatively material or outside the ordinary course of business, then the determination shall be made by the Audit Committee.

All waivers of this Code, other than those approved by the Audit Committee, shall be promptly reported to the Audit Committee. Waivers will not be granted except under extraordinary or special circumstances. Any waivers of this Code for any Executive Officer or Director of the Company must promptly be disclosed to stockholders.

## **Reporting and Retention of Complaints and Investigations**

The Senior Vice President of Compliance, will maintain a log of all calls and will track the receipt, investigation and resolution of each call. The Senior Vice President of Compliance and Internal Audit, will prepare a periodic summary for the Audit Committee.

## **Updates and Changes**

The Audit Committee may amend this Code at any time consistent with the requirements of applicable laws, rules and regulations. This Code will be reissued from time to time to remind employees, officers and Directors of its specifics and to make changes and clarifications based on experience and suggestions.

Schedule I  
Financial Policy Covered Officers

Dated: October 2006  
Revised: January 2008  
Revised: January 2009  
Revised: January 2010  
Revised: January 2011  
Revised: September 2012  
Revised: March 2014  
Revised: November 2015

Timothy T. O'Dell: President & Chief Executive Officer,, Central Federal Corporation and CFBank

John Helmsdoerfer: Chief Financial Officer, Central Federal Corporation and CFBank