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ALTERNATIVE REPORTING AND DISCLOSURE STATEMENT
FOR PENSION PLANS FOR CERTAIN SELECTED EMPLOYEES

In compliance with Section 110 of the Employee Retirement Income Security Act of 1974 ("ERISA") and the regulations thereunder, found in Section 2520.104-23, CITIZENS FIRST BANK, Clinton, Iowa is filing this Alternative Reporting and Disclosure Compliance Statement and in connection herewith, provides the following information:

EMPLOYER NAME AND ADDRESS:	CITIZENS FIRST BANK 1442 Lincolnway Clinton, IA 52732
EMPLOYER IDENTIFICATION NUMBER:	42-1501088
PLAN NAME:	CITIZENS FIRST BANK Officer Deferred Compensation Plan for Stephen C. Clements
NUMBER OF PLANS (this submission):	One
NUMBER OF EMPLOYEES PARTICIPATING IN EACH PLAN:	One

CITIZENS FIRST BANK maintains the above-named unfunded Plan primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees.

CITIZENS FIRST BANK will provide the Plan documents to the Secretary of Labor upon request, as required by Section 104(a)(1) of ERISA.

Plan Administrator

Dated: January 15, 2020

By: 
Chairperson, Compensation Committee

MAIL TO:	Secretary of Labor Top Hat Plan Exemption Pension and Welfare Benefits Administration Room N-1513 U.S. Department of Labor 200 Constitution Avenue NW Washington, DC 20210
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CITIZENS FIRST BANK

Banking As It Should Be

January 15, 2020

Secretary of Labor
Top Hat Plan Exemption
Pension and Welfare Benefits Administration
Room N-1513
U.S. Department of Labor
200 Constitution Avenue NW
Washington, DC 20210

Re: Citizens First Bank Officer Deferred Compensation Plan for Stephen C. Clements

Enclosed is documentation for filing the Officer Deferred Compensation Plan for Stephen C. Clements adopted by the Compensation Committee of Citizens First Bank. Please contact myself or Emily Schulz-Stiles, V.P. Human Resources, if additional information is needed.

Sincerely,

Kathryn A. Forrest
President

cc: Emily Schulz-Stiles



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Member
FDIC

**CFB Holding Company
Board of Directors Minutes
January 15, 2020**

In Attendance: Gary Foster, Richard Farwell, Robert Holesinger, Steve Howes, Mike Hanrahan, Kathy Forrest **Conferenced:** Charles Armstrong, Greg Baker, Mary Connell, John McEleney,

The meeting was called for the sole purpose of consenting to the adoption of Citizens First Bank Officer Deferred Compensation Plan for Stephen C. Clements as just approved by the Board of Directors of Citizens First Bank.

Mike Hanrahan presented the attached resolution for adoption. Robert Holesinger motioned for approval as presented. Richard Farwell seconded the motion and it carried.

There being no further business to discuss, the meeting was adjourned.

Citizens First Bank
Board of Directors – Executive Session Minutes
January 15, 2020

In attendance: Gary Foster, Richard Farwell, Robert Holesinger, Steve Howes, Mike Hanrahan, Kathy Forrest **Conferenced:** Charles Armstrong, Greg Baker, Mary Connell, John McEleney,

Mike Hanrahan presented the Citizen’s First Bank Officer Deferred Compensation Plan for Stephen C. Clements adopted on December 18, 2019. There being no questions or concerns of the plan, Mike Hanrahan submitted the attached Resolution for Adoption of the Citizens First Bank Officer Deferred Compensation Plan for Stephen Clements. Robert Holesinger motioned to approve the resolution as presented. Richard Farwell seconded the motion and it carried.

The Executive Session was adjourned so a CFB Holding Company Meeting could begin.

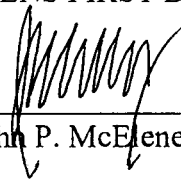
CONSENT OF SOLE SHAREHOLDER
OF CITIZENS FIRST BANK

The undersigned, being the sole shareholder of Citizens First Bank ("Bank") hereby consents to the adoption of an Officer Deferred Compensation Plan for the Bank's key employee, Stephen C. Clements.

This consent is given in compliance with Iowa Code Section 524.703 (2015).

CFB Holding Company
AS SOLE SHAREHOLDER OF
CITIZENS FIRST BANK

By _____


John P. McEneaney

As of December 18, 2019.

**RESOLUTION TO BE ADOPTED BY THE BOARD OF DIRECTORS
OF CITIZENS FIRST BANK**

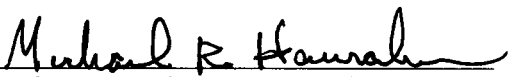
WHEREAS, Stephen C. Clements, has been employed by the corporation since November 7, 2011, and has contributed valuable service to the corporation throughout such employment as a key executive member of the corporation;

WHEREAS, the Board believes it is in the best interests of the corporation to provide incentives for Stephen C. Clements to remain in the employ of the corporation;

WHEREAS, the Board has considered various alternatives to supplement the retirement benefits presently offered to the key employees, and has now reviewed a draft of the Officer Deferred Compensation Plan for Stephen C. Clements; which is modified specifically for Stephen C. Clements from the original Officer Deferred Compensation plan adopted December 31, 2016 for Kathy Forrest and Keith Hook who were identified as key employees in the original plan of the corporation.

BE IT THEREFORE RESOLVED, that the President of the corporation is authorized and directed to execute and deliver the Officer Deferred Compensation Plan for Stephen C. Clements, plan to be effective on December 18, 2019 subject to all requisite regulatory approvals. The President is further authorized and directed to instruct counsel to submit all necessary data required by the Department of Labor to exempt the Agreement from the requirements of Title I of the Employee Retirement Income Security Act of 1974, as amended, and all requisite applications for regulatory approval of the Agreement.

CITIZENS FIRST BANK

by: 
Michael R. Hanrahan, Personnel Committee Chairperson

**CITIZENS FIRST BANK
OFFICER DEFERRED COMPENSATION PLAN
For Stephen C. Clements**

This plan, which shall be known as the Citizens First Bank Officer Deferred Compensation Plan (the Plan), is adopted as of the 18th day of December 2019, by Citizens First Bank (the Company). The Company intends that the Plan shall at all times be administered and interpreted in such manner as to constitute an unfunded Plan for a select group of management and highly compensated employees who contribute materially to the continued growth of the Company, so as to qualify for all available exemptions from the provisions of Title I of ERISA.

1. **Company Deferral.** The Company, at its discretion, may defer additional compensation on behalf of a deferred compensation plan participant. The Company will notify the participant of its intention to make a deferral.

A. **Vesting.** Each annual Company deferral will cliff vest on December 1, four years and eleven months after the close of the Company fiscal year (December 31) for which the deferral is related. For example, a Company deferral made relating to the corporate fiscal year ending December 31, 2016 will become vested on December 1, 2021.

B. **Payment Election.** At the time of deferral, the participant will elect in writing whether they wish to receive the deferred compensation in a lump sum payment or in equal monthly payments over a period not to exceed 7 years after retirement. If the participant does not provide a written payment election, the deferred compensation will be paid in a lump sum.

2. **Participant Deferral Election.** The Participant may elect to annually defer up to a maximum of \$25,000 in any combination of his or her base pay or of his or her bonus. The two elections shall be made separately.

A. Any base pay or bonus deferral elections under this section must be made on or before December 31 to be effective for the immediately following calendar year. At the time of the deferral election the participant must also make a payment election.

B. Once made, a deferral election cannot be revoked for the remainder of that calendar year. All elections shall be made in written form and shall be signed and dated by the Participant.

3. **Deferred Compensation Account.** The Company shall place the amount of the Participant's Deferred Compensation in a Deferred Compensation Account ("Account") created for this purpose.

The Company shall be the sole owner of the Account, and the Participant shall have no title to or ownership interest in the Account (or any other asset of the Company) prior to its distribution to the Participant. The Account shall be unfunded, kept in

cash or invested and reinvested in mutual funds, stocks, bonds, publicly traded securities or other assets suitable for investment by fiduciaries.

Account Earnings Credit. The deferred compensation account will earn interest annually that is based on the Wall Street Journal (WSJ) Prime Rate during the employment of the participant. The Prime Rate used for each year will be the Prime Rate on January 1st of the year of calculation with a ceiling of 6%. The balance to which the Prime Rate is applied will be the average account balance for the year computed based on the balance of the account at the beginning of each calendar month. Company deferrals will be considered credited to the account on the first day of the year following the year for which the deferral is made. The account will be credited with an annual interest rate of 5% after the employee has separated from service if they have elected to receive payment of their deferred compensation over a period of 12 months or more.

Nothing in this section shall be deemed to create a trust for the Participant's benefit or to give the Participant any beneficial interest in the Account or any other asset of the Company. The assets of the Account shall remain available to the Company's general creditors until their distribution to the Participant.

4. **Payment of Deferred Compensation.** The deferred compensation will be paid to the Participant if any of the following events occurs:

A. **Separation from Service.** If the Participant separates from service with the Company, whether it happens voluntarily by the participant or by the Company not for cause.

B. **Death or Disability.** For purposes of this Plan, "disability" shall be defined as a medically determinable physical or mental impairment that can be expected to result in death or that can be expected to last for a continuous period of at least twelve (12) months during which the Participant is either unable to engage in any substantial gainful employment or has received income replacement benefits under a Company disability plan for a period of not less than three (3) months.

C. **Change in Ownership.** A change in ownership occurs when any person or group acquires more than 50% of the total fair market value or voting power of the stock of the Company.

D. **Change in Effective Control.** A change in the effective control of the Company is presumed to occur when either (i) any person or group acquires, within a 12 month period, 30% or more of the voting power of the stock of the Company, or (ii) a majority of the Company's Board of Directors is replaced during any 12 month period by individuals not endorsed by a majority of the then current members of the board. This presumption may be rebutted by establishing that the acquisition of stock or the replacement of directors did not transfer the power to control the management and policies of the Company from any one person (or group) to another person (or group).

E. **Change in Ownership of Substantial Portion of the Company's Assets.** A change in ownership of a substantial portion of the Company's assets occurs when any person or group acquires, within a 12-month period, assets having a fair market value of at least 40% of the fair market value of the Company's assets. This would

include the sale of a subsidiary representing 40% or more of the fair market value of the assets of the Company.

5. **Termination for Cause.** If it is determined by the Board that the participant is or will be terminated for misconduct or if the Board determines that the participant has violated the restrictive covenant of their employment agreement, the participant shall forfeit the portion of their deferred compensation balance attributable to Company deferrals and any earnings of such deferrals. Additionally, any amounts already paid to the participant shall be repaid to the Company within 30 days. Termination for Cause means termination of employment for any of the following reasons:

- i. Conviction of a crime in which the Company is the victim;
- ii. Engaging in business activities directly in competition with the Company;
- iii. Intentionally harming a customer, vendor or contractor of the Company or unlawfully interfering with the normal relations between the Company and its customers, vendors or contractors;
- iv. Engaging in personal conduct which brings significant discredit to the business or reputation of the Company; or,
- v. Breaching a material provision of any other agreement between the parties.

6. **Timing of Payment of Deferred Compensation Account.** The Participant shall receive payment of the Deferred Compensation Account as further provided herein. Any such payment shall be subject to income tax and payroll tax withholding in accordance with the Company's usual payroll practices. The events described below shall be the only events entitling the Participant to receive payment of the Deferred Compensation Account.

A. **Voluntary Separation from Service.** If payment is being made because the participant has voluntarily separated from service they will be eligible to receive all voluntary participant deferrals and vested Company deferrals. The participant will forfeit any unvested Company deferrals. If payment is being made for a voluntary separation from service, the participant will be paid in a lump sum within 60 days of termination.

B. **Involuntary Separation from Service Not for Cause.** If payment is being made because the Company has involuntarily terminated the Participant not for cause, the Participant shall receive payment of all voluntary participant deferrals and all vested and unvested Company deferrals. If payment is being made for an involuntary separation from service not for cause the participant will be paid in a lump sum within 60 days of termination.

C. **Retirement.** If the participant separates from employment after the age of 62 all unvested awards will become vested. The payment of the deferred compensation will be in the manner that was previously elected by the participant pursuant to Paragraph 1 or 2.

D. **Change of Control or Change of Ownership.** If payment is being made because of a Change of Control or Change in Ownership, a lump sum payment of the Deferred Compensation Account will be made within sixty (60) days of the Change of Control or Change in Ownership. If the participant is receiving installment

payments when a Change of Control or Change in Ownership is completed, the participant will be vested and paid within sixty (60) days.

E. **Death or Disability.** If payment is being made because of the Participant's death or disability, a lump sum payment of the Deferred Compensation Account shall be made within sixty (60) days of the Participant's death or the date on which the Company determines that he or she is disabled. If the participant is receiving installment payments when a participant dies or becomes disabled, the participant will be vested and payment will be made within sixty (60) days.

- (1) The Participant may provide the Company with a written and signed designation of the beneficiary who shall be entitled to receive the Deferred Compensation Account on the Participant's death. The Participant may change that beneficiary designation at any time, and each new designation shall supersede all previous ones. If there is no beneficiary designated at the time of the Participant's death (or if the Participant's designated beneficiary is not then living), distribution shall be made to the executor or administrator of the Participant's estate.
- (2) If the Participant is disabled, payment may be made to any court-appointed conservator or guardian for the Participant or to any family member responsible for his or her care. The Board of Directors of the Company shall decide whether payment can be made to the disabled Participant, or if not, how best to make such payment. The receipt of the person chosen by the Board of Directors to receive the payment shall be a full release of the Company which shall have no further liability with respect to the payment.

7. **Miscellaneous.**

A. **Administration.** This Plan shall be administered by the Board of Directors of the Company, and the Board of Directors is hereby authorized to construe and interpret this document and to make all decisions required to implement and administer the Plan. The Company shall bear all expenses relating to the implementation and administration of this Plan.

B. **No Trust Created.** Nothing in this Plan, and no action taken pursuant to its provisions by any person shall create, or be construed to create, a trust of any kind, or a fiduciary relationship between the Company and any other person.

C. **Benefits Payable Only From General Corporate Assets (Unsecured General Creditor Status of Participant).** (a) Payments to the Participant or any Beneficiary hereunder shall be made from assets which shall continue, for all purposes, to be part of the general, unrestricted assets of the Company. No person shall have any interest in any such asset by virtue of any provision of this Plan. The Company's obligation hereunder shall be an unfunded and unsecured promise to pay money in the future. To the extent that any person acquires a right to receive payments from the Company under the provisions hereof, such right shall be no greater than the right of any unsecured general creditor of the Company; no such person shall have or acquire any legal or equitable right, interest or claim in or to any property or assets of the Company. (b) In the event that, in its discretion, the

Company purchases an insurance policy or policies insuring the life of a Participant (or any other property), to allow the Company to recover or meet the cost of providing benefits, in whole or in part, hereunder, no Participant or Beneficiary shall have any rights whatsoever therein or in the proceeds wherefrom. The Company shall be the sole owner and beneficiary of any such insurance policy or property and shall possess and may exercise all incidents of ownership therein.

D. Amendment. The Company shall have the right to change this Plan at any time by action of the Board of Directors. Any such change shall be prospective only unless it is necessary to comply with Section 409A of the Internal Revenue Code. Any change in the Plan terms shall be communicated in writing to the Participant at least thirty (30) days prior to its effective date unless such change is necessary to comply with Internal Revenue Code 409A in which case the change may be effective without thirty (30) days' advance notice to the Participant.

E. Compliance with IRC Code 409A. This Plan is intended to comply with Sections 409A of the Internal Revenue Code and shall be interpreted and administered to so comply. In the event the terms of this Plan would subject a Participant to taxes or penalties under Section 409A of the Code ("409A Penalties"), the Company shall amend the terms of the Plan to avoid such 409A Penalties, to the extent possible; provided that in no event shall the Company be responsible for any 409A Penalties that arise in connection with any amounts payable under this Plan.

F. ERISA Status. This Plan is intended to be a "top hat" plan for purposes of ERISA.

G. Governing Law. For issues not governed by Federal Law, ERISA or the Internal Revenue Code, this Plan shall be administered under the laws of the state of Iowa.

H. No Right to Continued Employment. The adoption and maintenance of this Plan shall not constitute a contract of employment between the Company and the Participant or give the Participant the right to be retained as an employee of the Company.

IN WITNESS WHEREOF, Citizens First Bank has adopted this Plan by appropriate corporate action this 18th day of December, 2019.

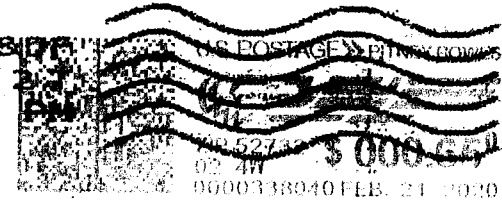
CITIZENS FIRST BANK

By:

CITIZENS FIRST BANK

1442 Lincoln Way
Clinton, Iowa 52732

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Secretary of Labor
Top Hat Plan Exemption
Pension and Welfare Benefits Admin
Room 10-1513
US Department of Labor
200 Constitution Avenue NW
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