

Kentucky First Federal Bancorp
Form DEF 14A
October 11, 2013

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No. ____)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material pursuant to §240.14a-12

KENTUCKY FIRST FEDERAL BANCORP

(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):

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

N/A

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

N/A

(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):

N/A

(4) Proposed maximum aggregate value of transaction:

N/A

(5) Total fee paid:

N/A

Fee paid previously with preliminary materials:

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

(1) Amount Previously Paid:

N/A

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

N/A

(3) Filing Party:

N/A

(4) Date Filed:

N/A

Parent Company of First Federal Savings and Loan of Hazard

and First Federal Savings Bank of Frankfort

October 11, 2013

Dear Stockholder:

We invite you to attend the Annual Meeting of Stockholders (the “Annual Meeting”) of Kentucky First Federal Bancorp (the “Company”) to be held at First Federal Center on the campus of Hazard Community and Technical College located at One Community College Drive, Hazard, Kentucky on Thursday, November 14, 2013 at 3:30 p.m., Eastern time.

The attached Notice of Annual Meeting and Proxy Statement describe the formal business to be transacted at the meeting. During the meeting, we will also report on the Company’s operations to date. Directors and officers of the Company and First Federal Savings and Loan Association of Hazard and First Federal Savings Bank of Frankfort will be present to respond to any questions the stockholders may have.

ON BEHALF OF THE BOARD OF DIRECTORS, WE URGE YOU TO SIGN, DATE AND RETURN THE ACCOMPANYING PROXY CARD AS SOON AS POSSIBLE EVEN IF YOU CURRENTLY PLAN TO ATTEND THE ANNUAL MEETING. Your vote is important, regardless of the number of shares you own. This will not prevent you from voting in person but will ensure that your vote is counted if you are unable to attend the Annual Meeting.

On behalf of the Board of Directors and all the employees of the Company and First Federal of Hazard and First Federal of Frankfort, we wish to thank you for your continued support.

Sincerely,

Sincerely,

/s/ Tony D. Whitaker

/s/ Don D. Jennings

Tony D. Whitaker

Don D. Jennings

Chairman of the Board

President and

Chief Executive Officer

KENTUCKY FIRST FEDERAL BANCORP

479 Main Street

P.O. Box 1069

Hazard, Kentucky 41702

NOTICE OF 2013 ANNUAL MEETING OF STOCKHOLDERS

TIME AND DATE 3:30 p.m. on Thursday, November 14, 2013

PLACE

First Federal Center
Hazard Community and Technical College Campus
One Community College Drive
Hazard, Kentucky 41701

ITEMS OF BUSINESS

- (1) To elect three directors to serve for terms of three years each and one director to serve for a term of one year;
- (2) To ratify the selection of Crowe Horwath, LLP as our independent registered public accounting firm for the fiscal year ending June 30, 2014;
- (3) To vote on a non-binding resolution to approve the compensation of the named executive officers;
- (4) To vote on the frequency of the advisory vote on the compensation of the named executive officers; and
- (5) Such other business as may properly come before the meeting.
The Board of Directors is not aware of any other business to come before the meeting.

RECORD DATE

In order to vote, you must have been a stockholder at the close of business on September 30, 2013.

PROXY VOTING

It is important that your shares be represented and voted at the meeting. You can vote your shares by completing and returning the proxy card or voting instruction card sent to you. You can revoke a proxy at any time prior to its exercise at the meeting by following the instructions in the proxy statement. A copy of the following proxy

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statement and the enclosed proxy card are also available on the Internet at
<https://materials.proxyvote.com/491292>.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ Deborah C. Bersaglia
Secretary

Hazard, Kentucky

October 11, 2013

PROXY STATEMENT

GENERAL INFORMATION

We are providing this proxy statement to you in connection with the solicitation of proxies by the Board of Directors of Kentucky First Federal Bancorp (“Kentucky First” or the “Company”) for the 2013 Annual Meeting of Stockholders (the “Annual Meeting”) and for any adjournment or postponement of the meeting. The annual meeting will be held at First Federal Center on the campus of Hazard Community and Technical College located at One Community College Drive, Hazard, Kentucky on Thursday, November 14, 2013, at 3:30 p.m., Eastern time, and at any adjournment thereof.

We intend to mail this proxy statement and the enclosed proxy card to stockholders of record beginning on or about October 11, 2013.

NOTICE OF AVAILABILITY OF PROXY MATERIALS

Important Notice Regarding the Availability of Proxy Materials for the Stockholders Meeting to be Held on November 14, 2013.

The proxy statement and the 2013 Annual Report to Stockholders are available on the Internet at <https://materials.proxyvote.com/491292>.

Who Can Vote at the Meeting

You are entitled to vote the shares of Kentucky First Federal Bancorp common stock that you owned as of the close of business on September 30, 2013. As of the close of business on September 30, 2013 (the “Record Date”), a total of 8,529,178 shares of Kentucky First Federal Bancorp common stock were outstanding. Each share of common stock

has one vote.

Ownership of Shares; Attending the Meeting

You may own shares of Kentucky First Federal Bancorp in one of the following ways:

- Directly in your name as the stockholder of record;
- Indirectly through a broker, bank or other holder of record in “street name”; or
- Indirectly in the First Federal Savings and Loan Association of Hazard Employee Stock Ownership Plan.

If your shares are registered directly in your name, you are the holder of record of these shares and we are sending these proxy materials directly to you. As the holder of record, you have the right to give your proxy directly to us or to vote in person at the annual meeting.

If you hold your shares in street name, your broker, bank or other holder of record is sending these proxy materials to you. As the beneficial owner, you have the right to direct your broker, bank or other holder of record how to vote by filling out a voting instruction card that accompanies your proxy materials. Your broker, bank or other holder of record may allow you to provide voting instructions by telephone or by the Internet. Please see the voting instruction card provided by your broker, bank or other holder of record that accompanies this proxy statement. **If you hold your shares in street name, you will need proof of ownership to be admitted to the meeting.** A recent brokerage statement or letter from a bank or broker are examples of proof of ownership. If you want to vote your shares of Kentucky First Federal Bancorp common stock held in street name in person at the meeting, you must obtain a written proxy in your name from the broker, bank or other nominee who is the record holder of your shares.

If you are a participant in the ESOP, see “*Participants in the First Federal Savings and Loan Association of Hazard Employee Stock Ownership Plan*” below for information on how to vote your shares.

Quorum and Vote Required

Quorum. We will have a quorum and will be able to conduct the business of the Annual Meeting if the holders of at least a majority of the outstanding shares of common stock entitled to vote are present at the meeting, either in person or by proxy. Because First Federal MHC owns in excess of 50% of the outstanding shares of Kentucky First Common Stock, the votes it casts will insure the presence of a quorum.

Votes Required for Proposals. At this year’s annual meeting, stockholders will elect three directors to serve for terms of three years and one director to serve for a term of one year. In voting on the election of directors, you may vote in favor of the nominees, withhold votes as to all nominees, or withhold votes as to specific nominees. There is no cumulative voting for the election of directors. Directors must be elected by a plurality of the votes cast at the annual meeting. This means that the nominees receiving the greatest number of votes will be elected.

In voting to ratify the appointment of Crowe Horwath, LLP as the Company’s independent registered public accounting firm, you may vote in favor of this proposal, vote against this proposal, or abstain from voting. To be approved, this matter requires the affirmative vote of a majority of the votes cast at the annual meeting.

In the advisory vote on the non-binding resolution to approve the compensation of the named executive officers, you may vote in favor of the proposal, vote against the proposal or abstain from voting. To approve the non-binding resolution on an advisory basis, the affirmative vote of a majority of the votes cast at the annual meeting is required.

In the advisory vote on the frequency of the stockholder vote to approve the compensation of the named executive officers, you may vote for a frequency of every one, two, or three years or abstain from voting. The option of one year, two years or three years that receives the highest number of votes cast will be the frequency selected by the Company's stockholders.

How We Count Votes. If you return valid proxy instructions or attend the meeting in person, we will count your shares for purposes of determining whether there is a quorum, even if you abstain from voting. Broker non-votes, if any, also will be counted for purposes of determining the existence of a quorum.

In the election of directors, votes that are withheld and broker non-votes will have no effect on the outcome of the election.

In voting to ratify the appointment of the independent registered public accountants, the non-binding resolution to approve the compensation of the named executive officers and the proposal with respect to the frequency of the stockholder vote to approve the compensation of the named executive officers, abstentions and broker non-votes will not be counted as votes cast and will have no effect on the outcome of the voting on the proposal.

Effect of Not Casting Your Vote. If you hold your shares in street name it is critical that you cast your vote if you want it to count in the election of directors or on either of the advisory votes regarding the compensation of our named executive officers (Proposals 1, 3 and 4 of this proxy statement). Current regulations restrict the ability of your bank or broker to vote your uninstructed shares in the election of directors and other matters on a discretionary basis. Thus, if you hold your shares in street name and you do not instruct your bank or broker how to vote in the election of directors or with respect to the advisory votes regarding the compensation of our named executive officers, no votes will be cast on these matters on your behalf. These are referred to as broker non-votes. Your bank or broker does, however, continue to have discretion to vote any uninstructed shares on the ratification of the appointment of the Company's independent registered public accounting firm (Proposal 2 of this proxy statement).

Voting by Proxy

The Board of Directors of Kentucky First Federal Bancorp is sending you this proxy statement for the purpose of requesting that you allow your shares of Company common stock to be represented at the annual meeting by the persons named in the enclosed proxy card. All shares of Company common stock represented at the annual meeting by properly executed and dated proxy cards will be voted according to the instructions indicated on the proxy card. If you sign, date and return a proxy card without giving voting instructions, your shares will be voted as recommended by the Company's Board of Directors.

The Board of Directors recommends that you vote:

“FOR” each of the nominees for director;

“FOR” ratification of Crowe Horwath, LLP as the Company's independent registered public accounting firm for the fiscal year ending June 30, 2014;

“FOR” the approval of the compensation of the named executive officers; and

To hold the advisory vote to approve the compensation of the named executive officers every year.

If any matters not described in this proxy statement are properly presented at the annual meeting, the persons named in the proxy card will vote your shares as determined by a majority of the Board of Directors. This includes a motion to adjourn or postpone the annual meeting in order to solicit additional proxies. If the annual meeting is postponed or adjourned, your Kentucky First Federal Bancorp common stock may be voted by the persons named in the proxy card on the new annual meeting date as well, unless you have revoked your proxy. We do not know of any other matters to be presented at the annual meeting.

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 Secretary of the Company in writing before your common stock has been voted at the annual meeting, deliver a later-dated proxy or attend the meeting and vote your shares in person. Attendance at the annual meeting will not in itself constitute revocation of your proxy.

Participants in the First Federal Savings and Loan Association of Hazard Employee Stock Ownership Plan

If you participate in the First Federal Savings and Loan Association of Hazard Employee Stock Ownership Plan (the “ESOP”), you will receive a voting instruction card that reflects all shares you may direct the ESOP trustees to vote on your behalf under the plan. Under the terms of the ESOP, the ESOP trustees vote all allocated shares of Company common stock held by the ESOP as directed by the plan participants. The ESOP trustees, subject to the exercise of their fiduciary duties, will vote all unallocated shares of Company common stock held by the ESOP and allocated shares for which no voting instructions are received in the same proportion as shares for which it has received timely voting instructions. Please return your proxies to the transfer agent as early as possible.

CORPORATE GOVERNANCE AND BOARD MATTERS

Director Independence

The Company's Board of Directors currently consists of nine members, all of whom are independent under the listing standards of the Nasdaq Stock Market, except William H. Johnson, Tony D. Whitaker and Don D. Jennings. In determining the independence of its directors, the Board considered transactions, relationships and arrangements between the Company and its directors that are not required to be disclosed in this proxy statement under the heading "*Other Information Relating to Directors and Executive Officers -- Transactions with Related Persons.*" These include loans and lines of credit made by the banks in the ordinary course of business, which are made in compliance with federal lending regulations regarding loans to insiders and approved by the appropriate bank board of directors. In determining that Directors Stephen G. Barker and W. Banks Hudson are independent, the Board of Directors considered that they had been paid \$31,503 from First Federal of Hazard and \$16,774 from First Federal of Frankfort, respectively, in legal fees for services provided to the banks during the year ended June 30, 2013.

Board Leadership Structure and Board's Role in Risk Oversight

Beginning on January 1, 2013, the positions of Chief Executive Officer and Chairman of the Board were separated due to Tony D. Whitaker's retirement from day to day activity and Don Jennings' appointment as Chief Executive Officer. Mr. Whitaker continues to serve as Chairman of the Board of the Company and First Federal of Hazard but no longer serves as Chief Executive Officer of those entities. The Board of Directors has not designated a lead independent director.

The Company's Board of Directors endorses the view that one of its primary functions is to protect stockholders' interests by providing independent oversight of management, including the Chief Executive Officer. However, the Board does not believe that mandating a particular structure is necessary to achieve effective oversight. The Board of the Company is currently comprised of nine directors, six of whom are independent directors under the listing standards of the Nasdaq Stock Market. The Chairman of the Board has no greater nor lesser vote on matters considered by the Board than any other director, and the Chairman does not vote on any related party transaction. All directors of the Company, including the Chairman, are bound by fiduciary obligations, imposed by law, to serve the best interests of the stockholders. Accordingly, separating the offices of Chairman and Chief Executive Officer would not serve to enhance or diminish the fiduciary duties of any director of the Company.

To further strengthen the regular oversight of the full Board, all various committees of the Board are comprised of independent directors. The Compensation Committee of the Board consists solely of independent directors. The Compensation Committee reviews and evaluates the performance of all executive officers of the Company, including

the Chief Executive Officer and reports to the Board. In addition, the Audit Committee, which is comprised solely of independent directors, oversees the Company's financial practices, regulatory compliance, accounting procedures and financial reporting functions. In the opinion of the Board of Directors, an independent chairman or the designation of a lead independent director does not add any value to this already effective process.

Risk is inherent with every business, and how well a business manages risk can ultimately determine its success. We face a number of risks, including credit risk, interest rate risk, liquidity risk, operational risk, strategic risk and reputation risk. Management is responsible for the day-to-day management of risks the Company faces, while the Board, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, the Board of Directors has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate and functioning as designed. To do this, the Chairman of the Board meets regularly with management to discuss strategy and risks facing the Company. Senior management attends the board meetings and is available to address any questions or concerns raised by the Board on risk management and any other matters. The Chairman of the Board and independent members of the Board work together to provide strong, independent oversight of the Company's management and affairs through its standing committees and, when necessary, special meetings of independent directors.

Committees of the Board of Directors

Below we provide the Company's standing committees and their members. All members of each committee are independent in accordance with the listing requirements of the Nasdaq Stock Market. The Board's Audit, Compensation, and Nominating/Corporate Governance Committees each operate under a written charter that has been approved by the Board of Directors. Each committee reviews and reassesses the adequacy of its charter at least annually.

Audit Committee. The Company has a separately designated Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The Audit Committee is comprised of Chairman David R. Harrod, Walter G. Ecton, Jr., William D. Gorman, Jr. and Herman D. Regan, Jr. The committee met five times during the year. The Company's Board of Directors has determined that one member of the Audit Committee, David R. Harrod, qualifies as an "audit committee financial expert" under the rules of the Nasdaq Stock Market.

The function of the Audit Committee is to review and discuss the audited financial statements with management, internal audit and the independent auditors; to determine the independent accountants' qualifications and independence; to engage the independent auditors of the Company; to review the internal audit function and internal accounting controls; to review the internal audit plan; to review the Company's compliance with legal and regulatory requirements; and to review the Company's auditing, accounting and financial processes generally. The Audit Committee operates under a written charter, a copy of which is posted on the website of First Federal Savings Bank of Frankfort at www.ffsbfrankfort.com/Audit.pdf.

Compensation Committee. The Compensation Committee is comprised of Chairman Herman D. Regan, Jr., Walter G. Ecton, Jr., and William D. Gorman, Jr. The committee met twice in 2013. The Compensation Committee evaluates the compensation and fringe benefits of the directors, officers and employees and recommends changes. The Compensation Committee reviews all components of compensation, including salaries, cash incentive plans, equity incentive plans and various employee benefit matters. Decisions by the Compensation Committee with respect to the compensation of executive officers are approved by the full Board of Directors. The Chief Executive Officer makes recommendations to the Compensation Committee regarding compensation of directors and executive officers other than himself, but final compensation decisions are made by the Board of Directors based on the recommendation of the Compensation Committee.

The Compensation Committee operates under a written charter that establishes the Compensation Committee's responsibilities. The Compensation Committee and the Board of Directors review the Charter periodically to ensure that the scope of the charter is consistent with the Compensation Committee's expected role. Under the charter, the Compensation Committee is charged with general responsibility for the oversight and administration of the Company's compensation program. The charter vests in the Compensation Committee principal responsibility for determining the compensation of the Chief Executive Officer based on the Compensation Committee's evaluation of his performance.

The charter also authorizes the Compensation Committee to engage consultants and other professionals without management approval to the extent deemed necessary to discharge its responsibilities. The Compensation Committee charter is posted on the website of First Federal Savings Bank of Frankfort at www.ffsbfrankfort.com/Compensation.pdf.

Nominating/Corporate Governance Committee. The Nominating/Corporate Governance Committee is comprised of Chairman Walter G. Ecton, Jr., David R. Harrod, William D. Gorman, Jr. and Herman D. Regan, Jr. The Board of Directors' Nominating/Corporate Governance Committee nominates directors to be voted on at the annual meeting and recommends nominees to fill any vacancies on the Board of Directors. The Board of Directors has adopted a charter for the Nominating/Corporate Governance Committee a copy of which is posted on the website of First Federal Savings Bank of Frankfort at www.ffsbfrankfort.com/Nominating.pdf.

It is the policy of the Nominating/Corporate Governance Committee to consider director candidates recommended by security holders who appear to be qualified to serve on the Company's Board of Directors. Any stockholder wishing to recommend a candidate for consideration by the Nominating/Corporate Governance Committee as a possible director nominee for election at an upcoming annual meeting of stockholders must provide written notice to the Nominating/Corporate Governance Committee of such stockholder's recommendation of a director nominee no later than the July 1st preceding the annual meeting of stockholders. Notice should be provided to: Secretary, Kentucky First Federal Bancorp, P.O. Box 1069, Hazard, Kentucky 41702-1069. Such notice must contain the following information:

The name of the person recommended as a director candidate;

All information relating to such person that is required to be disclosed in solicitations of proxies for election of directors pursuant to Regulation 14A under the Securities Exchange Act of 1934;

The written consent of the person being recommended as a director candidate to being named in the proxy statement as a nominee and to serving as a director if elected;

As to the stockholder making the recommendation, the name and address, as he or she appears on the Company's books, of such stockholder; provided, however, that if the stockholder is not a registered holder of the Company's common stock, the stockholder should submit his or her name and address, along with a current written statement from the record holder of the shares that reflects ownership of the Company's common stock; and

A statement disclosing whether such stockholder is acting with or on behalf of any other person and, if applicable, the identity of such person.

In its deliberations, the Nominating/Corporate Governance Committee considers a candidate's personal and professional integrity, knowledge of the banking business and involvement in community, business and civic affairs, and also considers whether the candidate would provide for adequate representation of the banks' market areas. Any nominee for director made by the Nominating/Corporate Governance Committee must be highly qualified with regard to some or all the attributes listed in the preceding sentence. In searching for qualified director candidates to fill vacancies in the Board, the Nominating/Corporate Governance Committee solicits the Company's then current directors for the names of potential qualified candidates. Moreover, the Nominating/Corporate Governance Committee may ask its directors to pursue their own business contacts for the names of potentially qualified candidates. The Nominating/Corporate Governance Committee would then consider the potential pool of director candidates, select a candidate based on the candidate's qualifications and the Board's needs, and conduct a thorough investigation of the proposed candidate's background to ensure there is no past history that would cause the candidate not to be qualified to serve as a director of the Company. In the event a stockholder has submitted a proposed nominee, the Nominating/Corporate Governance Committee would consider the proposed nominee in the same manner in which the Nominating/Corporate Governance Committee would evaluate nominees for director recommended by directors.

The Nominating Committee seeks to create a Board that is strong in its collective knowledge and has a diversity of skills and experience with respect to accounting and finance, management and leadership, vision and strategy, business operations, business judgment, industry knowledge and corporate governance. Accordingly, the Board of Directors will consider the following criteria in selecting nominees: financial, regulatory and business experience; familiarity with and participation in the local community; integrity, honesty and reputation; dedication to the Company and its stockholders; independence; and any other factors the Board of Directors deems relevant, including age, diversity, size of the Board of Directors and regulatory disclosure obligations.

With respect to nominating an existing director for re-election to the Board of Directors, the Nominating/Corporate Governance Committee will consider and review an existing director's Board and committee attendance and performance, length of Board service, experience, skills and contributions that the existing director brings to the Board and independence.

Board and Committee Meetings

The Board of Directors of the Company meets quarterly and may have additional special meetings. During the year ended June 30, 2013, the Board of Directors of the Company met eight times. No director attended fewer than 75% in the aggregate of the total number of Company Board of Directors meetings held during the year ended June 30, 2013 and the total number of meetings held by Committees on which he served during such fiscal year.

Director Attendance at Annual Meeting of Stockholders

Directors are expected to prepare themselves for and to attend all Board meetings, the Annual Meeting of Stockholders and the meetings of the Committees on which they serve, with the understanding that on occasion a director may be unable to attend a meeting. All directors attended the Company's 2012 annual meeting of stockholders held on November 15, 2012.

Code of Ethics and Business Conduct

Kentucky First has adopted a Code of Ethics and Business Conduct that applies to all of its directors, officers and employees. To obtain a copy of this document at no charge, please write to Kentucky First Federal Bancorp, P.O. Box 535, Frankfort, Kentucky 40602-0535, or call toll-free (888) 818-3372 and ask for Investor Relations.

Director Compensation

The following table provides the compensation received by individuals who served as non-employee directors of the Company during the 2013 fiscal year. This table excludes perquisites, which did not exceed \$10,000 in the aggregate for each director.

Name	Fees Earned or Paid in Cash (\$)	Option Awards (\$)(1)	Total (\$)
Stephen G. Barker	14,800	0	14,800
Walter G. Ecton, Jr.	14,800	0	14,800
William D. Gorman, Jr.	14,800	0	14,800
David R. Harrod	14,100	0	14,100
Herman D. Regan, Jr.	14,100	0	14,100
W. Banks Hudson	9,900	0	9,900

(1) There were no grants of options during the 2013 fiscal year. At June 30, 2013, five directors had the following options all with an exercise price of \$10.10: Director Barker, 21,000 vested; Director Ecton, 21,000 vested; Director Gorman, none, Director Harrod, 21,000 vested; and Director Regan, 21,000 vested.

Fees. Each nonemployee director of the Company receives a quarterly retainer of \$900, and each member of the Kentucky First Audit Committee receives \$900 per meeting attended on a date on which there is not also a meeting of the full Board of Directors. Effective October 1, 2013, the quarterly retainer of was increased to \$1,800. Officers of Kentucky First who are directors are not compensated for their service as directors. Directors who also serve as directors of First Federal of Hazard receive \$10,800 annually plus \$400 for serving on the investment committee. Directors who also serve as directors of First Federal of Frankfort receive \$10,500 annually plus \$100 for certain committee meetings. Officers of either Bank who are also directors are not compensated for their service as directors.

AUDIT RELATED MATTERS

Report of the Audit Committee

The Company's management is responsible for the Company's internal controls and financial reporting process. The independent registered public accounting firm is responsible for performing an independent audit of the Company's consolidated financial statements and issuing an opinion on the conformity of those financial statements with generally accepted accounting principles. The Audit Committee oversees the Company's internal controls and financial reporting on behalf of the Board of Directors.

In this context, the Audit Committee has met and held discussions with management and the independent registered public accounting firm. Management represented to the Audit Committee that the Company's consolidated financial statements were prepared in accordance with generally accepted accounting principles, and the Audit Committee has reviewed and discussed the consolidated financial statements with management and the independent registered public accounting firm. The Audit Committee discussed with the independent registered public accounting firm matters required to be discussed pursuant to U.S. Auditing Standards No. 380 (The Auditor's Communication With Those Charged With Governance), including the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements.

In addition, the Audit Committee has received the written disclosures and the letter from the independent registered public accounting firm required by the applicable requirements of the Public Company Accounting Oversight Board and has discussed with the independent registered public accounting firm the auditors' independence from the Company and its management. In concluding that the auditors are independent, the Audit Committee considered, among other factors, whether the non-audit services provided by the auditors were compatible with its independence.

The Audit Committee discussed with the Company's independent registered public accounting firm the overall scope and plans for its audit. The Audit Committee meets with the independent registered public accounting firm, with and without management present, to discuss the results of its examination, its evaluation of the Company's internal controls, and the overall quality of the Company's financial reporting.

In performing all of these functions, the Audit Committee acts only in an oversight capacity. In its oversight role, the Audit Committee relies on the work and assurances of the Company's management, which has the primary responsibility for financial statements and reports, and of the independent registered public accounting firm who, in its report, express an opinion on the conformity of the Company's financial statements to generally accepted accounting principles. The Audit Committee's oversight does not provide it with an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or policies, or appropriate internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, the Audit Committee's considerations and discussions with management and the independent registered public accounting firm do not assure that the Company's financial statements are presented in accordance with generally accepted accounting principles, that the audit of the Company's consolidated financial statements has been carried out in accordance with the standards of the Public Company Accounting Oversight Board or that the Company's independent registered public accounting firm is in fact "independent."

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board has approved, that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the year ended June 30, 2013 for filing with the Securities and Exchange Commission. The Audit Committee and the Board of Directors also have approved, subject to stockholder ratification, the selection of Crowe Horwath, LLP as the Company's independent registered public accounting firm for the 2014 fiscal year.

Members of the Audit Committee

David R. Harrod (Chairman)

Walter G. Ecton, Jr.

William D. Gorman, Jr.

Herman D. Regan, Jr.

Auditor Fees

The following table sets forth the fees billed to the Company for the fiscal years ended June 30, 2013 and 2012 by Crowe Horwath, LLP:

	2013	2012
Audit fees ⁽¹⁾	\$79,882	\$64,694
Audit-related fees ⁽²⁾	15,000	14,500
Tax fees ⁽³⁾	7,800	11,125
All other fees ⁽⁴⁾	21,500	22,601
Total	124,182	\$112,920

(1) Audit fees consist of fees for professional services rendered for the audit of the Company's annual financial statements.

(2) Audit-related fees include review of quarterly reports on Form 10-Q filed by the Company.

(3) Tax services fees consist of fees for tax compliance services, including preparation of federal and state income tax returns.

(4) These services were associated with the Company's acquisition of Central Kentucky Federal Bancorp.

Pre-Approval of Services by the Independent Auditor

The Audit Committee does not have a policy for the pre-approval of non-audit services to be provided by the Company's independent registered public accounting firm. Any such services would be considered on a case-by-case basis. All non-audit services provided by the independent auditors in fiscal years 2013 and 2012 were approved by the Audit Committee. However, certain services such as the review of the Company's public filings, review of the Company's tax returns, and general discussions with management regarding accounting issues, which may be construed as necessary for the accurate completion of the audit, are approved in advance on an annual basis. The Committee has also approved the engagement of Crowe Horwath, LLP to prepare the company's consolidated tax return for the year ended June 30, 2014.

STOCK OWNERSHIP

Persons and groups beneficially owning more than 5% of Kentucky First Federal Bancorp common stock are required to file certain reports with respect to such ownership pursuant to the Securities Exchange Act of 1934, as amended. The following table sets forth information regarding the shares of Common Stock beneficially owned as of September 30, 2013 by persons known to the Company who beneficially own more than 5% of the common stock, each of the Company's directors, the non-director executive officer and by all directors and executive officers as a group.

	Shares of Common Stock Beneficially Owned as of the Record Date (1)		Percent of Class (2)	
Persons Owning Greater than 5%:				
First Federal MHC 479 Main Street P.O. Box 1069 Hazard, Kentucky 41702	4,727,938	55.4	%	
Directors:				
Tony D. Whitaker	220,574	(3)	2.6	
Don D. Jennings	107,925		1.3	
Stephen G. Barker	49,731		*	
Walter G. Ecton, Jr.	44,202	(4)		
William D. Gorman, Jr.	11,666		*	
David R. Harrod	30,495		*	
Herman D. Regan, Jr.	69,775		*	
W. Banks Hudson	42,900	(6)	*	
William H. Johnson	45,567		*	
Executive Officer Who is Not a Director:				
R. Clay Hulette	104,107	(5)	1.2	
All directors, nominees, and executive officers of the Company as a group (10) persons)	726,942	(7)	8.2	

* Represents less than 1% of the shares outstanding.

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- In accordance with Rule 13d-3 under the Exchange Act, a person is deemed to be the beneficial owner, for purposes of this table, of any shares of Common Stock if he has or shares voting or investment power with respect to such Common Stock or has a right to acquire beneficial ownership at any time within 60 days from the Record Date. As used herein, “voting power” is the power to vote or direct the voting of shares and “investment power” is the
- (1) power to dispose or direct the disposition of shares. Amounts shown include 105,000, 52,000, 21,000, 21,000, 21,000, 21,000, 0, 52,000, 0, 0 and 293,000 shares which may be acquired by Messrs. Whitaker, Jennings, Barker, Ecton, Harrod, Regan, Gorman, Hudson, Johnson and Hulette and by all directors, nominees, and executive officers of the Company as a group, respectively, upon the exercise of options exercisable within 60 days of the Record Date.
- (2) Based on a total of 8,529,178 shares of Common Stock outstanding as of the Record Date.
- (3) Includes 15,000 owned by Mr. Whitaker’s spouse.
- (4) Includes 600 shares in Mr. Ecton’s spouse’s IRA.
- (5) Includes 26,819 shares owned by Mr. Hulette&rsqu