

Athens Bancshares Corporation



April 12, 2017

Dear Fellow Shareholder:

You are cordially invited to attend the annual meeting of shareholders of Athens Bancshares Corporation. The meeting will be held at the Sherman Fine Arts Building, Tennessee Wesleyan University, 204 East College Street, Athens, Tennessee, on Wednesday, May 17, 2017 at 9:00 a.m., local time.

The notice of annual meeting and proxy statement appearing on the following pages describe the formal business to be transacted at the annual meeting. Our directors and senior officers, as well as representatives of Mauldin & Jenkins, LLC, our independent auditors, will be present to respond to appropriate questions from shareholders.

It is important that your shares are represented at the annual meeting, whether or not you attend the annual meeting in person and regardless of the number of shares you own. To make sure your shares are represented, we urge you to vote promptly via the Internet or telephone or by completing and mailing the enclosed proxy card. If you attend the annual meeting, you may vote in person even if you have previously mailed a proxy card or voted via the Internet or by telephone.

We look forward to seeing you at the annual meeting.

Sincerely,

A handwritten signature in black ink that reads "Jeffrey L. Cunningham". The signature is written in a cursive, flowing style.

Jeffrey L. Cunningham
President and Chief Executive Officer

ATHENS BANCSHARES CORPORATION
106 Washington Avenue
Athens, Tennessee 37303
(423) 745-1111

NOTICE OF 2017 ANNUAL MEETING OF SHAREHOLDERS

TIME AND DATE..... 9:00 a.m., local time, on Wednesday, May 17, 2017.

PLACE Sherman Fine Arts Building, Tennessee Wesleyan University,
204 East College Street, Athens, Tennessee.

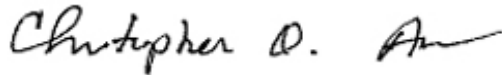
ITEMS OF BUSINESS.....

- (1) To elect three directors;
- (2) To ratify the appointment of Mauldin & Jenkins, LLC to serve as our independent auditors for the fiscal year ending December 31, 2017; and
- (3) To transact such other business as may properly come before the annual meeting and any adjournment or postponement of the annual meeting. (Note: The Board of Directors is unaware of any such other business.).

VOTING RECORD DATE In order to be eligible to vote, you must have been a shareholder at the close of business on March 31, 2017.

PROXY VOTING..... It is important that your shares be represented and voted at the annual meeting. You can vote your shares via the Internet, by telephone or by completing and returning the proxy card or voting instruction form sent to you. You can revoke your proxy at any time before its exercise at the annual meeting by following the instructions in the accompanying proxy statement.

By Order of the Board of Directors



Christopher O. Adams
Corporate Secretary

Athens, Tennessee
April 12, 2017

ATHENS BANCSHARES CORPORATION

2017 ANNUAL MEETING 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 Athens Bancshares Corporation for use at the 2017 annual meeting of shareholders and for any adjournment or postponement of the meeting.

Athens Bancshares Corporation is the holding company for Athens Federal Community Bank, National Association. In this proxy statement, we may refer to Athens Bancshares Corporation as the “Company,” “we,” “our” or “us” and to Athens Federal Community Bank as the “Bank.”

We will hold the annual meeting of shareholders at the Sherman Fine Arts Building, Tennessee Wesleyan University, 204 East College Street, Athens, Tennessee, on Wednesday, May 17, 2017 at 9:00 a.m., local time.

This proxy statement and the enclosed proxy card are being mailed on or about April 12, 2017 to shareholders of record at the close of business on March 31, 2017.

INFORMATION ABOUT VOTING

Stockholders Who Can Vote at the Annual Meeting

You are entitled to vote your shares of Company common stock that you owned as of March 31, 2017. As of the close of business on that date, 1,791,244 shares of common stock were outstanding and entitled to vote. Each share of common stock is entitled to one vote. However, our charter provides that record holders of our common stock who beneficially own, either directly or indirectly, in excess of 10% of the outstanding shares are not entitled to any vote with respect to those shares held in excess of the 10% limit.

Ownership of Shares; Attending the Annual Meeting

You may own shares of our common stock in one or more of the following ways:

- Directly in your name as the shareholder of record;
- Indirectly through a broker, bank or other holder of record in “street name”;
- Indirectly through the Athens Federal Community Bank, National Association Employee Stock Ownership Plan (the “ESOP”);
- Indirectly through the Athens Federal Community Bank, National Association 401(k) Plan (the “401(k) Plan”); or
- Indirectly through the Athens Bancshares Corporation 2010 Equity Incentive Plan (the “Equity Incentive 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 form 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. Refer to the instruction form 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 annual meeting. Examples of proof of ownership include a recent brokerage account statement or a letter from a bank or broker. If you want to vote your shares of common stock held in street name in person at the annual 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 own shares of common stock indirectly through the ESOP, the 401(k) Plan or the Equity Incentive Plan, see “*Participants in the ESOP, 401(k) Plan, and Equity Incentive Plan*” for voting information.

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 a majority of the outstanding shares of common stock entitled to vote are present at the annual meeting, either in person or by proxy.

Vote Required for Proposals. Shareholders will vote on the election of three directors. In voting on the election of directors, you may vote in favor of all 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, meaning that the nominees receiving the greatest number of votes will be elected.

In voting on the ratification of the appointment of the appointment of Mauldin & Jenkins, LLC to serve as our independent auditors, you may vote in favor of the proposal, against the proposal or abstain from voting. Ratification requires the affirmative vote of a majority of the votes cast.

Routine and Non-Routine Proposals. Applicable stock exchange rules determine whether a proposal presented at a shareholder meeting is routine or non-routine. If a proposal is routine, a broker or other entity holding shares for an owner in street name may vote on the proposal without receiving voting instructions from the beneficial owner. If a proposal is non-routine, the broker or other entity may vote on the proposal only if the beneficial owner has provided voting instructions. A broker non-vote occurs when a broker or other entity is unable to vote on a particular proposal and the broker or other entity has not received voting instructions from the beneficial owner. The election of directors is considered a non-routine proposal. The proposal to ratify the appointment of Mauldin & Jenkins, LLC to serve as our independent auditors is considered a routine proposal.

How We Count Votes. If you return valid proxy instructions or attend the annual meeting in person, we will count your shares for purposes of a quorum, even if you abstain from voting. Broker non-votes also will be counted for purposes 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 counting votes on the ratification of the appointment of the independent auditors, abstentions and broker non-votes will have no effect on the outcome of the proposal.

Voting by Proxy

We are sending you this proxy statement to request 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 common stock represented at the annual meeting by properly executed and dated proxies 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, the persons named as proxies in the enclosed proxy card will vote your shares as recommended by the Company's Board of Directors. **The Board of Directors unanimously recommends that you vote:**

- **"FOR"** all of the nominees for director; and
- **"FOR"** the ratification of the appointment of Mauldin & Jenkins, LLC to serve as the Company's independent auditors.

If any matters not described in this proxy statement are properly presented at the annual meeting, the persons named as proxies in the proxy card will use their judgment to determine how to vote your shares. This includes a motion to adjourn or postpone the annual meeting to solicit additional proxies. If the annual meeting is postponed or adjourned, your shares of common stock may be voted by the persons named as proxies in the proxy card on the new meeting date, provided that the new meeting occurs within 30 days of the original date of the annual meeting and you have not revoked your proxy. We do not currently 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 annual meeting. To revoke your proxy, you must advise the Company's Corporate Secretary in writing before your shares have been voted at the annual meeting, deliver a later-dated and properly executed proxy, or attend the annual meeting and vote your shares in person. Attendance at the annual meeting will not in itself constitute revocation of your proxy.

Instead of voting by completing and mailing a proxy card, registered shareholders can vote their shares of common stock via the Internet or by telephone. The Internet and telephone voting procedures are designed to authenticate shareholders' identities, allow shareholders cast their vote and confirm that their vote has been recorded properly. Specific instructions for Internet and telephone voting are set forth on the proxy card. **The deadline for voting via the Internet or by telephone is 1:00 a.m., local time, on Wednesday, May 17, 2017.**

Participants in the ESOP, 401(k) Plan and Equity Incentive Plan

If you participate in the ESOP or if you invest in Company common stock through the 401(k) Plan, you will receive a voting instruction form for each plan that reflects all shares you may direct the trustees to vote on your behalf under the plan. Under the terms of the ESOP, the ESOP trustee will vote all allocated shares of common stock held by the ESOP as directed by plan participants. The ESOP trustee generally will vote all unallocated shares of common stock held by the ESOP and allocated shares for which no timely voting instructions are received in the same proportion as shares for which the trustee has received timely voting instructions, subject to the exercise of its fiduciary duties. Under the terms of the 401(k) Plan, a participant may direct the stock fund trustees of the 401(k) Plan how to vote the shares in the Athens Bancshares Corporation Stock Fund credited to his or her account. The stock fund trustees will vote all shares for which timely voting instructions are not received in the same proportion as shares for which the trustees received voting instructions. If you participate in the Equity Incentive Plan, you

also will receive a voting instruction card to direct the Equity Incentive Plan trustee how to vote the unvested shares of common stock awarded to you under the Equity Incentive Plan. **The deadline for returning your voting instruction forms is May 10, 2017.**

CORPORATE GOVERNANCE

Director Independence

Based on the definition of “independent director” contained in the NASDAQ Stock Market listing rules, the Board of Directors has determined that all of the Company’s directors are independent, except for Jeffrey L. Cunningham who serves as President and Chief Executive Officer of both the Company and the Bank.

Corporate Governance Policy

The Board of Directors has adopted a corporate governance policy to govern certain activities, including: the duties and responsibilities of directors; the composition, responsibilities and operations of the Board of Directors; the establishment and operation of Board committees; succession planning; convening executive sessions of independent directors; the Board of Directors’ interaction with management and third parties; and the evaluation of the performance of the Board of Directors and of the President and Chief Executive Officer.

Code of Ethics and Business Conduct

We have adopted a code of ethics and business conduct which applies to all of the Company’s and the Bank’s directors, officers and employees. A copy of the code of ethics and business conduct is available in the Investor Relations section of our website (www.athensfederal.com).

Committees of the Board of Directors

The following table identifies our standing committees and their members. All members of each committee are considered independent under the listing requirements of the NASDAQ Stock Market. Each committee operates under a written charter that is approved by the Board of Directors and that governs its composition, responsibilities and operation. Each committee reviews and reassesses the adequacy of its charter at least annually. The charters of all three committees are available in the Investor Relations section of our website (www.athensfederal.com).

Director	Audit Committee	Compensation Committee	Nominating/ Corporate Governance Committee
Elaine M. Cathcart.....		X	X
Jeffrey L. Cunningham.....			
Raymond A. Grant.....	X	X	X
G. Scott Hannah.....	X	Chair	X
G. Timothy Howard.....		X	X
Myra NanDora Jenne.....	X	X	X
M. Darrell Murray.....	X	X	X
Lyn B. Thompson.....	Chair	X	X
Larry D. Wallace.....		X	Chair
<i>Number of meetings in 2016.....</i>	4	5	1

Audit Committee. The Audit Committee is responsible for providing oversight relating to our consolidated financial statements and financial reporting process, systems of internal accounting and financial controls, internal audit function, annual independent audit and the compliance and ethics programs established by management and the Board. The Audit Committee is also responsible for engaging the Company's independent auditing firm and monitoring its conduct and independence.

Compensation Committee. The Compensation Committee approves the compensation objectives for the Company and the Bank, establishes the compensation for the Company's and Bank's senior management and conducts the performance review of the President and Chief Executive Officer. The Compensation Committee reviews all components of compensation, including salaries, cash incentive plans, long-term 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 Compensation Committee also reviews the recommendations of the President and Chief Executive Officer as to compensation and any other remuneration for all other officers and employees. The Compensation Committee also assists the Board of Directors in evaluating potential candidates for executive positions.

Nominating/Corporate Governance Committee. The Nominating/Corporate Governance Committee assists the Board of Directors in: (1) identifying individuals qualified to become Board members, consistent with criteria approved by the Board; (2) recommending to the Board the director nominees for the next annual meeting; (3) implementing policies and practices relating to corporate governance, including implementation of and monitoring adherence to corporate governance guidelines; (4) leading the Board in its annual review of the Board's performance; and (5) recommending director nominees for each committee.

Board and Committee Meetings

During the fiscal year ended December 31, 2016, the Company's Board of Directors held 12 meetings and the Bank's Board of Directors held 12 meetings. No director attended fewer than 75% of the total meetings of the Company's or of the Bank's Board of Directors and their respective committees during the time period such director served during the fiscal year ended December 31, 2016.

Director Compensation

The following table sets forth the retainers and fees that we are paying to our directors for their service on the Boards of Directors of the Bank and the Company during the fiscal year ending December 31, 2017.

<i>Board of Directors of Athens Federal Community Bank, National Association:</i>	
Monthly Retainer	\$1,500
Additional Monthly Retainer for Chairman of the Board	500
Additional Monthly Retainer for Audit Committee Chairperson	1,000
Additional Monthly Retainer for Compensation Committee Chairperson	500
 <i>Board of Directors of Athens Bancshares Corporation:</i>	
Monthly Retainer	\$ 400

For the fiscal year ended December 31, 2016, the Company and the Bank together paid an aggregate of \$206,400 in retainers and fees to their directors.

Executive Compensation

The Compensation Committee is appointed by the Board of Directors to discharge the Board's responsibilities relating to executive compensation. See "*Committees of the Board of Directors – Compensation Committee*" above.

STOCK OWNERSHIP

The following table provides information, as of March 31, 2017, about the persons (other than our directors and executive officers) known to us to be the beneficial owners of more than 5% of our outstanding shares of common stock. A person may be considered to beneficially own any shares of common stock over which the person, directly or indirectly, has sole or shared voting or investment power.

<u>Name and Address</u>	<u>Number of Shares Owned</u>	<u>Percent of Common Stock Outstanding</u> ⁽¹⁾
Athens Federal Community Bank, National Association 401(k) Plan 106 Washington Avenue Athens, Tennessee 37303	292,295	16.32%
Athens Federal Community Bank, National Association Employee Stock Ownership Plan 106 Washington Avenue Athens, Tennessee 37303	215,623 ⁽²⁾	12.04
Ronald L. Havner, Jr. LeeAnn R. Havner The Havner Family Trust c/o Public Storage, Inc. 701 Western Avenue Glendale, California 91201	150,000 ⁽³⁾	8.37

(1) Based on 1,791,244 shares of common stock outstanding as of March 31, 2017.

(2) As of March 31, 2017, 97,127 shares had been allocated to ESOP participants' accounts.

(3) As reported on a Non-Objecting Beneficial Owners, or NOBO, list as of January 18, 2017.

The following table provides information, as of March 31, 2017, about the shares of Company common stock that may be considered to be beneficially owned by our directors and executive officers. A person may be considered to beneficially own any shares of common stock over which he or she has, directly or indirectly, sole or shared voting or investment power. Unless otherwise indicated, each individual has sole voting and investment power with respect to the shares shown and has not pledged any of his or her shares.

<u>Name</u>	<u>Number of Shares Owned</u> ⁽¹⁾⁽²⁾⁽³⁾	<u>Number of Shares That May Be Acquired Within 60 Days By Exercising Options</u>	<u>Total</u>	<u>Percent of Common Stock Outstanding</u> ⁽⁴⁾
<i>Directors:</i>				
Elaine M. Cathcart.....	63,592 ⁽⁵⁾	4,761	68,353	3.81%
Jeffrey L. Cunningham.....	52,649	55,545	108,194	5.86
Raymond A. Grant.....	100	—	100	*
G. Scott Hannah.....	52,573 ⁽⁶⁾	11,902	64,475	3.58
G. Timothy Howard.....	12,261	11,902	24,163	1.34
Myra NanDora Jenne.....	15,161	11,902	27,063	1.50
M. Darrell Murray.....	39,960 ⁽⁷⁾	—	39,960	2.23
Lyn B. Thompson.....	40,486 ⁽⁸⁾	11,902	52,388	2.91
Larry D. Wallace.....	10,000	11,902	21,902	1.21
<i>Executive Officers Who Are Not Directors:</i>				
Michael R. Hutsell.....	53,346 ⁽⁹⁾	55,545	108,891	5.90
Jay Leggett, Jr.....	82,891 ⁽¹⁰⁾	20,829	103,720	5.72
Ross A. Millsaps.....	19,921	3,334	23,255	1.30
S. Shane Sewell.....	13,956	3,333	17,289	*
All Directors and Executive Officers as a Group (13 persons).....	456,896	202,857	659,653	33.08%

* Less than 1%.

- (1) Includes shares held in the 401(k) Plan through a unitized Employer Stock Fund as follows: Mr. Cunningham (29,861 shares); Mr. Hutsell (25,633 shares); Mr. Leggett (25,227 shares); Mr. Millsaps (13,331 shares); and Mr. Sewell (7,012 shares).
- (2) Includes unvested shares of restricted stock held in the Equity Incentive Plan as follows: Mr. Millsaps (665 shares) and Mr. Sewell (666 shares).
- (3) Includes allocated ESOP shares as follows: Mr. Cunningham (5,570 shares); Mr. Hutsell (5,245 shares); Mr. Leggett (5,127 shares); Mr. Millsaps (3,257 shares); and Mr. Sewell (2,612 shares).
- (4) Based on 1,791,244 shares of the Company's common stock outstanding and entitled to vote as of March 31, 2017.
- (5) Includes 5,500 shares held in an individual retirement account ("IRA"), 13,400 shares held by spouse, and 6,600 shares held by spouse in his IRA.
- (6) Includes 28,097 shares held in an IRA and 14,715 shares held by spouse in her IRA.
- (7) Includes 15,000 shares held in an IRA and 12,383 shares held by spouse.
- (8) Includes 10,000 shares held in an IRA and 25,725 shares held by spouse in his IRA.
- (9) Includes 150 shares held as custodian for niece and 100 shares held as custodian for nephew.
- (10) Includes 7,800 shares held by his sons.

ITEMS OF BUSINESS TO BE VOTED ON BY SHAREHOLDERS

Item 1 — Election of Directors

The Company's Board of Directors consists of nine members. The Board is divided into three classes with three-year staggered terms, with approximately one-third of the directors elected each year. There are no family relationships among the directors.

Three directors will be elected at the annual meeting. The nominees are Raymond A. Grant, Myra NanDora Jenne and Larry D. Wallace. Each individual is currently a director of the Company and the Bank.

Unless you indicate on the proxy card that your shares should not be voted for a nominee(s), the Board of Directors intends that the proxies solicited by it will be voted for the election of all of the Board's nominees. If any nominee is unable to serve, the persons named in the proxy card would vote your shares to approve the election of any substitute nominee proposed by the Board of Directors. At this time, we know of no reason why any nominee might be unable to serve.

The Board of Directors unanimously recommends a vote "FOR" all of the nominees for director.

Information regarding each nominee for director and each director continuing in office is provided below. Unless otherwise stated, each individual has held his or her current occupation for the last five years. Ages presented are as of December 31, 2016. Each director of the Company also serves as a director of the Bank. The starting year of service as director includes service tenure on the Bank's Board of Directors.

Board Nominees for Director for Terms Ending in 2020

Raymond A. Grant has served as the Assistant Director for Human Resources for the Athens City School District since 2001. Age 60. Director since 2015.

Myra NanDora Jenne is a practicing attorney at Jenne, Scott & Jenne, PLLC, a law firm located in Cleveland, Tennessee. Age 48. Director since 2010.

Larry D. Wallace serves as Chairman of the Board of Directors of the Bank and the Company. He previously served as the Director of the Tennessee Bureau of Investigation for 12 years from 1992 through 2003. Upon his retirement as Director of the Tennessee Bureau of Investigation, Mr. Wallace returned home to Athens, Tennessee, where he served as Vice President of Administration and then as Assistant to the President for Special Projects of Tennessee Wesleyan College until his retirement as of March 31, 2015. He is currently an independent consultant. Age 71. Director since 2006.

Directors Continuing in Office with Terms Ending in 2018

Elaine M. Cathcart is a retired Chief Manager of Mayfield Realty. Age 68. Director since 1993.

Jeffrey L. Cunningham serves as President and Chief Executive Officer of both the Company and the Bank. He is a licensed attorney with significant experience in real estate and probate law as well as general corporate and commercial practice. He joined the Bank as Chief Operating Officer in October 1999 and became President and Chief Executive Officer in March 2000. Age 59. Director since 1992.

G. Timothy Howard is the President of Howard Brothers Logging, Inc., a timber products company. Age 58. Director since 2001.

Directors Continuing in Office with Terms Ending in 2019

G. Scott Hannah is the retired owner of Hiwassee Sales, Inc., a wholesale beverage distributor. Age 66. Director since 2003.

M. Darrell Murray is a self-employed realtor and auctioneer. Age 71. Director since 1993.

Lyn B. Thompson is a self-employed certified public accountant. Age 57. Director since 2005.

Item 2 — Ratification of the Appointment of Independent Auditors

Mauldin & Jenkins, LLC served as our independent auditors for the fiscal year ended December 31, 2016. The Audit Committee of the Board of Directors has appointed Mauldin & Jenkins, LLC to serve as the independent auditors for the fiscal year ending December 31, 2017, subject to ratification by shareholders. A representative of Mauldin & Jenkins, LLC is expected to be present at the annual meeting to respond to appropriate questions from shareholders and will have the opportunity to make a statement should he desire to do so.

If the ratification of the appointment of the independent auditors is not approved by a majority of the shares cast at the annual meeting, the Audit Committee of the Board of Directors may consider other independent auditors.

The Board of Directors unanimously recommends a vote “FOR” the ratification of the appointment of Mauldin & Jenkins, LLC to serve as our independent auditors for the fiscal year ending December 31, 2017.

SUBMISSION OF BUSINESS PROPOSALS AND SHAREHOLDER NOMINATIONS

The Company’s Bylaws provide that, in order for a shareholder to make nominations for the election of directors or proposals for business to be brought before the annual meeting, a shareholder must deliver notice of such nomination and/or proposals to the Corporate Secretary not less than 90 days before the date of the annual meeting. However, if less than 100 days’ notice or prior public disclosure of the annual meeting is given to shareholders, such notice must be delivered not later than the close of business on the tenth day following the day on which notice of the annual meeting was mailed to shareholders or public disclosure of the annual meeting date was made. A copy of the Bylaws may be obtained from the Company.

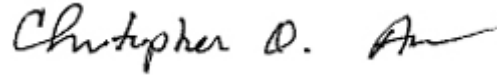
MISCELLANEOUS

The Company will pay the cost of this proxy solicitation. We will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses they incur in sending proxy materials to the beneficial owners of our common stock. In addition to soliciting proxies by mail, directors, officers and regular employees of the Company may solicit proxies personally or by telephone without receiving additional compensation.

The Company’s 2016 Annual Report accompanies this proxy statement. The Annual Report is not considered a part of the proxy solicitation materials nor is it incorporated in the proxy solicitation materials by reference.

Whether or not you plan to attend the annual meeting, please vote by marking, signing, dating and promptly returning the enclosed proxy card in the enclosed envelope or by voting via the Internet or by telephone.

By Order of the Board of Directors

A handwritten signature in black ink that reads "Christopher O. Adams". The signature is written in a cursive style with a long, sweeping tail on the final letter.

Christopher O. Adams
Corporate Secretary

Athens, Tennessee
April 12, 2017