

FIRSTFED FINANCIAL CORP.

CHARTER OF THE GOVERNANCE & NOMINATING COMMITTEE

I. Committee Purpose:

The Governance & Nominating Committee ("Committee") is appointed by the Board to recommend Corporate Governance guidelines and to establish and maintain a continuous improvement process in order to help the Board and individual Directors become more valuable as strategic assets of the Company, contributing to the long-term success of the enterprise.

II. Membership, Organization, Meetings and Reporting:

- A. The Committee will consist of at least three Directors who meet the independence requirement of the New York Stock Exchange. The Committee will generally invite the CEO to attend, except when doing annual evaluations.
- B. The members of the Committee shall be appointed by the Board at the annual organizational meeting on the recommendation of the Governance & Nominating Committee for a term of one year. The Board will designate a chairman from the Committee's membership to preside over meetings. Committee members may be replaced by the Board.
- C. The Committee will establish its meeting schedule.
- D. The Committee will report, through its Chairman, its work and findings to the Board of Directors at its next regularly scheduled meeting following the Committee meeting, including any recommendations for Board actions when appropriate.

III. Responsibilities and Duties:

- A. Reviewing Board Corporate Governance guidelines and committee charters annually and recommending any needed changes to the Board.
- B. Keeping abreast of developments in the corporate governance field.
- C. Reviewing with the Board, on an annual basis, the appropriate skills and characteristics required on the Board in keeping with the strategic direction of the Company.
- D. Identifying, attracting and recommending Director candidates as openings occur.
- E. Assessing, on behalf of the Board, the skills and experience of prospective new Board members.
- F. Assisting Management in designing an orientation program for new Directors and consulting with them on their progress.
- G. Managing the process whereby the full Board assesses its own performance and reports results to the Board along with any recommendations for improvements.
- H. Managing the process whereby current Board members are evaluated individually by the Board.
- I. Providing advice and counsel to individual Board members based on the results of their evaluations.
- J. Managing the process whereby the CEO is evaluated by the Board.

- K. Investigating any potential conflict of interest involving a Director, including not for profits.
- L. The Governance & Nominating Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

The Committee shall annually review its performance.