

FIRST FOUNDATION INC.

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

I. Purpose

The purpose of the Audit Committee (the “*Committee*” or “*Audit Committee*”) of the Board of Directors (the “*Board*”) of First Foundation Inc. (the “*Company*”) is to assist the Board in fulfilling its oversight responsibilities with respect to (i) the quality and integrity of the Company’s consolidated financial statements and financial accounting practices, (ii) the effectiveness of the Company’s internal control over financial reporting, (iii) the Company’s compliance with legal and regulatory requirements (together with the Company’s Risk Committee), (iv) the qualifications and independence of the Company’s independent auditors, (v) the performance of the independent auditors within the Company’s Internal Audit function, and (vi) in conjunction with the Risk Committee of the Board, the Company’s risk management functions.

The function of the Committee is oversight. The management of the Company is responsible for the preparation, presentation and integrity of the Company’s financial statements and the effectiveness of internal control over financial reporting. Management is responsible for maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures that provide for compliance with accounting standards and applicable laws and regulations. The independent auditor(s) is responsible for planning and carrying out a proper audit of the Company’s annual financial statements, reviewing the Company’s quarterly financial statements prior to the filing of each quarterly report on Form 10-Q, annually reporting on the effectiveness of the Company’s internal control over financial reporting and other procedures. The independent auditors for the Company are accountable to the Board and the Committee as representatives of First Foundation stockholders.

In addition, the Committee will prepare the report of the Committee required by the rules of the Securities and Exchange Commission (the “*SEC*”) to be included in the Company’s annual proxy statement or Annual Report on Form 10-K.

II. Membership

A. Appointment of Committee Members. The Committee shall consist of at least three members of the Board. The members of the Committee shall be appointed by and serve at the discretion of the Board. The Chairman of the Committee also shall be appointed by the Board. Committee members may be removed, without cause, by the affirmative vote of the majority of the Board of Directors at any time. Any Committee member may resign effective upon giving oral or written notice to the Chairman of the Board, the Corporate Secretary or the full Board of Directors (unless the notice specifies a later time for the effectiveness of such resignation). Vacancies occurring on the Committee shall be filled by the Board.

B. Independence Requirements. Each member of the Committee shall (1) be an “independent director” as defined under the listing standards of the New York Stock Exchange

(“*NYSE*”), (2) satisfy the independence requirements applicable to the Committee members set forth in the rules and regulations promulgated by the SEC, (3) be free from any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment as a Committee member, and (4) meet any other requirements imposed by applicable laws, rules, regulations or NYSE listing standards, subject to any applicable exemptions and transition provisions.

C. Additional Audit Committee Membership Requirements. Each member of the Committee must be financially literate, as determined by the Board. At least one member of the Committee must have accounting or related financial management expertise, as determined by the Board. At least one member of the Committee must be an “audit committee financial expert” as defined under the rules promulgated by the SEC. A person who satisfies this definition of audit committee financial expert will also be presumed to have accounting or related financial management expertise. No member may be a member of more than three public company audit committees (including this Committee), unless the Board has determined that doing so will not impair the member’s ability to serve effectively on this Committee, which determination is properly disclosed in the Company’s annual proxy statement.

In addition, each member of the Committee shall be an “outside director” (as defined in the regulations of the Federal Deposit Insurance Corporation (the “*FDIC*”) at 12 C.F.R. Section 363.5(a)(3)) who is “independent of management” (as determined by the Board in accordance with the guidelines and interpretations of the FDIC at 12 C.F.R. Part 363, Appendix A). Not less than two members of this Committee shall have “banking or related financial management expertise,” and no member of this Committee shall be a “large customer” (each as determined by the Board in accordance with the guidelines and interpretations of the FDIC at 12 C.F.R. Part 363, Appendix A).

III. Responsibilities and Authority

The following are general guidelines establishing the responsibilities and authority of the Committee. This list is not intended to be exhaustive and, subject to the approval of the Board, the Committee may modify the list as appropriate, establishing policies and procedures as required or recommended to meet its purposes and carry out its principal functions.

A. with respect to the Independent Auditors, the Committee shall:

1. Be directly responsible for the selection, retention, compensation, termination, and oversight of the Company’s independent auditors, which are engaged for the purpose of preparing and issuing an audit report, and performing other audit, review or attest services for the Company. The independent auditors will report directly to the Committee.

2. Select, retain, compensate, oversee and terminate, if necessary, any other registered public accounting firm(s) engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company.

3. Be directly responsible for oversight of the work of the independent auditors, including resolution of any disagreements between management and the independent auditors regarding financial reporting.

4. Evaluate at least annually the independent auditors' qualifications, performance and independence, taking into consideration the opinions of management and the Company's Chief Audit Executive (CAE). The Committee shall assure the regular rotation of the audit partners as required under the rules promulgated by the SEC. The Committee shall also review and assess the continuing independence of the Company's independent auditors in compliance with applicable laws, rules, regulations, NYSE listing requirements and accounting guidance. In this regard, the Committee shall, at least annually, obtain and review a report by the Company's independent auditors that describes (1) the independent auditors' internal quality control procedures, (2) any material issues raised by the most recent internal quality control review, peer review or Public Company Accounting Oversight Board review or inspection of the independent auditors, or by any other inquiry or investigation by governmental or professional authorities in the past five years regarding one or more audits carried out by the independent auditors, and any steps taken to deal with any such issues, and (3) all relationships between the independent auditors and the Company or any of its subsidiaries.

5. Approve the fees and other compensation to be paid to the independent auditors and pre-approve all audit and non-audit related services of the independent auditors permitted by applicable laws, rules, regulations and NYSE listing standards. The Committee may establish pre-approval policies and procedures, as permitted by applicable laws, rules, regulations and NYSE listing standards, for the engagement of the independent auditors to render services to the Company, including, without limitation, policies that would allow the delegation of pre-approval authority to one or more members of the Committee. However, any such services that are so pre-approved must be reported to the full Committee at the next meeting.

B. with respect to the Internal Audit Function, the Committee shall:

1. In conjunction with the Company's CAE, select, engage, oversee, and retain any firms used in a co-sourcing capacity as part of the Company's Internal Audit function, and to review and evaluate qualifications, performance and independence of the members of the Internal Audit function (whether outsourced/co-sourced or performed in-house).

2. Review reports from the Internal Audit Department regarding internal controls and procedures, the Company's financial controls, accounting system, operational controls and procedures, regulatory and legal compliance and changes to the Company's policy and procedures manuals.

3. Review, with the CAE and any firm providing co-sourced internal audit support, the summaries/communication they are expected to provide to the Committee and, as appropriate, the significant reports to management prepared by Internal Audit and management's responses.

4. Review and approve annually (or more frequently as appropriate) the Internal Audit Plan.

5. Review in conjunction with the Chief Executive Officer ("CEO"), the performance and compensation of the CAE on an annual basis and the decision to appoint or terminate the CAE.

C. with respect to Accounting Principles, Financial Statement Reporting, and Internal Control over Financial Reporting, the Committee shall:

1. Review and discuss with the Company's independent auditors (1) all critical accounting policies and practices to be used in the audit; (2) all alternative treatments of financial information within generally accepted accounting principles in the United States ("GAAP") that have been discussed with management, the ramifications of the use of such alternative treatments and the treatment preferred by the auditors; and (3) other material written communications between the auditors and management.

2. Review and discuss with management, the independent auditors, and if appropriate, the CAE, the Company's quarterly and annual financial statements, as well as "Management's Discussion and Analysis of Financial Condition and Results of Operations," and any report or opinion by the independent auditors, prior to distribution to the public or filing with the SEC.

3. Discuss any items required to be communicated by the independent auditors in accordance with the applicable auditing guidance. These discussions should include, among other things, the independent auditors' judgments about the quality and appropriateness of the Company's accounting principles, the reasonableness of significant judgments, the clarity of the disclosures in the Company's financial statements and any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

4. Review and discuss with management, the independent auditors, and, if appropriate, the CAE any items required to be communicated by the independent auditors in accordance with the applicable auditing guidance, including (1) the independent auditors' judgments about the quality and appropriateness of the Company's accounting principles, (2) the reasonableness of significant judgments, (3) the clarity of the disclosures in the Company's financial statements, (4) any audit problems or difficulties, including difficulties encountered by the Company's independent auditors during their audit work (such as restrictions on the scope of their activities or their access to information), (5) any significant disagreements with management, and (6) management's response to these problems, difficulties or disagreements; and to resolve any disagreements between the Company's auditors and management.

5. Review and discuss with management, the independent auditors, and, if appropriate, the CAE any major issues regarding accounting principles and financial statement presentation, including any significant changes in the Company's selection or application of accounting principles; any significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including the effects of alternative GAAP methods; and the effect of regulatory and accounting initiatives and off-balance sheet structures on the Company's financial statements.

6. Recommend to the Board whether the annual financial statements should be included in the Company's Annual Report on Form 10-K.

7. Prepare the report of the Committee required by the rules of the SEC to be included in the Company's annual proxy statement.

8. Review and discuss with management earnings press releases and any financial information and earnings guidance provided to analysts and ratings agencies, including the type of information to be disclosed and type of presentation to be made, and whether and to what extent earnings guidance and similar information shall be disclosed publicly by the Company.

9. Review and discuss the adequacy of the Company's accounting and financial reporting process and systems of internal controls, any significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting, and any fraud involving management or any employee of the Company with a significant role in the Company's internal controls over financial reporting that is disclosed to the Committee by the Company's CEO or Chief Financial Officer(CFO).

10. Discuss any comments or recommendations of the independent auditors outlined in their annual management letter or internal control reports.

11. Establish procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and review any such complaints and submissions that have been received, including current status and the resolution if one has been reached.

12. At least annually, review and approve any allowance for credit losses ("ACL") policies.

13. At least annually, review and approve management's ACL methodology, and review the periodic validation of the Company's ACL models, including review of model validation reports and revisions to the ACL models and methodology, as necessary.

14. On a quarterly basis, review management's assumptions, assessments, changes in the process and justifications for the amounts estimated and reported each quarter for the ACL and the related provision for credit losses, as presented in the Company's ACL Memo, prior to the Company's filing of its quarterly report on Form 10-Q or annual report on Form 10-K.

15. Periodically consult with the independent auditors (without the presence of management) about internal controls, the completeness and accuracy of the Company's financial statements and any other matters that the Committee believes should be discussed with the Committee.

D. Risk Management and Assessment

Review and discuss with management and, as appropriate, the independent auditors and/or CAE the Company's risk management and risk assessment guidelines and policies related to the Company's accounting and financial risk exposures and the steps taken by management to monitor and control these exposures. Additionally, either separately or together with the Company's Risk Committee, review the Company's compliance with applicable laws and regulations and review the Company's policies, procedures and programs designed to promote and monitor legal, ethical and regulatory compliance.

E. Annual Review of Charter

The Committee shall review and assess the adequacy of this Charter at least annually and recommend to the Board any amendments or modifications to the Charter that the Committee deems appropriate.

F. Additional Audit Committee Authority

The Committee is authorized, on behalf of the Board, to do any of the following, as the Committee deems necessary or appropriate in its discretion:

1. Review and evaluate the Committee’s composition and performance on an annual basis and present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.

2. Review on a regular basis the status of any pending or threatened legal matters that could have a significant impact on the Company’s financial statements.

3. Review and assess the adequacy of the Related Party Transactions Policy at least annually and recommend any changes to the Board. Review (a) the fairness of and make decisions regarding any proposed transaction between the Company and any related persons, that are brought to the attention of the Committee, in accordance with the Company’s Related Party Transaction Policy, and (b) any conflicts of interest arising under the Company’s Code of Business and Ethical Conduct, applicable to all Company officers and employees and, subject to certain exceptions, to the Company’s directors, and make any decisions regarding any such conflicts.

4. Form and delegate authority to subcommittees consisting of one or more of its members as the Committee deems appropriate to carry out its responsibilities and exercise its powers; provided that the Committee will ultimately be responsible for the decisions made and actions taken by any such subcommittee.

5. In its sole discretion, directly engage, appoint and oversee such independent legal and other advisors as it deems necessary or advisable to carry out its responsibilities and powers and determine the compensation or fees payable to such counsel or other advisors.

6. Rely upon advice and information that it receives in its discussions and communications with management, the independent auditors and such advisors as may be consulted by the Committee.

7. Request that any officer or employee of the Company, the Company’s outside legal counsel, the Company’s independent auditors, or any other advisor retained by the Company, attend meetings of the Committee or any subcommittee thereof, or meet with any members of or other advisors to the Committee.

8. Perform other activities which are consistent with this Charter, the Company’s Certificate of Incorporation, Bylaws and corporate governance policies (each as amended from time to time), or otherwise required by applicable laws, rules, regulations and

NYSE listing standards.

9. Have the authority to direct and supervise any investigation into any matters within the scope of its responsibilities and, in connection therewith, have access to Company personnel and documents relevant to any such investigation.

10. Set Company hiring policies for employees or former employees of the Company's independent auditors that participated in any capacity in any Company audit.

11. Incur such expenses as are necessary or appropriate in carrying out its duties.

12. Perform such other functions as may be requested by the Board from time to time.

13. With respect to any authority or responsibilities granted to the Committee by this Charter, in lieu of making a final determination with respect thereto, make a recommendation to the full Board for its final approval thereof.

14. Delegate to one or more of their members the authority to pre-approve any audit or non-audit services to be performed by the independent auditor, provided that any such approvals are presented to the Committees at their next scheduled meeting.

IV. Meetings and Procedures

The Committee will meet at least once per quarter or more frequently, as deemed appropriate by the Committee or its Chairman to discuss with management the annual audited financial statements and quarterly financial statements, as applicable. The Committee shall invite any individuals to its meetings as it deems appropriate, to assist in carrying out its duties and responsibilities. The Committee will regularly report to the Board on significant matters related to the Committee's responsibilities and as requested by the Board with respect to other matters. A quorum of the Committee for the transaction of business will be a majority of its members. Meetings may be held telephonically or by video conferencing. The Committee may also act by unanimous written consent in lieu of a meeting, including through electronic communications as permitted under the Company's Bylaws. The Committee should periodically meet in executive session with the CFO, the CAE and the independent auditor(s) to discuss any matters that a committee or any of these persons or firms believes should be discussed privately. The Committee may request any other director, officer or employee of the Company, any consultant of the Company, or the Company's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. A majority of the total number of Committee members shall constitute a quorum. All meetings will be subject to and in accordance with the applicable provisions of Delaware law and the bylaws of the Company, including notice, quorum, voting and approval requirements thereof. The Committee will maintain written minutes of its meetings and will make such minutes available to the Board.

V. Limitations on Audit Committee Responsibilities

Notwithstanding the responsibilities and powers of the Committee set forth in this Charter, the Committee does not have the responsibility of planning or conducting audits of the Company’s financial statements or determining whether the Company’s financial statements are complete, accurate or prepared in accordance with GAAP. Such responsibilities are those of management and, to the extent of the independent auditors’ responsibilities, those of the independent auditors. Each member of the Committee is entitled to rely on the integrity of those persons and organizations within and outside the Company that provides information to the Committee and the accuracy and completeness of the financial and other information provided to the Committee by such persons and organizations absent actual knowledge to the contrary. In addition, the members of the Committee are not independent auditors and the term “review” as used in this Charter is not intended to be interpreted to suggest that the members of the Committee can or should follow the procedures required of auditors performing a review of financial statements.