

COLONY FINANCIAL, INC.

Charter of the Nominating and Corporate Governance Committee of the Board of Directors

A. Purpose

The primary purposes of the Nominating and Corporate Governance Committee (the “**Nominating Committee**”) of the Board of Directors (the “**Board**”) of Colony Financial, Inc. (the “**Company**”) shall be to (i) identify and recommend to the Board individuals qualified to serve as members of the Board, consistent with criteria approved by the Board; (ii) consider and make recommendations to the Board concerning the size and composition of the Board and the structure and composition of Board committees; (iii) develop and recommend to the Board a set of corporate governance guidelines applicable to the Company, and implement and monitor such guidelines as adopted by the Board; (iv) oversee the evaluation of the Board and management; (v) ensure that the Company is in compliance with all corporate governance listing requirements of the New York Stock Exchange (the “**NYSE**”); and (vi) consider corporate governance issues that may arise from time to time and make recommendations to the Board with respect thereto.

B. Committee Membership

The Nominating Committee will consist of no fewer than three members of the Board. Members of the Nominating Committee will be appointed and may be removed by the Board in its discretion. Each member of the Nominating Committee must satisfy the independence requirements of the NYSE, as determined by the Board in its business judgment.

C. Committee Powers, Authority, Duties and Responsibilities

1. Director Nominees. The Nominating Committee shall recommend nominees to the Board for the next annual meeting of stockholders and to fill any vacancies on the Board. This responsibility includes working with the full Board to establish criteria for Board membership, reviewing candidates’ qualifications and any potential conflicts with the Company’s interests, assessing the contributions of current directors in connection with their re-nomination, and making recommendations to the full Board with respect to these matters and with respect to the removal of a director.

2. Director Criteria. The Nominating Committee shall select individuals as director nominees who shall have the highest personal and professional integrity, who shall have demonstrated exceptional ability and judgment and who shall be most effective, in conjunction with the other nominees to the Board, in collectively serving the long-term interests of the Company and its stockholders. In selecting director nominees, the Nominating Committee will assess the nominee’s independence and may consider, among other things, the following, all in the context of an assessment of the perceived needs of the Board at that time:

- diversity, age, background, skills and experience;

- personal qualities and characteristics, accomplishments, and reputation in the business community;
- knowledge and contacts in the communities in which the Company conducts business and in the Company's industry or other industries relevant to the Company's business;
- ability and willingness to devote sufficient time to serve on the Board and committees of the Board;
- knowledge and expertise in various areas deemed appropriate by the Board; and
- fit of the individual's skills, experience, and personality with those of other directors in maintaining an effective, collegial, and responsive Board.

3. Committee Structure. The Nominating Committee shall periodically review the Board's committee structure, including all standing or any ad hoc committees of the Board, and recommend to the Board for its approval such changes in number, function or composition of committees of the Board as the Nominating Committee deems appropriate. In evaluating directors to serve as members of each committee of the Board, the Nominating Committee (i) shall take into account the applicable requirements for members of committees of boards of directors under the Securities Exchange Act of 1934, as amended, and the corporate governance listing requirements of the NYSE and (ii) may take into account such other factors or criteria as the committee deems appropriate, including directors' desires, judgment, skill, integrity and business or other experience. The Nominating Committee shall review and recommend committee composition annually and shall recommend additional committee members to fill vacancies as needed. The Nominating Committee also shall recommend to the Board a member of the Board to serve as Lead Director as set forth in the Company's corporate governance guidelines.

4. Corporate Governance Guidelines. The Nominating Committee shall develop and recommend to the Board a set of corporate governance guidelines applicable to the Company. The Nominating Committee periodically shall review the corporate governance guidelines and recommend changes as necessary to the Board.

5. Board Operations and Compliance. The Nominating Committee, at least annually and more frequently as it deems necessary or appropriate, shall review and make recommendations to the Board concerning the general operations of the Board, including its size and composition. The Nominating Committee also shall (i) advise the Board periodically with respect to the Company's compliance with its corporate governance guidelines and applicable laws and regulations, including the applicable NYSE listing requirements and (ii) consider corporate governance issues that arise from time to time and make recommendations to the Board with respect thereto (including on any remedial or corrective actions to be taken), as the Nominating Committee may deem appropriate.

6. Conflicts of Interest. The Nominating Committee shall consider the possible conflicts of interest of directors and officers and shall conduct an appropriate review of all related person transactions for potential conflicts of interest on an ongoing basis and shall make a recommendation to the Board regarding any such transaction.

7. Performance Evaluations. The Nominating Committee shall oversee the annual evaluation process for the Board, management and the other committees of the Board. At least annually, the Nominating Committee shall undertake a performance evaluation of the Nominating Committee, including an assessment of its performance in light of the duties and responsibilities set forth in this charter and such other matters as the Nominating Committee may deem necessary or advisable in its discretion. In connection with such performance evaluation, the Nominating Committee also shall review and assess the adequacy of this charter, and propose to the Board for its review and approval any changes to this charter deemed necessary or advisable.

8. Other. The Nominating Committee shall have such other power, authority, duties and responsibilities as may be assigned to it by the Board from time to time.

D. Structure and Operation

1. Meetings. The Nominating Committee shall meet with such frequency and at such intervals as it shall determine is necessary to carry out its duties and responsibilities, but in any case no less than once each year. The Nominating Committee will establish a schedule of meetings to be held each year and may schedule additional meetings as it determines to be necessary or appropriate. The Nominating Committee may meet by telephone or videoconference and may take action by unanimous written consent. The Nominating Committee may invite to meetings such officers of the Company, officers of the Company's external manager (the "Manager") or other persons as the Nominating Committee deems necessary or advisable in its discretion. Minutes of each meeting shall be kept and distributed to each member of the Nominating Committee.

2. Chairperson. The Board shall appoint a Chairperson of the Nominating Committee. The Chairperson will be responsible for leadership of the Nominating Committee, including presiding, when present, at all meetings of the Nominating Committee, preparing the agenda, making committee assignments and reporting for the Nominating Committee to the Board at its next regularly scheduled meeting following the meeting of the Nominating Committee. If the Chairperson is not present at a meeting of the Nominating Committee, the members present at the meeting shall designate one such member as the acting Chairperson for the meeting.

3. Delegation of Authority to Subcommittees. The Nominating Committee may delegate its authority to members as the Nominating Committee deems appropriate; provided that, any delegate shall report any actions taken by the delegate to the full Nominating Committee at its next regularly scheduled meeting.

4. Retention and Termination of Outside Advisors. The Nominating Committee shall have the sole authority to retain and terminate such outside independent legal, accounting or other advisors as it deems necessary and advisable in its sole discretion, including any search firm to be used in identifying director candidates. The Nominating Committee shall have the sole authority to approve the fees and other retention terms for such outside advisors. The Company will provide appropriate funding for payment of the compensation (as determined by the Nominating Committee in its sole reasonable opinion) of such outside advisers retained by

the Nominating Committee, as well as reasonable ordinary administrative expenses of the Nominating Committee that are necessary or appropriate in carrying out its duties.

5. Reports to the Board. The Nominating Committee shall report regularly to the Board regarding the matters reviewed and the actions taken at each meeting of the Nominating Committee.

E. Disclosure

This charter, as may be amended from time to time, shall be posted on the Company's website.