

Kentucky First Federal Bancorp  
Form DEF 14A  
October 08, 2010

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:

- |                                     |  |                          |                               |
|-------------------------------------|--|--------------------------|-------------------------------|
| <input type="checkbox"/>            | Preliminary Proxy Statement                  | <input type="checkbox"/> | Confidential, for Use of the  |
| <input checked="" type="checkbox"/> | Definitive Proxy Statement                   |                          | Commission Only (as permitted |
| <input type="checkbox"/>            | Definitive Additional Materials              |                          | by Rule 14a-6(e)(2))          |
| <input type="checkbox"/>            | 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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| <input checked="" type="checkbox"/> | No fee required.   |
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(1) Title of each class of securities to which transaction applies:

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(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):

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(3) Filing Party:

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Parent Company of First Federal Savings and Loan of Hazard  
and First Federal Savings Bank of Frankfort

October 11, 2010

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 11, 2010 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 FORM OF PROXY 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 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,

Tony D. Whitaker  
Chairman of the Board and  
Chief Executive Officer

Don D. Jennings  
President and  
Chief Operating Officer

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KENTUCKY FIRST FEDERAL BANCORP  
479 Main Street  
P.O. Box 1069  
Hazard, Kentucky 41702

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
To Be Held on November 11, 2010

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders (the "Annual Meeting") of Kentucky First Federal Bancorp ("Kentucky First" or the "Company") 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 Tuesday, November 11, 2010, at 3:30 p.m., Eastern time.

A Proxy Statement and Proxy Card for the Annual Meeting are enclosed.

The Annual Meeting is for the purpose of considering and acting upon the following matters:

1. The election of two directors of the Company for three-year terms;
2. The ratification of the appointment of Crowe Horwath, LLP as independent certified public accountants of the Company for the fiscal year ending June 30, 2011; and
3. The transaction of such other business as may properly come before the Annual Meeting or any adjournment thereof.

The Board of Directors is not aware of any other business to come before the Annual Meeting.

Any action may be taken on any one of the foregoing proposals at the Annual Meeting on the date specified above or on any date or dates to which, by original or later adjournment, the Annual Meeting may be adjourned. Stockholders of record at the close of business on September 30, 2010, are the stockholders entitled to notice of and to vote at the Annual Meeting and any adjournment thereof.

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

You are requested to complete and sign the enclosed proxy card which is solicited by the Board of Directors and to mail it promptly in the enclosed envelope. The proxy will not be used if you attend and vote at the Annual Meeting in person.

BY ORDER OF THE BOARD OF DIRECTORS

Deborah C. Bersaglia  
Secretary

Hazard, Kentucky  
October 11, 2010

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IMPORTANT: THE PROMPT RETURN OF PROXIES WILL SAVE THE COMPANY THE EXPENSE OF FURTHER REQUESTS FOR PROXIES IN ORDER TO INSURE A QUORUM. A SELF-ADDRESSED ENVELOPE IS ENCLOSED FOR YOUR CONVENIENCE. NO POSTAGE IS REQUIRED IF MAILED IN THE UNITED STATES.

PROXY STATEMENT  
OF  
KENTUCKY FIRST FEDERAL BANCORP  
479 Main Street  
P.O. Box 1069  
Hazard, Kentucky 41702

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ANNUAL MEETING OF STOCKHOLDERS  
November 11, 2010

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GENERAL

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This Proxy Statement is furnished to stockholders of Kentucky First Federal Bancorp (“Kentucky First” or the “Company”) in connection with the solicitation by the Board of Directors of the Company of proxies to be used at the Annual Meeting of Stockholders (the “Annual Meeting”) which 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 11, 2010, at 3:30 p.m., Eastern time, and at any adjournment thereof. The accompanying Notice of Annual Meeting and proxy card and this Proxy Statement are being first mailed to stockholders on or about October 11, 2010.

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IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2010  
ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON NOVEMBER 11, 2010

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This Proxy Statement and the Company’s 2010 Annual Report on Form 10-K are available electronically at <https://materials.proxyvote.com/491292>

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VOTING AND REVOCABILITY OF PROXIES

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Stockholders who execute proxies retain the right to revoke them at any time. Unless so revoked, the shares represented by properly executed proxies will be voted at the Annual Meeting and all adjournments thereof. Proxies may be revoked by written notice to Deborah C. Bersaglia, Secretary of the Company, at the address shown above, by filing a later-dated proxy prior to a vote being taken on a particular proposal at the Annual Meeting or by attending the Annual Meeting and voting in person. The presence of a stockholder at the Annual Meeting will not in itself revoke such stockholder’s proxy.

Proxies solicited by the Board of Directors of the Company will be voted in accordance with the directions given therein. Where no instructions are indicated, proxies will be voted “FOR” the nominees for director set forth below and “FOR” the ratification of the appointment of Crowe Horwath LLP as the Company’s independent public accountants for the year ending June 30, 2011. The proxy confers discretionary authority on the persons named therein to vote with

respect to the election of any person as a director where the nominee is unable to serve or for good cause will not serve, and matters incident to the conduct of the Annual Meeting. If any other business is presented at the Annual Meeting, proxies will be voted by those named therein in accordance with the determination of a majority of the Board of Directors. Proxies marked as abstentions will not be counted as votes cast. Shares held in “street name” which have been designated by brokers on proxies as not voted (“broker non-votes”) will not be counted as votes cast. Proxies marked as abstentions or as broker non-votes, however, will be treated as shares present for purposes of determining whether a quorum is present.



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VOTING SECURITIES AND SECURITY OWNERSHIP

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The securities entitled to vote at the Annual Meeting consist of the Company's common stock, par value \$0.01 per share (the "Common Stock"). Stockholders of record as of the close of business on September 30, 2010 (the "Record Date") are entitled to one vote for each share of Common Stock then held. As of the Record Date, there were 7,751,703 shares of Common Stock issued and outstanding. The presence, in person or by proxy, of at least a majority of the total number of shares of Common Stock outstanding and entitled to vote will be necessary to constitute a quorum at the Annual Meeting. 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. Persons and groups beneficially owning more than 5% of the Common Stock are required to file certain reports with respect to such ownership pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The following table sets forth information regarding the shares of Common Stock beneficially owned as of the Record Date by persons who beneficially own more than 5% of the Common Stock, each of the Company's directors, the executive officers of the Company named in the Summary Compensation Table set forth under "Executive Compensation – Summary Compensation Table," and all of the Company's directors and executive officers as a group.

|   | Shares of Common Stock<br>Beneficially Owned<br>as of the Record Date (1) | Percent of<br>Class (2) |
|---|---|-------------------------|
| <b>Persons Owning Greater than 5%:</b>  |   |                         |
| First Federal MHC<br>479 Main Street<br>P.O. Box 1069<br>Hazard, Kentucky 41702   | 4,727,938   | 60.7%                   |
| <b>Directors:</b>   |   |                         |
| Tony D. Whitaker  | 262,782(3)  | 3.3%                    |
| Don D. Jennings   | 134,625   | 1.7%                    |
| Stephen G. Barker   | 62,331  | *                       |
| Walter G. Ecton, Jr.  | 56,802(4)   | *                       |
| William D. Gorman   | 73,600(5)   | *                       |
| David R. Harrod   | 43,095  | *                       |
| Herman D. Regan, Jr.  | 82,375  | 1.1%                    |
| All directors and executive<br>officers of the Company<br>as a group (8) persons) | 777,898(6)  | 9.7%                    |

\* Represents less than 1% of the shares outstanding.

(1) 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 power to dispose or direct the disposition of shares. Amounts shown include 84,000, 41,600, 16,800, 16,800,

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16,800, 16,800, 16,8000 and 251,200 shares which may be acquired by Messrs. Whitaker, Jennings, Barker, Ecton, Gorman, Harrod and Regan and by all directors 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 7,789,689 shares of Common Stock outstanding as of the Record Date.
- (3) Includes 15,000 controlled by Mr. Whitaker's spouse and 22,782 held in the ESOP and allocated to the account of Mr. Whitaker.
- (4) Includes 600 shares in Mr. Ecton's spouse's IRA
- (5) Includes 5,000 shares controlled by Mr. Gorman's spouse
- (6) Includes 20,600 shares controlled by spouses of insiders and 22,782 shares in the ESOP.

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 PROPOSAL I — ELECTION OF DIRECTORS
 

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## General

The Company's Board of Directors consists of seven members, all of whom are independent under the listing standards of the Nasdaq Stock Market, except Tony D. Whitaker and Don D. Jennings. In determining that Director Stephen G. Barker is independent, the Board of Directors considered that he had been paid \$45,530 in legal fees for services provided to First Federal of Hazard during the year ended June 30, 2010. The Company's Bylaws require that directors be divided into three classes, as nearly equal in number as possible, with approximately one-third of the directors elected each year. At the Annual Meeting, two directors will be elected for a term expiring at the 2013 annual meeting. The Board of Directors has nominated William D. Gorman and Herman D. Regan, Jr., to each serve as a director for a three-year period. Each of the nominees is currently a member of the Board. Pursuant to the Company's Bylaws, there is no cumulative voting for the election of directors. As a result, directors are elected by a plurality of the votes present in person or by proxy at a meeting at which a quorum is present. This means that the nominees receiving the greatest number of votes will be elected.

It is intended that the persons named in the proxies solicited by the Board of Directors will vote for the election of the named nominees. If a nominee is unable to serve, the shares represented by all valid proxies will be voted for the election of such substitute as the Board of Directors may recommend or the size of the Board may be reduced to eliminate the vacancy. At this time, the Board knows of no reason why a nominee might be unavailable to serve.

The following table sets forth, for each nominee for director and continuing director of the Company, his age, the year he first became a director of the Company, First Federal Savings and Loan Association of Hazard ("First Federal of Hazard") or First Federal Savings Bank of Frankfort ("First Federal of Frankfort") and the expiration of his term as a director. All such persons were appointed as directors of the Company in March 2005 upon the formation and organization of the Company. Directors Barker, Ecton, Gorman and Whitaker also serve on the Board of Directors of the Company's wholly owned subsidiary, First Federal of Hazard, and Directors Harrod and Regan also serve on the Board of Directors of the Company's wholly owned subsidiary, Frankfort First Bancorp, Inc. ("Frankfort First"), and Frankfort First's wholly owned subsidiary, First Federal of Frankfort. Director Jennings also serves on the Board of Directors of First Federal of Frankfort.

| Name                                       | Age at<br>June 30,<br>2010 | Year First<br>Elected as<br>Director | Year First<br>Elected<br>as Director of<br>Bank Subsidiary | Current<br>Term<br>to Expire |
|--|----------------------------|--------------------------------------|--|------------------------------|
| BOARD NOMINEES FOR TERMS TO EXPIRE IN 2013 |                            |                                      |  |                              |
| William D. Gorman                          | 86                         | 2005                                 | 2003   | 2010                         |
| Herman D. Regan, Jr.                       | 81                         | 2005                                 | 1988   | 2010                         |

## DIRECTORS CONTINUING IN OFFICE

|                      |    |      |      |      |
|----------------------|----|------|------|------|
| Walter G. Ecton, Jr. | 56 | 2005 | 2005 | 2011 |
| Don D. Jennings      | 45 | 2005 | 1998 | 2011 |
| Stephen G. Barker    | 56 | 2005 | 1997 | 2012 |
| Tony D. Whitaker     | 64 | 2005 | 1993 | 2012 |

David R. Harrod

51

2005

2003

2012

7

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Set forth below is information concerning the Company's directors.

William D. Gorman has been a director of Kentucky First since its inception in March 2005. He has been a director of First Federal of Hazard since 2003. Mr. Gorman has served as mayor of Hazard, Kentucky since 1977.

Mayor Gorman is a valuable director because of his extensive public service to his hometown as well as a long history with business. Mayor Gorman's legendary political career has been recognized by his receipt of the Eastern Kentucky Leadership Award for Outstanding Public Service and the Big Hitter Award which recognized the most outstanding mayor in the state. Prior to his political career, Mayor Gorman owned Hazard's first television station and Hazard's cable television company.

Herman D. Regan, Jr. has been a director of Kentucky First since its inception in March 2005. He has served as a Director of First Federal of Frankfort since 1988. Mr. Regan served as Chairman of the Board and President of Kenviron, Inc., a civil and environmental engineering consulting firm, from 1975 until his retirement in August, 1994.

Mr. Regan's long history in the Frankfort business community allows him to provide valuable insight to the Board. His experience as a director of First Federal of Frankfort and with Frankfort First Bancorp (a public company from 1995 through 2005) illustrates a high level of knowledge and dedication. After completing a B.S. degree in Civil Engineering at the University of Kentucky and a Masters degree in Sanitary Engineering at the University of North Carolina, Mr. Regan went on to a distinguished career in environmental engineering which climaxed in his receipt of the Kentucky Environmental Quality Commission's prestigious Lifetime Achievement Award, which stated that Mr. Regan's career is "a stellar example of dedication to cleaner air and water quality for future Kentuckians." Mr. Regan has also served on the board of Baptist Health Care, Inc., in Louisville and of Central Baptist Hospital in Lexington.

Walter G. Ecton, Jr. has been a director of Kentucky First since its inception in March 2005. He has served as a director of First Federal of Hazard since 2004. Mr. Ecton has been engaged in the private practice of law in Richmond, Kentucky since 1979.

Mr. Ecton is a graduate of Centre College and received his juris doctorate of law from the University of Kentucky where he was a member of the Kentucky Law Journal. Mr. Ecton also earned a Masters Degree in Business Administration from the University of Kentucky. In addition to his private practice, Mr. Ecton served as an Assistant's Commonwealth's Attorney from 1981-1993. Mr. Ecton previously served as legal counsel to First Federal of Richmond, Kentucky and as an advisory director of Great Financial Bank. His knowledge of the banking industry through this service and through his extensive education and legal career provides the board invaluable expertise.

Don D. Jennings has served as President and Chief Operating Officer and as a Director of Kentucky First since its inception in March 2005. He served as President and Chief Executive Officer of Frankfort First and now serves as Vice Chairman and Chief Executive Officer of First Federal of Frankfort. He has been employed by First Federal of Frankfort since 1991.

Mr. Jennings has extensive knowledge of the workings of both public companies and banks. He was intimately involved in the formation of both Kentucky First and Frankfort First Bancorp and has played a major role in the structure of the entire corporation.

Stephen G. Barker has been a director of Kentucky First since its inception in March 2005. Mr. Barker is the Executive Vice President and General Counsel for Kentucky River Properties LLC, which owns significant land, mineral, oil and gas and timber resources in Kentucky. Kentucky River's lessees include several nationally known publicly traded resource producers. Mr. Barker has been employed by Kentucky River Coal Corporation and Kentucky River Properties LLC since 1985, and has served as Assistant General Counsel and Assistant Secretary. Mr. Barker is a Director and a member of the Executive Committee of the National Council of Coal Lessors in Washington, D.C. Mr. Barker has been in the private practice of law in Hazard since 1980 and has provided legal representation to First Federal since 1982. Mr. Barker also served as Master Commissioner for the Perry Circuit Court and is a member and past President of the Perry County Bar Association. He is a member of the Kentucky Bar Association and the American Bar Association and is admitted to practice before the Kentucky Supreme Court and the U.S. District Court for the Eastern District of Kentucky. Prior to obtaining his Juris Doctorate from the University of Kentucky College of Law, Mr. Barker received a Bachelor of Science in Forestry from the University of Kentucky and was a forester and served as District Conservationist with the United States Department of Agriculture Soil Conservation Service in eastern Kentucky. Mr. Barker continues to serve as a District Supervisor and Secretary and Treasurer of the Perry County Conservation District. He is a member of the Society of American Foresters. Mr. Barker is a private pilot and a member of the Aircraft Owners and Pilots Association and is Chairman of the Hazard Perry County Airport Board which manages the Wendell H. Ford Regional Airport near Hazard.

Mr. Barker's long service to First Federal of Hazard represents a valuable level of expertise and commitment, along with his extensive knowledge of real estate derived from his legal career make him an exceptional member of the board.

Tony D. Whitaker has served as Chairman of the Board and Chief Executive Officer of Kentucky First since its inception in March 2005. Since 1997, he has served as President and Chief Executive Officer of First Federal of Hazard. He has also served First Federal of Hazard as a director since 1993. Mr. Whitaker was President of First Federal Savings Bank in Richmond, Kentucky from 1980 until 1994. From 1994 until 1996, Mr. Whitaker was the President of the central Kentucky region and served on the Board of Great Financial Bank, a \$3 billion savings and loan holding company located in Louisville, Kentucky. Mr. Whitaker served as a director of the Federal Home Loan Bank of Cincinnati from 1991 to 1997, including a term as Vice-Chairman. He served on the Board of America's Community Bankers, a national banking trade group, from 2001 to 2007. Mr. Whitaker has served on the Board of Directors of Pentegra Group, Inc., a financial services company specializing in retirement benefits, since 2002. He is currently that board's Chairman. He also currently serves as Vice Chairman of the Kentucky Bankers Association.

Based on his level of experience and the breadth of his career, Mr. Whitaker has few peers among bankers still actively working. His expertise in the Kentucky thrift community is incomparable. He is both the architect and ongoing leader of Kentucky First Federal and as such provides extremely valuable service to our board.

David R. Harrod has been a director of Kentucky First since its inception in March 2005. He has served as a Director of First Federal of Frankfort since 2003. He also previously served as Director and Chairman of the Audit Committee of Frankfort First. He currently serves as a Director and Treasurer of the Franklin County Industrial Development Authority. Mr. Harrod is a certified public accountant and is a principal of Harrod and Associates, P.S.C., a Frankfort, Kentucky-based accounting firm.

Mr. Harrod's financial expertise is a necessary component of the board. His career in public accounting, which has included audit work for a publicly-traded financial institution, affords him an exceptional level of knowledge that is highly appropriate as he chairs the Company's audit committee and, as such, is the liaison between the board and the independent public accountants.



## Executive Officer Who Is Not a Director

The following sets forth information with respect to the executive officer of the Company who does not serve on the Board of Directors.

| Name            | Age at<br>June 30,<br>2010 | Title  |
|-----------------|----------------------------|--|
| R. Clay Hulette | 48                         | Vice President, Chief Financial Officer and Treasurer of the Company and President and Treasurer of First Federal of Frankfort |

R. Clay Hulette has served as Vice President, Treasurer and Chief Financial Officer of Kentucky First since its inception in March 2005. Since 2000, he has served as Vice President and Chief Financial Officer of Frankfort First. In March 2007, he was named President of First Federal of Frankfort having served as Vice President and Treasurer since 2000. He has been employed by First Federal of Frankfort since 1997. He is a Certified Public Accountant.

## Committees of the Board of Directors

The Board of Directors of the Company meets quarterly and may have additional special meetings. During the year ended June 30, 2010, 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, 2010 and the total number of meetings held by Committees on which he served during such fiscal year.

**Audit Committee.** The Company has a separately designated Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. During the fiscal year ended June 30, 2010, the Board of Directors' Audit Committee consisted of Directors Harrod (Chairman), Ecton, Gorman and Regan. Each of the members of the Audit Committee is "independent" under the listing standards of the Nasdaq Stock Market. 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 was filed as Exhibit A of the 2008 Proxy Statement. The Audit Committee met six times during the year ended June 30, 2010.

**Compensation Committee.** The Board of Directors has a Compensation Committee consisting of Directors Ecton, Gorman and Regan (Chairman). 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 met once during the year ended June 30, 2010.

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 attached as Exhibit A of this proxy statement.

Nominating/Corporate Governance Committee. 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 Nominating/Corporate Governance Committee consists of Directors Ecton (Chairman), Gorman, Harrod and Regan. The members of the Nominating/Corporate Governance Committee are "independent directors" as defined under the listing standards of the Nasdaq Stock Market. The Board of Directors has adopted a Charter for the Nominating/Corporate Governance Committee a copy of which was filed as Exhibit B of the 2008 Proxy Statement. The Nominating/Corporate Governance Committee met one time during the fiscal year ended June 30, 2010.

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 shareholder making the recommendation, the name and address, as he or she appears on the Company's books, of such shareholder; provided, however, that if the shareholder is not a registered holder of the Company's common stock, the shareholder 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 shareholder 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 Leadership Structure and Board's Role in Risk Oversight** The Chief Executive Officer also serves as Chairman of the Board, due in part to the Chief Executive's long-standing tenure with the Company, which provides unique and intimate knowledge regarding the history, strategy, business and operations of the Company and the Bank. 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, such as a separate Chairman and Chief Executive Officer or designating a lead independent director, is necessary to achieve effective oversight. The Board of the Company is currently comprised of seven directors, five 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.

Board Policies Regarding Communications with the Board of Directors and Attendance at Annual Meetings. The Board of Directors maintains a process for stockholders to communicate with the Board of Directors. Stockholders wishing to communicate with the Board of Directors should send any communication to Secretary, Kentucky First Federal Bancorp, P.O. Box 1069, Hazard, Kentucky 41702-1069. All communications that relate to matters that are within the scope of the responsibilities of the Board and its Committees are to be presented to the Board no later than its next regularly scheduled meeting. Communications that relate to matters that are within the responsibility of one of the Board Committees are also to be forwarded to the Chair of the appropriate Committee. Communications that relate to ordinary business matters that are not within the scope of the Board's responsibilities, such as customer complaints, are to be sent to the appropriate officer. Solicitations, junk mail and obviously frivolous or inappropriate communications are not to be forwarded, but will be made available to any director who wishes to review them.

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 2009 annual meeting of stockholders held on November 10, 2009.

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EXECUTIVE COMPENSATION

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## Summary Compensation Table

The following table is furnished for all individuals serving as the principal executive officer or principal financial officer of the Company during the year ended June 30, 2010 and for the other most highly compensated executive officers of the Company who received a salary of \$100,000 or more during the year ended June 30, 2010.

| Name and Principal Position   | Year | Salary (\$) | All Other Compensation (\$)(1) | Total (\$) |
|---|------|-------------|--------------------------------|------------|
| Tony D. Whitaker,<br>Chairman and Chief<br>Executive Officer                    | 2010 | \$ 164,400  | \$ 57,988                      | \$ 222,388 |
|   | 2009 | 164,400     | 65,195                         | 229,366    |
| R. Clay Hulette,<br>Vice President,<br>Chief Financial Officer and<br>Treasurer | 2010 | 105,961     | 17,009                         | 122,970    |
|   | 2009 | 103,950     | 7,635                          | 111,585    |
| Don D. Jennings,<br>President and<br>Chief Operating Officer                    | 2010 | 109,200     | 7,151                          | 116,351    |
|   | 2009 | 109,200     | 7,766                          | 116,966    |

(1) Details of the amounts reported in the "All Other Compensation" column for 2010 are provided in the table below.

|                               | Tony Whitaker | Clay Hulette | Don Jennings |
|-------------------------------|---------------|--------------|--------------|
| ESOP Allocation               | \$ 46,184     | \$ 0         | \$ 0         |
| Dividends on Restricted Stock | 5,040         | 1,830        | 1,830        |
| Medical Insurance             | 4,139         | 3,893        | 3,893        |
| Payment for Unused Vacation   | 0             | 9,889        | 0            |
| Cell Phone Usage              | 1,153         | 0            | 0            |
| Disability Insurance          | 681           | 73           | 636          |
| Parking                       | 154           | 252          | 252          |
| Cancer Insurance              | 348           | 0            | 0            |
| Life Insurance                | 55            | 60           | 60           |
| Career Apparel                | 0             | 445          | 0            |
| Dental Insurance              | 234           | 567          | 480          |
| Total                         | \$ 57,988     | \$ 17,009    | \$ 7,151     |

Executive officers receive indirect compensation in the form of certain perquisites and other personal benefits. The amount of such benefits received by any named executive officer in fiscal 2010 did not exceed \$10,000.

## Employment Agreements

The Company and First Federal of Hazard entered into separate employment agreements with Tony D. Whitaker, Chairman of the Board of Kentucky First and President and Chief Executive Officer of First Federal of Hazard. The Company and First Federal of Frankfort entered into separate employment agreements with Don D. Jennings, President and Chief Operating Officer of Kentucky First and Vice Chairman and Chief Executive Officer of First Federal of Frankfort and with R. Clay Hulette, Vice President and Chief Financial Officer of Kentucky First Federal Bancorp and President of First Federal of Frankfort. Such employment agreements are referred to herein as the "Agreements." The Agreements provide for three-year terms, expiring on August 15, 2013, renewable on an annual basis for an additional year upon review and extension by the respective Boards of Directors of Kentucky First, First Federal of Hazard and First Federal of Frankfort. The Agreements establish a base salary of \$164,400, \$109,200 and \$105,961 for Messrs. Whitaker, Jennings, and Hulette, respectively. In addition to establishing a base salary, the Agreements provide for, among other things, participation in stock-based and other benefit plans, as well as certain fringe benefits.

The Agreements also provide that Kentucky First, First Federal of Hazard and First Federal of Frankfort may terminate the employment of Messrs. Whitaker, Jennings, or Hulette for cause, as defined in the Agreements, at any time. No compensation or benefits are payable upon termination of either officer for cause. Each of the officers may also voluntarily terminate his employment by providing 90 days prior written notice. Upon voluntary termination, the officer receives only compensation and vested benefits through the termination date.

The Agreements terminate upon the officer's death, and his estate receives any compensation due through the last day of the calendar month of death. The Agreements also allow the appropriate boards to terminate the employment of Messrs. Whitaker, Jennings, or Hulette due to disability, as defined in the Agreements. A disabled executive receives any compensation and benefits provided for under the agreement for any period prior to termination during which the executive was unable to work due to disability. Messrs. Whitaker, Jennings, and Hulette also may receive disability benefits under First Federal of Hazard's or First Federal of Frankfort's long-term disability plan(s) without reduction for any payments made under the Agreement. During a period of disability, to the extent reasonably capable of doing so, Messrs. Whitaker and Jennings agree to provide assistance and undertake reasonable assignments for the employers.

The Agreements also require Messrs. Whitaker, Jennings, and Hulette to agree not to compete with Kentucky First, First Federal of Hazard or First Federal of Frankfort for one year following a termination of employment, other than in connection with a change in control. Kentucky First, First Federal of Hazard or First Federal of Frankfort will pay or reimburse Messrs. Whitaker, Jennings, and Hulette for all reasonable costs and legal fees paid or incurred by him in any dispute or question of interpretation regarding the Agreements, if the executive is successful on the merits in a legal judgment, arbitration proceeding or settlement. The Agreements also provide Messrs. Whitaker, Jennings, and Hulette with indemnification to the fullest extent legally allowable.

Under the Agreements, if either Kentucky First, First Federal of Hazard or First Federal of Frankfort terminates the employment of Messrs. Whitaker, Jennings, or Hulette without cause, or if Messrs. Whitaker, Jennings, or Hulette resigns under specified circumstances that constitute constructive termination, he receives his base salary and continued employee benefits for the remaining term of the Agreement, as well as continued health, life and disability coverage under the same terms such coverage is provided to other senior executives, or comparable individual coverage.

Under the Agreements, if, within one year after a change in control (as defined in the Agreements), any of Messrs. Whitaker, Jennings, or Hulette voluntarily terminate his employment under circumstances discussed in the Agreement, or involuntarily terminates employment, the executive receives a cash payment equal to three times his average annual compensation over the five most recently completed calendar years preceding the change in control. He also receives continued employee benefits and health, life and disability insurance coverage for thirty-six months following termination of employment.



Section 280G of the Internal Revenue Code provides that severance payments that equal or exceed three times the individual's "base amount" are deemed to be "excess parachute payments" if they are contingent upon a change in control. Individuals receiving excess parachute payments are subject to a 20% excise tax on the amount of the payment in excess of their base amount, and the employer is not entitled to deduct any parachute payments over the base amount. The Agreements limit payments made to Messrs. Whitaker and Jennings in connection with a change in control to amounts that will not exceed the limits imposed by Section 280G.

#### Equity Grants

The Company granted each of the named executive officers equity awards of restricted stock and stock options in 2006. Upon a change in control, all outstanding stock options become immediately exercisable and the restrictions on restricted stock immediately lapse. Had a change in control occurred as of June 30, 2010, Messrs. Whitaker, Jennings and Hulette would have immediately vested in 8,400, 3,050 and 3,050 shares, respectively, of restricted stock, with a value of \$74,844, \$27,176, and \$27,176, respectively, at June 30, 2010 based on the closing sale price for the Kentucky First common stock as quoted on the Nasdaq Global Market. In addition, had a change in control occurred as of June 30, 2010, Messrs. Whitaker, Jennings and Hulette would have immediately vested in options to acquire 21,000, 10,400 and 10,400 shares, respectively, of Kentucky First common stock.

#### Outstanding Equity Awards at Fiscal Year End

The following table provides certain information with respect to the number of shares of Company common stock represented by outstanding stock options held by the named executive officers as of June 30, 2010.

| Name             | Option Awards   |   |                            | Stock Awards           |   |   |
|------------------|---|---|----------------------------|------------------------|---|---|
|                  | Number of Securities Underlying Unexercised Options (#) Exercisable | Number of Securities Underlying Unexercised Options (#) Unexercisable (1) | Option Exercise Price (\$) | Option Expiration Date | Number of Shares or Units of Stock That Have Not Vested (#) (1) | Market Value of Shares or Units of Stock That Have Not Vested (\$ (2) |
| Tony D. Whitaker | 84,000  | 21,000  | \$ 10.10                   | 12/13/2015             | 8,400   | \$ 74,844   |
| R. Clay Hulette  | 41,600  | 10,400  | 10.10                      | 12/13/2015             | 3,050   | 27,176  |
| Don D. Jennings  | 41,600  | 10,400  | 10.10                      | 12/13/2015             | 3,050   | 27,176  |

(1) Unvested options and restricted stock awards will vest on December 13, 2010.

(2) Calculated based on the product of the number of shares of unvested stock and the closing sale price for the Common Stock on June 30, 2010 as reported on the Nasdaq Global Market.

Retirement Plan. First Federal of Hazard employees, including Mr. Whitaker, participate in the Financial Institution Retirement Plan (the "Retirement Plan") to provide retirement benefits for eligible employees. Messrs. Jennings and Hulette participate in a similar plan for First Federal of Frankfort employees. Employees are eligible to participate in the Retirement Plan after the completion of one year of employment and attainment of age 21. The formula for normal retirement benefits payable annually is 2%, under the First Federal of Hazard Retirement Plan, and 1.25%, under the First Federal of Frankfort Retirement Plan, of the average of the participant's highest five years of compensation multiplied by the participant's years of service. Participants in the First Federal of Hazard Retirement Plan may also receive a reduced early retirement benefit under the Retirement Plan upon attainment of age 45 and satisfaction of the Retirement Plan's vesting requirements. Participants generally have no vested interest in Retirement Benefits prior to their completion of five years of service. Following the completion of five years of vesting service, or upon attainment of age 65, death or termination of employment due to disability, participants automatically become 100% vested in their accrued benefit under the Retirement Plan. The amounts of benefits paid under the Retirement Plan are not reduced for any social security benefit payable to participants. Benefits under the First Federal of Frankfort Retirement Plan may be paid in a lump sum, while the First Federal of Hazard Retirement Plan does not allow for a lump sum payment of accrued benefits; however, Mr. Whitaker may elect to be paid in a lump sum as a result of previous participation in a comparable plan at another financial institution.

The present value of accumulated benefits for the First Federal of Hazard Retirement Plan is calculated using the accrued benefit multiplied by a present value factor based on an assumed age 65 retirement date, the 1994 Group Annuity Mortality table projected five years and an interest rate of 5.00% for 50% of the benefit and 7.75% for 50% of the benefit, discounted to current age at an assumed interest rate of 7.75%.

Supplemental Executive Retirement Plan. First Federal of Hazard has implemented a supplemental executive retirement plan ("SERP") to provide for supplemental retirement benefits with respect to the employee stock ownership plan ("ESOP") and retirement plan. The SERP provides participating executives with benefits otherwise limited by certain provisions of the Internal Revenue Code or the terms of the ESOP loan. Specifically, the SERP will provide benefits to designated officers that cannot be provided under the pension plan or the ESOP as a result of limitations imposed by the Internal Revenue Code, but that would have been provided under such plans, but for these Internal Revenue Code limitations. In addition to providing for benefits lost under tax-qualified plans as a result of the Internal Revenue Code limitations, the SERP will also provide supplemental benefits upon a change of control prior to the scheduled repayment of the ESOP loan. Generally, upon a change in control, the SERP will provide participants with a benefit equal to what they would have received under the ESOP, had they remained employed throughout the term of the loan, less the benefits actually provided under the ESOP on the participant's behalf. A participant's benefits generally become payable upon a change in control of Kentucky First or its subsidiaries. The Board has designated Tony D. Whitaker as a participant in the SERP.

First Federal of Hazard may utilize a grantor trust in connection with the SERP, in order to set aside funds that ultimately may be used to pay benefits under the SERP. The assets of the grantor trust will remain subject to the claims of general creditors in the event of insolvency, until paid to a participant according to the terms of the SERP. No amounts have been accrued to date under the SERP for Mr. Whitaker.

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**DIRECTOR COMPENSATION**


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The following table provides the compensation received by individuals who served as non-employee directors of the Company during the 2010 fiscal year. This table excludes perquisites, which did not exceed \$10,000 in the aggregate for each director.

| Name                 | Fees                              |                              |                                       | Total<br>(\$) |
|----------------------|-----------------------------------|------------------------------|---------------------------------------|---------------|
|                      | Earned or<br>Paid in<br>Cash (\$) | Option<br>Awards<br>(\$) (1) | All Other<br>Compensation<br>(\$) (2) |               |
| Stephen G. Barker    | \$ 14,800                         | \$ 0                         | \$ 1,008                              | \$ 15,808     |
| Walter G. Ecton, Jr. | 14,800                            | 0                            | 1,008                                 | 15,808        |
| William D. Gorman    | 14,800                            | 0                            | 1,008                                 | 15,808        |
| David R. Harrod      | 12,600                            | 0                            | 1,008                                 | 13,608        |
| Herman D. Regan, Jr. | 12,600                            | 0                            | 1,008                                 | 13,608        |

(1) There were no grants of options during the 2010 fiscal year. From a grant made in December, 2006, each director has the following options all with an exercise price of \$10.10:

|  |               |                                 |
|--|---------------|---------------------------------|
| Director Barker  | 16,800 vested | 4,200 to vest December 13, 2010 |
| Director Ecton   | 16,800 vested | 4,200 to vest December 13, 2010 |
| Director Gorman  | 11,800 vested | 4,200 to vest December 13, 2010 |
| Director Gorman exercised 5,000 options on January 8, 2010 |               |                                 |
| Director Harrod  | 16,800 vested | 4,200 to vest December 13, 2010 |
| Director Regan   | 16,800 vested | 4,200 to vest December 13, 2010 |

(2) The amounts reported in the "All Other Compensation" column for the year ended June 30, 2010 consist of dividends on restricted stock.

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. 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 \$9,000 annually plus \$100 for certain committee meetings. Officers of either Bank who are also directors are not compensated for their service as directors.

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**TRANSACTIONS WITH RELATED PERSONS**


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First Federal of Hazard and First Federal of Frankfort both offer loans to their directors and executive officers. These loans were made in the ordinary course of business on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons and did not involve more than the normal risk of collectibility or present other unfavorable features. Under current law, the Banks' loans to directors and executive officers are required to be made on substantially the same terms, including interest rates and collateral, as those prevailing for comparable transactions with other persons who are not related to the lender and must not

involve more than the normal risk of repayment or present other unfavorable features. Furthermore, all loans to such persons must be approved in advance by a disinterested majority of the Company's Board of Directors. At June 30, 2010, loans to directors and executive officers and their affiliates totaled \$593,000, or 1.0%, of the Company's stockholders' equity, at that date.

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REPORT OF THE AUDIT COMMITTEE

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The Audit Committee of the Board of Directors (the “Audit Committee”) has:

1. Reviewed and discussed with management the audited financial statements for the fiscal year ended June 30, 2010.
2. Discussed with the Company’s independent accountants the matters required to be discussed by Statement of Accounting Standards No. 61, as amended (AICPA Professional Standards Vol. 1 AU Section 380) as adapted by the Public Company Accounting Oversight Board in Rule 3200T; and
3. Received the written disclosures and the letter from the Company’s independent auditors required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant’s communications with the Audit Committee concerning independence and has discussed with the independent accountant the independent accountant’s independence.

Based on the foregoing review and discussions, the Audit Committee recommended to the Board of Directors that the audited financial statements for the fiscal year ended June 30, 2010 be included in the Company’s Annual Report on Form 10-K for the year ended June 30, 2010.

The Audit Committee has reviewed the nonaudit services currently provided by the Company’s independent accountants and has considered whether the provision of such services is compatible with maintaining the independence of the Company’s independent accountants.

Members of the Audit Committee

David R. Harrod (Chairman)  
Walter G. Ecton, Jr.  
William D. Gorman  
Herman D. Regan, Jr.

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RELATIONSHIP WITH INDEPENDENT AUDITORS

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BKD LLP (“BKD”) served as the Company’s independent accountants to audit the Company’s consolidated financial statements for the fiscal years ended June 30, 2009 and 2008.

As reported on Form 8-K filed on August 20, 2009, the Company formally notified BKD that BKD would not be retained as the Company’s independent registered public accounting firm for the fiscal year ending June 30, 2010. The decision to terminate BKD’s engagement was approved by the Company’s Audit Committee. However, BKD was engaged to audit the Company’s consolidated financial statements for the fiscal year ended June 30, 2009, and, in fact, issued their audit opinion on the Company’s consolidated financial statements on September 28, 2009.

BKD's reports on the Company's consolidated financial statements for the fiscal years ended June 30, 2009 and 2008 did not contain an adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope, or accounting principles. During the Company’s two most recent fiscal year ends (the fiscal years ended June 30, 2009 and 2008) and through September 28, 2009, there were no disagreements with BKD on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which

disagreements, if not resolved to the satisfaction of BKD, would have caused BKD to make reference to the subject matter of the disagreements in their reports on the Company's consolidated financial statements for such years. During the Company's two most recent fiscal year ends (the fiscal years ended June 30, 2009 and 2008) and the subsequent interim period from July 1, 2009 through September 28, 2009, there were no "reportable events" as defined in Item 304(a)(1)(v) of Regulation S-K.

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PROPOSAL II — RATIFICATION OF APPOINTMENT OF AUDITORS

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The Audit Committee of the Board of Directors has approved the Company's arrangements with Crowe Horwath LLP to be the Company's independent accountants for the 2011 fiscal year, subject to ratification by the Company's stockholders. There are no plans for a representative of Crowe Horwath LLP to be present at the 2010 Annual Meeting.

The appointment of the auditors must be approved by a majority of the votes cast by the stockholders of the Company at the Meeting. The Board of Directors recommends that shareholders vote "FOR" the ratification of the appointment of the auditors.

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AUDIT AND OTHER FEES PAID TO INDEPENDENT ACCOUNTANT

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Fees billed by the Company's independent accountant for the fiscal years ended June 30, 2010 and 2009 were \$105,550 and \$95,035, respectively.

Audit Fees

The aggregate fees billed by the Company's independent accountant for the audit of the Company's annual financial statements were \$57,500 and \$77,800 for the fiscal years ended June 30, 2010 and 2009, respectively.

Audit Related Fees

These fees include review of quarterly reports on Form 10-Q as filed by Kentucky First. The Company's independent accountant received \$13,500 for the fiscal year ended June 30, 2010 and \$16,005 for the fiscal year ended June 30, 2009.

Tax Fees

The aggregate fees billed by the Company's independent accountant for tax services for the fiscal years ended June 30, 2010 and 2009 were \$20,550 and \$1,230, respectively. Fees for fiscal 2010 include a fee for preparation of the Company's consolidated tax return (whereas in 2009, BKD only reviewed the tax return). These fees also include assistance with the Company's challenge to the Internal Revenue Service regarding the denial of a refund claimed for the fiscal year ended June 30, 2006.

All Other Fees

The aggregate fees billed by the Company's independent accountant for all other services, exclusive of the fees disclosed above, rendered during the fiscal years ended June 30, 2010 and 2009 were \$14,000 and \$0, respectively. For the year ended June 30, 2010, these services consisted of services performed in preparation for the issuance of an opinion on the Company's compliance with internal control procedures mandated by the Sarbanes Oxley Act, Section 404. The enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act on July 21, 2010, exempted the Company from this responsibility and the preparatory work was cancelled.

Pre-Approval of Services by the Independent Auditor

The Audit Committee does not have a policy for the pre-approval of nonaudit services to be provided by the Company's independent accountants. Any such services would be considered on a case-by-case basis. All nonaudit services provided by the independent auditors in fiscal years 2010 and 2009 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 to prepare the company's consolidated tax return for the year ended June 30, 2010



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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

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Pursuant to regulations promulgated under the Exchange Act, the Company's officers and directors and all persons who own more than 10% of the Common Stock ("Reporting Persons") are required to file reports detailing their ownership and changes of ownership in the Common Stock and to furnish the Company with copies of all such ownership reports that are filed. Based solely on the Company's review of the copies of such ownership reports which it has received in the past fiscal year or with respect to the past fiscal year, or written representations that no annual report of changes in beneficial ownership were required, the Company believes that during fiscal year 2010 all Reporting Persons have complied with these reporting requirements.

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OTHER MATTERS

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The Board of Directors is not aware of any business to come before the Annual Meeting other than those matters described above in this proxy statement and matters incident to the conduct of the Annual Meeting. However, if any other matters should properly come before the Annual Meeting, it is intended that proxies in the accompanying form will be voted in respect thereof in accordance with the determination of a majority of the Board of Directors.

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MISCELLANEOUS

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The cost of soliciting proxies will be borne by the Company. The Company will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of Common Stock. In addition to solicitations by mail, directors, officers and regular employees of the Company may solicit proxies personally or by telegraph or telephone without additional compensation.

The Company's 2010 Annual Report to Stockholders, including financial statements, is being mailed to all stockholders of record as of the close of business on the Record Date. Any stockholder who has not received a copy of such Annual Report may obtain a copy by writing to the Secretary of the Company. The Annual Report is not to be treated as a part of the proxy solicitation material or as having been incorporated herein by reference.

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STOCKHOLDER PROPOSALS

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For consideration at the Annual Meeting, a stockholder proposal must be delivered or mailed to the Company's Secretary no later than October 21, 2010. In order to be eligible for inclusion in the proxy materials of the Company for the Annual Meeting of Stockholders for the fiscal year ending June 30, 2011, any stockholder proposal to take action at such meeting must be received at the Company's executive offices at P.O. Box 1069, Hazard, Kentucky 41702-1069 by no later than June 13, 2011. Any such proposals shall be subject to the requirements of the proxy rules adopted under the Exchange Act.

BY ORDER OF THE  
BOARD OF DIRECTORS

Deborah C. Bersaglia  
Secretary

October 11, 2010  
Hazard, Kentucky

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ANNUAL REPORT ON FORM 10-K

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A COPY OF THE COMPANY'S ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED JUNE 30, 2010 AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION WILL BE FURNISHED WITHOUT CHARGE TO EACH STOCKHOLDER AS OF THE RECORD DATE UPON WRITTEN REQUEST TO THE SECRETARY, KENTUCKY FIRST FEDERAL BANCORP, P.O. BOX 1069, HAZARD, KENTUCKY 41702-1069.

REVOCABLE PROXY

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KENTUCKY FIRST FEDERAL BANCORP  
Hazard, Kentucky

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ANNUAL MEETING OF STOCKHOLDERS  
November 11, 2010

The undersigned hereby appoints David R. Harrod and Stephen G. Barker with full powers of substitution, to act as attorneys and proxies for the undersigned, to vote all shares of the common stock of Kentucky First Federal Bancorp which the undersigned is entitled to vote at the Annual Meeting of Stockholders, to be held at the First Federal Center on the campus of Hazard Community and Technical College located at One Community College Drive, Hazard, Kentucky on Thursday, November 11, 2010 at 3:30 p.m., Eastern time (the "Annual Meeting"), and at any and all adjournments thereof, as follows:

|  | FOR | VOTE<br>WITHHELD |
|--|-----|------------------|
| 1. The election as directors of all nominees listed below (except as marked to the contrary below) | ..  | ..               |

For a term expiring at the 2013 Annual Meeting:

William D. Gorman  
Herman D. Regan, Jr.

INSTRUCTION: To withhold your vote for any of the individuals nominated, insert that nominee's name on the line provided below.

|   | FOR | AGAINST | ABSTAIN |
|---|-----|---------|---------|
| 2. The ratification of the appointment of Crowe Horwath LLP as the Company's independent public accountants for the fiscal year ending June 30, 2011. | ..  | ..      | ..      |

The Board of Directors recommends a vote "FOR" the nominees listed above and "FOR" the other proposition stated.

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THIS PROXY WILL BE VOTED AS DIRECTED, BUT IF NO INSTRUCTIONS ARE SPECIFIED, THIS PROXY WILL BE VOTED FOR THE ELECTION OF DIRECTORS AND FOR THE OTHER PROPOSITION STATED. IF ANY OTHER BUSINESS IS PRESENTED AT THE ANNUAL MEETING, INCLUDING MATTERS RELATING TO THE CONDUCT OF THE ANNUAL MEETING, THIS PROXY WILL BE VOTED BY THOSE NAMED IN THIS PROXY IN ACCORDANCE WITH THE DETERMINATION OF A MAJORITY OF THE BOARD OF

DIRECTORS. AT THE PRESENT TIME, THE BOARD OF DIRECTORS KNOWS OF NO OTHER BUSINESS TO BE PRESENTED AT THE ANNUAL MEETING.

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IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2010 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON NOVEMBER 11, 2010:

The enclosed proxy statement and the Company's Annual Report on Form 10-K are available electronically at <https://materials.proxyvote.com/491292>

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THIS PROXY IS SOLICITED BY THE BOARD OF DIRECTORS

Should the undersigned be present and elect to vote at the Annual Meeting or at any adjournment thereof, then the power of said attorneys and prior proxies shall be deemed terminated and of no further force and effect. The undersigned may also revoke his proxy by filing a subsequent proxy or notifying the Secretary of his decision to terminate his proxy.

The undersigned acknowledges receipt from the Company prior to the execution of this proxy of a Notice of Annual Meeting, a Proxy Statement dated October 11, 2010 and an Annual Report.

Dated: \_\_\_\_\_, 2010

PRINT NAME OF STOCKHOLDER

PRINT NAME OF STOCKHOLDER

SIGNATURE OF STOCKHOLDER

SIGNATURE OF STOCKHOLDER

Please sign exactly as your name appears on the enclosed card. When signing as attorney, executor, administrator, trustee or guardian, please give your full title. Corporation proxies should be signed in corporate name by an authorized officer. If shares are held jointly, each holder should sign.

PLEASE COMPLETE, DATE, SIGN AND MAIL THIS PROXY PROMPTLY IN THE ENCLOSED POSTAGE-PAID ENVELOPE.

REVOCABLE PROXY FOR ESOP PARTICIPANTS

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KENTUCKY FIRST FEDERAL BANCORP  
Hazard, Kentucky

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ANNUAL MEETING OF STOCKHOLDERS  
November 11, 2010

The undersigned hereby appoints David R. Harrod and Stephen G. Barker, with full powers of substitution, to act as attorneys and proxies for the undersigned, to vote all shares of the common stock of Kentucky First Federal Bancorp which the undersigned is entitled to vote at the Annual Meeting of Stockholders, 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 11, 2010 at 3:30 p.m., Eastern time (the "Annual Meeting"), and at any and all adjournments thereof, as follows:

|  | FOR                   | VOTE<br>WITHHELD      |
|--|-----------------------|-----------------------|
| 1. The election as directors of all nominees listed below (except as marked to the contrary below) | <input type="radio"/> | <input type="radio"/> |

For a term expiring at the 2013 Annual Meeting:

William D. Gorman  
Herman D. Regan, Jr.

INSTRUCTION: To withhold your vote for any of the individuals nominated, insert that nominee's name on the line provided below.

|   | FOR                   | AGAINST               | ABSTAIN               |
|---|-----------------------|-----------------------|-----------------------|
| 3. The ratification of the appointment of Crowe Horwath LLP as the Company's independent public accountants for the fiscal year ending June 30, 2011. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

The Board of Directors recommends a vote "FOR" the nominees listed above and "FOR" the other proposition stated.

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THIS PROXY WILL BE VOTED AS DIRECTED, BUT IF NO INSTRUCTIONS ARE SPECIFIED, THIS PROXY WILL BE VOTED FOR THE ELECTION OF DIRECTORS AND FOR THE OTHER PROPOSITION STATED. IF ANY OTHER BUSINESS IS PRESENTED AT THE ANNUAL MEETING, INCLUDING MATTERS RELATING TO THE CONDUCT OF THE ANNUAL MEETING, THIS PROXY WILL BE VOTED BY THOSE NAMED IN THIS PROXY IN ACCORDANCE WITH THE DETERMINATION OF A MAJORITY OF THE BOARD OF

DIRECTORS. AT THE PRESENT TIME, THE BOARD OF DIRECTORS KNOWS OF NO OTHER BUSINESS TO BE PRESENTED AT THE ANNUAL MEETING.

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IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2010 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON NOVEMBER 11, 2010:

The enclosed proxy statement and the Company's Annual Report on Form 10-K are available electronically at <https://materials.proxyvote.com/491292>

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THIS PROXY IS SOLICITED BY THE BOARD OF DIRECTORS



Should the undersigned be present and elect to vote at the Annual Meeting or at any adjournment thereof, then the power of said attorneys and prior proxies shall be deemed terminated and of no further force and effect. The undersigned may also revoke his proxy by filing a subsequent proxy or notifying the Secretary of his decision to terminate his proxy.

PLEASE COMPLETE, DATE, SIGN AND THIS PROXY PROMPTLY AND DELIVER TO TONY WHITAKER FOR FURTHER DELIVERY TO THE COMPENSATION COMMITTEE.

The undersigned acknowledges receipt from the Company prior to the execution of this proxy of a Notice of Annual Meeting, a Proxy Statement dated October 11, 2010 and an Annual Report.

Dated: \_\_\_\_\_, 2010

SIGNATURE OF STOCKHOLDER

Please sign exactly as your name appears on the enclosed card. When signing as attorney, executor, administrator, trustee or guardian, please give your full title. Corporation proxies should be signed in corporate name by an authorized officer. If shares are held jointly, each holder should sign.

PLEASE COMPLETE, DATE, SIGN AND MAIL THIS PROXY PROMPTLY IN THE ENCLOSED POSTAGE-PAID ENVELOPE.

EXHIBIT A

KENTUCKY FIRST FEDERAL BANCORP  
COMPENSATION COMMITTEE CHARTER

I. PURPOSE

The Compensation Committee (the “Committee”) of Kentucky First Federal Bancorp (the “Corporation”) is responsible for overseeing and approving the compensation paid to executives of the Corporation. In and of itself, the Corporation currently has no employees and has no plans for hiring employees exclusively in the service of the Corporation. Instead, the executive officers of the Corporation are also employees of the two subsidiary financial institutions (the “Banks”), First Federal Savings and Loan of Hazard (“Hazard”) and First Federal Savings Bank of Frankfort (“Frankfort”). These executive officers will receive their compensation from the respective Banks and the terms of their employment, including working time, vacation policies, and fringe benefits will be governed by the Banks and their respective boards. As part of a formula mutually developed by the Banks and the Corporation, the Banks will be reimbursed by the Corporation for the compensation expenses attributable to the executive’s responsibilities with the Corporation.

In general, the Committee will be responsible for

- a) determining base salary levels for executives of the corporation
- b) administering corporate-level compensation plans which may include the Restricted Recognition Plan and the Stock Option Plan
- c) recommendation to the full Board as to implementation or renewal of employment agreements
- d) executive development
- e) succession planning
- f) effecting nondiscriminatory employment practices for executives of the corporation.

II. COMPOSITION

The Committee shall consist of three or more directors, each of whom shall satisfy the definition of independent director as defined in any qualitative listing requirements for The Nasdaq Stock Market, Inc. issuers and any applicable Securities and Exchange Commission rules and regulations. Committee members shall be elected by the Board of Directors (the “Board”) at the Board’s annual organizational meeting. Members shall serve until their successors are appointed. The Committee’s Chairperson shall be designated by the full Board or, if it does not do so, the Committee members shall elect a Chairperson by vote of a majority of the full Committee. The Chief Executive Officer (“CEO”) and senior management of the Banks may meet with the Committee but will not be members of the Committee or participate in all of its meetings.

The Committee may form and delegate authority to subcommittees when appropriate.

III. MEETINGS

The Committee shall meet at least annually, or more frequently as circumstances dictate. The Committee Chairperson will preside at each meeting and, in consultation with the other members of the Committee, will set the frequency and length of each meeting and the agenda of items to be addressed at each meeting.

#### IV. RESPONSIBILITIES AND DUTIES

The principal responsibilities of the Committee are

- A. Oversight of executive compensation programs. The Committee will review on an annual basis the Corporation's and Banks' executive compensation programs to determine that they are properly coordinated. The compensation package for some executives will (at the discretion of the Committee) include a mix of short-term pay and long-term incentives. An important responsibility of the Committee is the development of an appropriate balance while focusing on long-term shareholder value.
- B. Appraising the performance of the Chief Executive Officer. The Committee will annually review the performance of the CEO and, if necessary, meet with the CEO to discuss his or her strengths and weaknesses. The Committee will recommend to the Board of Directors the annual salary, bonus, stock options, and other benefits direct and indirect, of the CEO. In making its recommendation, the Committee will consider
- the performance of the Corporation
  - shareholder return
  - the level of salary, bonus, and other benefits, direct and indirect, of the CEO relative to the CEOs at comparable companies; and
  - the level of salary, bonus, stock options, and other benefits, direct and indirect, given to the CEO in recent years.

After its evaluation, the Committee may from time to time recommend increases in the levels of salary, bonus, and other compensation. However, the absence of such a recommendation should not indicate or infer unsatisfactory performance of the CEO.

The Committee will make recommendations to the Board of Directors regarding the extension of the employment agreements and change in control agreements of the CEO and other senior officers.

- C. Preparation of report. If necessary, the Committee will prepare a report on executive compensation for inclusion in the Corporation's annual meeting proxy statement, in accordance with applicable rules and regulations.
- D. Recommendations of executive compensation programs. In addition to the CEO, the Committee will review on an annual basis the Corporation's salary administration procedures with respect to other corporate officers including the offices of Chairman, President, and Vice President (realizing that the CEO may hold one or more of these offices in addition to that of CEO). The Committee will recommend to the Board any changes in the levels of compensation and benefits for these officers.
- E. Oversight of staff benefit programs. In addition to officers of the Corporation, the Committee will review the salary and benefit package of any bank employee whose salary exceeds \$75,000 annually. The Boards of the Banks will obtain approval from the Committee before offering any employee a salary above this level or before increasing the salary of an employee whose salary exceeds this amount.

F. Oversight of the performance incentive compensation plan. Prior to the beginning of each fiscal year, the Committee will review the Corporation's stock option plans and the Bank's performance incentive compensation plan to determine that they are properly structured to reward performance. The Committee will consider the overall performance of the Corporation and the Bank and the cost of the performance incentive compensation plan to ascertain that shareholder value is being increased. The Committee will make recommendations to the Board of Directors regarding changes to the plan. The Committee will also approve the pay-out of the plans after the Corporation's performance has been ratified by the external auditing firm.

G. Oversight of executive development and management succession planning. The committee will review on an annual basis the development of junior executives and will use this as a basis for an annual review of succession planning.

H. Oversight of Director Compensation. The Committee shall review on an annual basis, in conjunction with the Nominating and Corporate Governance Committee, the appropriate levels of director compensation and an appropriate director compensation program and shall make recommendations to the Board regarding the same.

V. EVALUATIONS

Annually, the Committee shall review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.

VI. COMMITTEE RESOURCES

The Committee shall have the authority to obtain advice and seek assistance from internal or external legal or other advisors. The Committee shall have the sole authority to retain and terminate any compensation consultant used to assist the Committee in evaluating executive compensation, including sole authority to approve such consultant's fees and other retention terms.