

Section 1: 8-K (8-K)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): March 26, 2018



(Exact Name of Registrant as Specified in Charter)

Michigan
(State or Other Jurisdiction
of Incorporation)

1-16577
(Commission File Number)

38-3150651
(IRS Employer
Identification No.)

5151 Corporate Drive, Troy, Michigan
(Address of Principal Executive Offices)

48098
(Zip Code)

(248) 312-2000
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

In May 2017, the performance goal of a sustained per share stock price of \$28 was achieved under the previous executive long term incentive program (“ExLTIP”) and the awards vested. Consistent with the compensation commitment made to our Chief Executive Officer, Alessandro P. Dinello, and Chief Operating Officer, Lee M. Smith, at the time of their appointment, our per share stock price grew to a sustained \$28 from less than \$14 at market close on May 14, 2013, the day before their appointment.

With the achievement and vesting of ExLTIP, the Chief Executive Officer and the Chief Operating Officer were no longer subject to a long term incentive program. Therefore, the Compensation Committee (“Committee”) commenced the development of a long term incentive program which would continue to promote the long-term service of our Chief Executive Officer and Chief Operating Officer and to appropriately provide rewards based on increasing shareholder value. In developing the program, the Committee conferred with an independent executive compensation consulting firm, Steven Hall and Partners, to ensure the program was aligned with our retention and growth goals and commensurate with market practices. Consistent with providing rewards based on improving shareholder value, the Committee sought to grant awards at levels that considered the increase in share price from the time they were last participating in a long term incentive program, during which time our share price continued to grow. The share price performance target designed into the program requires a sustained share price of \$40 or higher to earn half of the award and \$44 or higher to earn the other half of the award, which would result in a 43 percent and 57 percent increase, respectively, from the share price of \$28.

Since Mr. DiNello became Chief Executive Officer and Mr. Smith became Chief Operating Officer on May 15, 2013, through December 31, 2017, our total shareholder return was 25 percent annualized, second to only one of our 20 peer companies¹. Additionally, in the four-year period ending December 31, 2017, the total return to our shareholders is in the 95th percentile relative to peers. We believe that our long-term equity incentives for the Chief Executive Officer and the Chief Operating Officer have been and will continue to be appropriate vehicles for providing awards that are well-aligned with the value delivered to shareholders and the profitability of the Company.

On March 20, 2018, the Board of Directors (the “Board”) of Flagstar Bancorp, Inc. (“Flagstar” or the “Company”) approved and adopted the Flagstar Bancorp, Inc. Long-Term Incentive Program (“2018 LTIP”) consisting of equity awards for the Chief Executive Officer, Alessandro P. DiNello, and the Chief Operating Officer, Lee M. Smith.

The 2018 LTIP provides Mr. DiNello and Mr. Smith long term incentive awards based on share performance similar to the previous program (ExLTIP). These awards consist of Performance Restricted Stock Units (“RSUs”) tied to volume weighted average price (“VWAP”) of stock and Time-Based RSUs which vest based on service over a four year period. Additionally, Mr. DiNello and Mr. Smith will be eligible to participate in the Flagstar LTIP under the same conditions that are provided to other Flagstar employees.

The following table provides awards granted in 2018, all granted under our shareholder approved 2016 Stock Award and Incentive Plan:

		Grants in 2018
Alessandro P. DiNello	Performance RSUs	227,273
	Time-Based RSUs	136,364
	Flagstar LTIP RSUs	22,727
Lee M. Smith	Performance RSUs	113,636
	Time-Based RSUs	68,182
	Flagstar LTIP RSUs	11,364

Half of the Performance RSUs award will be earned if our share price, measured by VWAP over a 90-day period, is \$40 or higher, and half of the Performance RSUs will be earned if a 90-day VWAP of \$44 or higher is achieved. Vesting also requires service through the fourth anniversary of the grant date. In addition, following Performance RSUs being earned under either performance goal, half of the earned Performance RSUs are subject to forfeit if on one of the four anniversaries of the grant date the applicable performance goal is not met. Once the applicable performance goal is met, the Performance RSUs are eligible for accelerated vesting upon death, disability or a Change in Control, but not retirement.

¹ See 2018 Proxy Statement for a description of our peer group

The Time-Based RSUs vest based on service where 25 percent of the award vests on the last day of the year of grant and the last day of each of the subsequent three years.

The Flagstar LTIP RSUs have terms identical to those granted to other employees. These awards are earned over three years consisting of 55 percent performance-based restricted stock units and 45 percent time-based restricted stock units. The time-based restricted stock units will vest in three increments: 25 percent on the first and second anniversaries of the grant date, and 50 percent on the third anniversary of the grant date. The performance-based units are awarded subject to prudent performance measures established by the Board to enhance shareholder value.

The awards vest in full upon a termination due to death or disability (at target levels in the case of Performance RSUs for which the performance period is not yet completed). In the case of retirement, for which Mr. DiNello is eligible, only the pro rata portion of the time-based awards, based on service as a Chief Executive Officer or a director through the retirement date, would become vested (and based on the actual level of performance achieved, in the case of Performance RSUs).

The foregoing description of the awards is qualified in its entirety by the form of award agreements filed as exhibits to this current report.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FLAGSTAR BANCORP, INC.

Dated: March 26, 2018

By: /s/ James K. Ciroli
James K. Ciroli
Executive Vice-President and Chief Financial
Officer

EXHIBIT INDEX

Exhibit No.	Description
10.1	2016 Stock Award and Incentive Plan Restricted Stock Unit Senior Executive Officer Award Agreement - 4 year ratable
10.2	2016 Stock Award and Incentive Plan Restricted Stock Unit and Performance Share Unit Senior Executive Officer Award Agreement - SEO Performance
10.3	Executive Long-Term Incentive Program Award Agreement II (\$44 VWAP)
10.4	Executive Long-Term Incentive Program Award Agreement II (\$40 VWAP)
10.5	2016 Stock Award and Incentive Plan Restricted Stock Unit Senior Executive Officer Award Agreement - SEO Time

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Section 2: EX-10.1 (EXHIBIT 10.1)



Grantee Name: ###PARTICIPANT_NAME### (“Grantee”)

Grant Name: ###GRANT_NAME###

Grant Date: ###GRANT_DATE### (“Grant Date”)

Grant Price: ###GRANT_PRICE###

Total ###DICTIONARY_AWARD_NAME###: ###TOTAL_AWARDS### (subject to adjustment)

**FLAGSTAR BANCORP, INC.
2016 STOCK AWARD AND INCENTIVE PLAN
RESTRICTED STOCK UNIT
SENIOR EXECUTIVE OFFICER AWARD AGREEMENT**

This Award Agreement (this “**Agreement**”) is made effective at the Grant Date set forth above by and between Flagstar Bancorp, Inc., a Michigan corporation (the “**Company**”), and the Grantee named above.

WHEREAS, the Company sponsors and maintains the Flagstar Bancorp, Inc. 2016 Stock Award and Incentive Plan (the “**Plan**”); and

WHEREAS, the Grantee has been selected by the Compensation Committee and the Board to receive a grant of Restricted Stock Units under the Plan.

NOW, THEREFORE, the Company and the Grantee hereby agree as follows:

Section 1. Grant of Restricted Stock Units. The Company hereby grants to the Grantee, as of the Grant Date, an award of ###TOTAL_AWARDS### Restricted Stock Units (the “Restricted Stock Units” or “Units”) on the terms and conditions set forth in this Agreement and the Plan. Each Restricted Stock Unit is granted under Section 6(e) of the Plan and represents the right to receive one share of Common Stock at the times and subject to the conditions set forth herein. Capitalized terms that are used but not defined herein have the meaning given to them in the Plan.

(a) **Vesting.** The Restricted Stock Units granted by the Company hereunder shall vest in four (4) installments in accordance with the following schedule: (a) twenty-five percent (25%) shall vest on the last business date of the 2018 calendar year, (b) twenty-five percent (25%) shall vest on the last business date of the 2019 calendar year, (c) twenty-five percent (25%) shall vest on the last business date of the 2020 calendar year, and (d) the remaining twenty-five percent (25%) shall vest on the last business date of the 2021

calendar year (each such date, a “Vesting Date”), in each case, subject to the Grantee’s continued employment with the Company or an Affiliate or service to the Company as a member of the Board through the applicable Vesting Date.

(b) **Change in Control.** In the event of a Change in Control, any unforfeited Restricted Stock Units will be governed by the provisions of this Agreement, and Section 9 of the Plan, which describes the conditions for accelerated vesting of the Restricted Stock Units. For purposes of this Agreement, “**Change in Control**” is defined as (i) the occurrence of a “Change in Control” as defined by the Plan, (ii) MatlinPatterson Global Advisors LLC or its affiliates ceasing to be the beneficial owner, either directly or indirectly, of at least thirty percent (30%) of the Stock, or (iii) a person or entity other than MP Thrift Investments L.P. or its affiliates (together, “**MatlinPatterson**”) becomes entitled, under an agreement to which the Company is a party, to appoint to the Board a number of directors equal to or greater than the number of directors MatlinPatterson is then entitled to appoint under an agreement to which the Company is a party.

(c) **Termination due to Retirement.** If Grantee has ceased to be employed with the Company or an Affiliate or providing services as a member of the Board to the Company due to Retirement prior to an applicable Vesting Date, then the Restricted Stock Units shall vest on a pro-rata basis on the later of (1) Grantee’s termination of employment with the Company or an Affiliate or (2) termination of providing services to the Company as member of the Board, and shall be settled in accordance with Section 3. The pro rata calculation will be determined by multiplying (x) the number of Restricted Stock Units scheduled to vest at the next Vesting Date by (y) a fraction, with the numerator equal to the number of calendar days Grantee was in service since January 1 of the year of termination and with the denominator equal to the number of days in the full year of termination. For purposes of

this Agreement, Retirement shall mean the Grantee's termination of service as an employee and director at or after attainment of both age 60 and 10 years of completed service with the Company or its affiliates. If Grantee is then eligible for Retirement, a termination by the Company not for Cause (without continuing service as a director) shall be deemed a Retirement, but a termination by the Company for Cause (and any subsequent termination of service as a director) shall not be deemed a Retirement.

(d) **Termination for Death or Disability.** Any unforfeited Restricted Stock Units shall vest immediately and fully upon the Grantee's termination of employment or service due to death or Disability, and shall be settled in accordance with Section 3.

(e) **Termination for Cause.** If the Grantee's employment with the Company is terminated for Cause, whether prior to or after a Vesting Date, the Executive will forfeit all unvested Restricted Stock Units as well as any Restricted Stock Units that had vested but were not yet paid out. For purposes of this Agreement, "Cause" shall mean the Grantee's (i) engaging in willful or gross misconduct or willful or gross neglect of duties, (ii) repeatedly and willfully failing to adhere to the directions of the Board or the written policies and practices of the Company or an Affiliate, (iii) commission of or plea of nolo contendere to a felony, a crime of moral turpitude, or any crime involving the Company or an Affiliate that causes damage to the property or business of the Company or an Affiliate, (iv) fraud, misappropriation, dishonesty, or embezzlement in each case which causes damage to the property or business of the Company or an Affiliate, (v) material breach of the Grantee's employment agreement (if any) with the Company or an Affiliate (other than a termination of employment by the Grantee), (vi) loss of any license or registration that is necessary for the Grantee to perform his duties for the Company or an Affiliate, or (vii) unlawful act that causes damage to the property or business of the Company or an Affiliate, all as determined in the sole discretion of the Committee. Before the Committee determines that "Cause" has occurred under clause (i), (ii), (v), or (vii) above, the Committee will provide to the Grantee in writing, in reasonable detail, the reasons for the determination that such "Cause" exists, and afford the Grantee a reasonable opportunity to remedy any such breach, action or inaction, if such breach action or inaction, is capable of being remedied. In addition, Grantee's employment and service will be deemed to have terminated for Cause if, within twelve (12) months after the Grantee's employment or service has terminated, facts and circumstances are discovered that would have justified a termination for Cause. For purposes of this Agreement, no act or failure to act on the Grantee's part will be considered "willful" unless it is done, or omitted to be done, by him or her in bad faith or without reasonable belief that his or her action or omission was in the best interests of the Company or an Affiliate. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or based upon the advice of counsel for the Company or an Affiliate will be conclusively presumed to be done, or omitted to be done, in good faith and in the best interests of the Company or an Affiliate.

(f) **Termination for other reason than for Cause, Retirement, Death or Disability.** If the Grantee's employment is voluntarily or involuntarily terminated (other than due to Cause, Retirement, death or Disability) prior to the vesting of any Restricted Stock Units, any such unvested Restricted Stock Units shall be forfeited and the Grantee shall have no future rights or interests with respect to the Restricted Stock Units.

(g) **Account.** The Restricted Stock Units shall be credited to a separate account maintained for the Grantee on the books and records of the Company. All amounts credited to this account shall continue for all purposes to be part of the general assets of the Company.

Section 2. Transfer Restrictions. Until such time as the Units vest and the shares of Common Stock underlying the vested Units have been issued, the Grantee may not assign or otherwise transfer the Units or the rights relating thereto except as provided in the Plan. Any attempt to sell, pledge, assign or otherwise transfer the Units or the rights relating thereto shall be wholly ineffective and, if any such attempt is made, the Units or the rights relating thereto will be forfeited by the Grantee and all of the Grantee's rights to such units or related shares of Common Stock shall immediately terminate without any payment or consideration by the Company. Once the Units vest and the shares of Common Stock underlying the Units have been issued, the Grantee may not be able to sell immediately the shares of Common Stock depending on securities laws and under applicable insider trading policies of the Company. Any inability to sell or transfer the shares of Common Stock underlying the Units will not relieve the Grantee of the obligation to pay any required withholding taxes at the time of vesting (see discussion below under "Tax Withholding").

Section 3. Other Terms of Restricted Stock Units.

(a) Immediately upon vesting of any Unit on a Vesting Date, and within thirty (30) calendar days following the vesting of any Unit upon an event not at a Vesting Date, the Company shall distribute to the Grantee the number of shares of Common Stock (either in book-entry form or in any other commercially reasonable manner implemented by the Company) equal to the number of vested Units. Upon vesting of Units, all restrictions shall be removed from the Units and the Company shall distribute to the Grantee shares (either in book-entry form or in any other commercially reasonable manner implemented by the Company) representing the vested Units free and clear of all restrictions, except for any applicable securities laws restrictions or restrictions pursuant to the Company's Insider Trading Policy.

(b) All distributions in shares of Common Stock shall be in the form of whole shares of Common Stock, and any fractional share shall be distributed in cash in an amount equal to the value of such fractional share determined based on the Fair Market Value of a share of Common Stock on the applicable vesting date.

(c) This Agreement is subject to compliance with applicable laws, statutes, rules, regulations and policies of, and any agreements with, any regulatory authority, body or agency having jurisdiction over the Company or any of its subsidiaries, including, but not limited to, compliance with any notice, non-objection or approvals requirements set forth in any of the foregoing.

Section 4. Tax Withholding. The Grantee shall be required to pay to the Company, and the Company shall have the right to deduct from any compensation paid to the Grantee pursuant to the Plan, the minimum amount required to be withheld for federal, state and local taxes, domestic or foreign, including payroll taxes, in respect of the Units and to take all such other action as the Committee deems necessary to satisfy all obligations for the payment of such withholding taxes. The Company shall determine the amount of such withholding. The Committee, in its sole discretion, may require or permit the Grantee to satisfy any such tax withholding obligation by any one or a combination of the following means:

(a) the Grantee tendering a cash payment or check payable to the Company; and/or

(b) the Company withholding shares of Common Stock from the shares of Common Stock otherwise issuable to the Grantee as a result of the vesting of the Restricted Stock Units; provided, however, that shares of Common Stock may be withheld with a value exceeding the minimum statutory amount of tax required to be withheld by law only in accordance with a procedure or policy adopted by the Committee and in effect at the time of vesting.

Section 5. Rights as Stockholder. Except as otherwise provided in the Agreement, the Grantee shall not have any of the rights or privileges of a stockholder with respect to the shares of Common Stock underlying the Units, including but not limited to rights to vote the shares of Common Stock or to receive dividends on the shares of Common Stock, unless and until the Units vest and certificates or other evidence of ownership representing such shares of Common Stock (which may be in book-entry form) have been issued and recorded on the records of the Company, and delivered to the Grantee. After such issuance, recordation and delivery, Grantee will have the rights of a stockholder of the Company with respect to such shares of Common Stock, subject to any restrictions on the shares of Common Stock and the terms and conditions of the Stockholder's Agreement (if any).

Section 6. No Right to Continued Service. Neither the Plan nor this Agreement shall confer upon the Grantee any right to continue as an employee of the Company. Further, nothing in the Plan or this Agreement shall be construed to limit the right of the Company to terminate Grantee's employment at any time, with or without cause.

Section 7. Adjustments. The number of Units subject to this Award and related terms will be subject to adjustment in accordance with Section 11(c) of the Plan under a variety of circumstances, including but not limited to splits or other corporate events. Any adjustment made by the Committee shall be conclusive, final and binding. For clarity, no dividend equivalents will be paid or credited on the Units relating to ordinary dividends paid by the Company.

Section 8. Restrictive Covenants. The Grantee acknowledges and agrees that the services provided by the Grantee to the Company and its Affiliates including, but not limited to, Flagstar Bank, FSB (the "Bank"), are of a special, unique and extraordinary nature, and that the restrictions contained in this Section are necessary to prevent the use and disclosure of Confidential Information and to protect other legitimate business interests of the Company and its Affiliates. The Grantee acknowledges that all of the restrictions in this Section are reasonable in all respects, including duration, territory and scope of activity. In the event a court of competent jurisdiction determines as a matter of law that any of the terms of this Section are unreasonable or overbroad, the Company and the Grantee expressly allow such court to reform this Agreement to the extent necessary to make it reasonable as a matter of law and to enforce it as so reformed. The Grantee agrees that the restrictions contained in this Section shall be construed as separate agreements independent of any other provision of this Agreement or any other agreement between the Grantee and the Company or its Affiliates.

(a) **Confidentiality.** In the course of the Grantee's performing Grantee's duties for the Company and its Affiliates, the Company expects to provide Grantee with various proprietary, confidential and trade secret information of the Company and its Affiliates. Such proprietary, confidential and trade secret information may include, but not be limited to, any database of customer accounts; any customer, supplier and distributor list; customer profiles; information regarding sales and marketing activities and strategies; trade secrets; data regarding technology, products and services; information regarding pricing, pricing techniques and procurement; financial data and forecasts regarding the Company and customers, suppliers and distributors of the Company; software programs and intellectual property (collectively, "Confidential Information"). All Confidential Information shall be and remain the sole property of the Company and its assigns, and the Company shall be and remain the sole owner of all patents,

copyrights, trademarks, names and other rights in connection therewith and without regard to whether the Company is at any particular time developing or marketing the same. The Grantee acknowledges that the Confidential Information is a valuable, special and unique asset of the Company and its Affiliates and that Grantee's access to and knowledge of the Confidential Information is essential to the performance of Grantee's duties as an employee of the Company and its Affiliates. In light of the competitive nature of the business in which the Company and its Affiliates are engaged, the Grantee agrees that Grantee will, both during Grantee's employment or service with the Company and its Affiliates and thereafter, maintain the strict confidentiality of all Confidential Information known or obtained by him or to which Grantee has access in connection with Grantee's employment by or service with the Company and that Grantee will not (i) disclose any Confidential Information to any person or entity (other than in proper performance of Grantee's duties hereunder) or (ii) make any use of any Confidential Information for Grantee's own purposes or for the direct or indirect benefit of any person or entity other than the Company or its Affiliates. Confidential Information shall not be deemed to include information that (w) becomes generally available to the public through no fault of Grantee, (x) is previously known by the Grantee prior to Grantee's receipt of such information from the Company, (y) becomes available to Grantee on a non-confidential basis from a source which, to Grantee's knowledge, is not prohibited from disclosing such information by legal, contractual or fiduciary obligation to the Company or (z) is required to be disclosed in order to comply with any applicable law or court order. Nothing in this Confidentiality provision prohibits Grantee from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. Grantee does not require prior authorization to make any such reports or disclosures and is not required to notify the company such reports or disclosures have been made. Immediately upon termination of the Grantee's employment or at any other time upon the Company's request, the Grantee will return to the Company all memoranda, notes and data, computer software and hardware, records or other documents compiled by Grantee or made available to the Grantee during the Grantee's employment with the Company concerning the Business of the Company, including without limitation, all files, records, documents, lists, equipment, supplies, promotional materials, keys, phone or credit cards and similar items and all copies thereof or extracts therefrom. Notwithstanding the foregoing, in certain limited circumstances described in the Company's Confidentiality Guidelines, Grantee may disclose Confidential Information that consists of materials that would otherwise be subject to trade secret protection.

(b) **No Competition.** For a period of one (1) year following the Grantee's voluntary termination of employment with the Company or its Affiliates, but only if the Grantee has vested in some portion of the Units, the Grantee agrees that the Grantee shall not, on behalf of the Grantee or for others, directly or indirectly (whether as employee, consultant, investor, partner, sole proprietor or otherwise), be employed by, have an ownership interest in, or perform any services for a financial institution engaged in the same lines of business as the Company or its Affiliates ("Business of the Company") in any state of the United States where the Company is doing business. The parties agree that this provision shall not prohibit the ownership by the Grantee, solely as an investment, of securities of a person engaged in the Business of the Company if (i) the Grantee is not an "affiliate" (as such term is defined in Rule 12b-2 of the regulations promulgated under the Exchange Act) of the issuer of such securities, (ii) such securities are publicly traded on a national securities exchange and (iii) the Grantee does not, directly or indirectly, beneficially own more than two percent (2%) of the class of which such securities are a part.

(c) **No Solicitation of Employees.** The Grantee agrees that, both during the Grantee's employment with the Company and for a period of one (1) year following termination of the Grantee's employment with the Company or its Affiliates for any reason, the Grantee will not, directly or indirectly, on behalf of the Grantee or any other person or entity, hire, engage or solicit to hire for employment or consulting or other provision of services, any person who is actively employed (or in the six (6) months preceding the Grantee's termination of employment with the Company was actively employed) by the Company or its Affiliates, except for rehire by the Company or its Affiliates. This includes, but is not limited to, inducing or attempting to induce, or influence or attempting to influence, any person employed by the Company to terminate his or her employment with the Company.

(d) **No Solicitation of Customers.** The Grantee agrees that, both during the Grantee's employment with the Company and for a period of one (1) year following termination of the Grantee's employment with the Company and its Affiliates for any reason, the Grantee will not directly, on behalf of any competitor of the Company or its Affiliates in the Business of the Company, solicit the business of any entity within the United States who is known by the Grantee to be a customer of the Company or its Affiliates.

(e) **Survival.** The obligations and provisions contained in this Section shall survive the Grantee's separation from service and this Agreement and shall be fully enforceable thereafter.

Section 9. Company Policies; Forfeiture.

(a) The Grantee agrees that the grant of Restricted Stock Units and the shares of Common Stock issued upon vesting of the Units will be subject to any applicable clawback or recoupment policies, insider trading policies, policies related to confidential

information and assignment of intellectual property, stock ownership guidelines and other policies that may be implemented or updated by the Company, from time to time.

(b) Notwithstanding anything to the contrary in this Agreement or the Plan, the Grantee agrees that if either (i) Grantee is terminated by the Company with Cause or (ii), during the Grantee's employment or other service with the Company or an Affiliate and thereafter, Grantee violates any of the restrictive covenants under Section 9 above, irrespective of whether the restrictive covenant is enforceable under applicable law, then immediately upon demand by the Company made within 90 days of the Company's receipt of actual notice of the violation, any unvested Units shall be cancelled and the Grantee shall return to the Company all shares of Common Stock delivered in settlement of the Units, or the cash value received by the Grantee upon the sale of such shares, to the extent the foregoing were realized or received in the twenty-four months prior to Grantee's termination.

Section 10. Notices. Any notice required by the terms of this Agreement shall be given in writing and shall be deemed effective upon personal delivery, upon deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid or upon deposit with a reputable overnight courier. Notice shall be addressed to the Company at its principal executive office and to the Grantee at the address most recently provided by the Grantee to the Company.

Section 11. Incorporation of Plan Terms. The provisions of the Plan are incorporated by reference into these terms and conditions. To the extent any provision of this Agreement conflicts with the Plan, the terms of the Plan shall govern. The Grantee acknowledges receipt of a copy of the Plan and represents that the Grantee has reviewed the Plan and is familiar with the terms and provisions thereof. The Grantee hereby accepts this Agreement and the terms of the Plan.

Section 12. Successors and Assigns. This Agreement is personal to the Grantee and shall not be assignable by the Grantee other than by will or the laws of descent and distribution, without the written consent of the Company. This Agreement shall inure to the benefit of and be enforceable by the Grantee's legal representatives. This Agreement shall inure to the benefit of and be binding upon the Company and its successors. It shall not be assignable by the Company except in connection with the sale or other disposition of all or substantially all the assets or business of the Company.

Section 13. No Impact on Other Benefits. The value of the Grantee's Units is not part of the Grantee's compensation for purposes of calculating any severance, retirement, welfare, insurance or similar employee benefit.

Section 14. Discretionary Nature of Plan. The Plan is discretionary and may be amended, cancelled or terminated by the Company at any time, in its discretion. The grant of the Units in this Agreement does not create any contractual right or other right to receive any Units or other awards or grants in the future. Future awards, if any, will be at the sole discretion of the Committee. Any amendment, modification, or termination of the Plan shall not constitute a change or impairment of the terms and conditions of the Grantee's employment with the Company or its Affiliates.

Section 15. Amendment. The Committee shall have authority, subject to the express provisions of the Plan, to interpret this Agreement and the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, to modify the terms and provisions of this Agreement, and to make all other determinations in the judgment of the Committee necessary or desirable for the administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan or in this Agreement in the manner and to the extent it shall deem necessary or desirable to carry it into effect. All action by the Committee under the provisions of this Section shall be final, conclusive and binding for all purposes. Any amendment to this Agreement shall be in writing signed by the Company and, if the amendment materially impairs the rights of the Grantee, by the Grantee.

Section 16. Code Section 409A. This Agreement and the award of Units hereunder are intended to comply with the requirements of Code Section 409A, and shall at all times be interpreted, operated and administered in accordance with such intent. If payment of any amount that constitutes a deferral of compensation subject to Code Section 409A is triggered by a separation from service, which separation occurs while the Grantee is a "specified employee" (as defined by Code Section 409A) of the Company, and if such amount is scheduled to be paid within six (6) months after such separation from service, the amount shall accrue without interest and shall be paid the first business day after the end of such six-month period, or, if earlier, within 15 days after the appointment of the personal representative or executor of the Grantee's estate following the Grantee's death. "Termination of employment," "resignation," "retirement" or words of similar import, as used in this Agreement shall mean, with respect to any payments that constitute deferred compensation subject to Code Section 409A, the Grantee's "separation from service" as defined by Code Section 409A. If payment of any amount that constitutes a deferral of compensation subject to Code Section 409A is triggered by a Change in Control that is not a change in the ownership or effective control of the Company or in the ownership of a substantial portion of the assets of the Company within the meaning of Section 1.409A-3(i)(5) of the Treasury Regulations (a "**409A Change in Control**"), then any such payment will not be paid until the earliest to occur of (i) the date on which the payment would otherwise have been made in absence of the Change in Control, (ii) the Grantee's separation from service with the Company,

and (iii) a 409A Change in Control. Each installment that vests at a distinct Vesting Date, and each pro rata portion of such an installment that ceases to be subject to a substantial risk of forfeiture in a given calendar year, shall be deemed to be a separate payment for purposes of Code Section 409A. Notwithstanding anything in the Plan or this Agreement to the contrary, the Grantee shall be solely responsible for the tax consequences of the Units, and in no event shall the Company have any responsibility or liability if an award under the Plan is subject to and/or fails to comply with the requirements of Code Section 409A.

Section 17. Code Section 280G. If a Change in Control occurs and payments are made under this Agreement, and the aggregate of the Restricted Stock Units awarded to Grantee that vest under this Agreement, and all payments under any other agreement, plan, program or policy of the Company in connection with such Change in Control (“**Total Payments**”) will be subject to an excise tax under the provisions of Code Section 4999 (“**Excise Tax**”), the Total Payments shall be reduced so that the maximum amount of the Total Payments (after reduction) will be one dollar (\$1.00) less than the amount that would cause the Total Payments to be subject to the Excise Tax; provided, however, that the Total Payments shall only be reduced to the extent the after-tax value of amounts received by Grantee after application of the above reduction would exceed the after-tax value of the Total Payments received by Grantee without application of such reduction. In making any determination as to whether the Total Payments would be subject to an Excise Tax, consideration shall be given to whether any portion of the Total Payments could reasonably be considered, based on the relevant facts and circumstances, to be reasonable compensation for services rendered (whether before or after the consummation of the applicable Change in Control). If applicable, the particular payments that are to be reduced shall be subject to the mutual agreement of the Grantee and the Company, with a view to maximizing the value of the payments to the Grantee that are not reduced.

Section 18. Entire Agreement. This Agreement constitutes the entire contract between the parties hereto with regard to the subject matter hereof. This Agreement supersedes any other agreements, representations or understandings (whether oral or written and whether express or implied) which relate to the subject matter hereof.

Section 19. Severability. If any provision of this Agreement for any reason should be found by any court of competent jurisdiction to be invalid, illegal or unenforceable, in whole or in part, such declaration shall not affect the validity, legality or enforceability of any remaining provision or portion hereof, which remaining provision or portion hereof shall remain in full force and effect as if this Agreement had been adopted with the invalid, illegal or unenforceable provision or portion hereof eliminated.

Section 20. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Michigan, as such laws are applied to contracts entered into and performed in such State, without giving effect to the choice of law provisions thereof. The jurisdiction and venue for any disputes arising under, or any action brought to enforce the terms of, this Agreement shall be resolved exclusively in the courts of the State of Michigan, including the Federal Courts located therein (should Federal jurisdiction exist).

Section 21. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

Section 22. Acceptance. As a condition of receiving this Award, the Grantee agrees that the Committee, and to the extent that authority is afforded to the Board, the Board, shall have full and final authority to construe and interpret the Plan and this Agreement, and to make all other decisions and determinations as may be required under the Plan or this Agreement as they may deem necessary or advisable for administration of the Plan or this Agreement, and that all such interpretations, decisions and determinations shall be final and binding on the Grantee, the Company and all other interested persons. Any dispute regarding the interpretation of this Agreement shall be submitted by the Grantee or the Company to the Committee for review. The resolution of such dispute by the Committee shall be final and binding on the Grantee and the Company.

This Agreement is executed by the Company and the Grantee as of the date and year first written above.

GRANTEE

FLAGSTAR BANCORP, INC.

By: _____

Its: _____

ACKNOWLEDGEMENT OF INSIDER TRADING LAWS AND POLICY

NOTE: OUR INSIDER TRADING POLICY ADDRESSES VERY SERIOUS MATTERS. IF YOU HAVE ANY QUESTION OR DOUBT ABOUT THE APPLICABILITY OR INTERPRETATION OF THIS POLICY, PLEASE SEEK CLARIFICATION FROM OUR GENERAL COUNSEL.

The undersigned acknowledges that he/she has reviewed the Company’s Insider Trading Policy (the “Policy”), and will review any amendments to the Policy. The current Policy and any amendments will be maintained and available on the My Flagstar intranet. The undersigned agrees to comply with the restrictions and procedures contained in the Policy, as it may be amended from time to time.

Signature

Name

Date

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Section 3: EX-10.2 (EXHIBIT 10.2)



Grantee Name: ###PARTICIPANT_NAME### (“Grantee”)

Grant Name: ###GRANT_NAME###

Grant Date: ###GRANT_DATE### (“Grant Date”)

Grant Price: ###GRANT_PRICE###

Total ###DICTIONARY_AWARD_NAME###: ###TOTAL_AWARDS### (subject to adjustment)

**FLAGSTAR BANCORP, INC.
2016 STOCK AWARD AND INCENTIVE PLAN
RESTRICTED STOCK UNIT AND PERFORMANCE SHARE UNIT
SENIOR EXECUTIVE OFFICER AWARD AGREEMENT**

This Award Agreement (this “**Agreement**”) is made effective at the Grant Date set forth above by and between Flagstar Bancorp, Inc., a Michigan corporation (the “**Company**”), and the Grantee named above.

WHEREAS, the Company sponsors and maintains the Flagstar Bancorp, Inc. 2016 Stock Award and Incentive Plan (the “**Plan**”); and

WHEREAS, the Grantee has been selected by the Compensation Committee and Board to receive a grant of Performance Share Units under the Plan.

NOW, THEREFORE, the Company and the Grantee hereby agree as follows:

Section 1. Grant of Performance Share Units. The Company hereby grants to the Grantee, as of the Grant Date, an award of ###TOTAL_AWARDS### Performance Share Units (the “**Performance Share Units**” or “**PSUs**” or “**Units**”) on the terms and conditions set forth in this Agreement and the Plan. Each Performance Share Unit is granted under Sections 6(e), 6(i) and 7 of the Plan and represents the right to receive one share of Common Stock upon the attainment of performance goals established by the Committee and described in Exhibit A, and subject to the conditions set forth herein.

(a) **Vesting.** The Performance Share Units granted by the Company hereunder shall vest one year following the end of the full Performance Period (as defined in Exhibit A) (the “**PSU Vesting Date**”), subject to and contingent upon (i) the Grantee’s continued employment by the

Company or service to the Company as a director through the PSU Vesting Date, and (ii) the Committee's certification of the performance level attained for the Performance Period, and subject to Sections 1(b), (c) and (d).

(b) **Change in Control.** In the event of a Change in Control, the provisions of Section 9 of the Plan will apply to the Performance Share Units regarding acceleration of vesting, except that, if a Change in Control occurs prior to the end of the Performance Period any PSUs awarded will vest and be paid out at target performance levels. If such event occurs between the end of the Performance Period and the PSU Vesting Date, any PSU awards will vest and be paid at the actual performance levels certified by the Committee. Payment will be made as soon as practicable (but not more than five business days) following each such event. The foregoing notwithstanding, Awards will not vest and be paid based on the occurrence of a Change in Control if, in connection with the transactions resulting in the Change in Control, the Company agrees to the assumption of the PSUs or the substitution for the PSUs (or as otherwise described in the Plan), but will be governed by Section 9 of the Plan.

(c) **Termination due to Retirement.** If Grantee's employment with the Company and service to the Company as a director is terminated due to Retirement prior to the applicable PSU Vesting Date, then the Grantee's Performance Share Units shall vest on a pro-rata basis subject to the actual performance levels certified by the Committee for the Performance Period and shall be settled at the same time as Performance Share Units would have been settled if Grantee's employment had continued, subject to Section 1(b). The pro rata calculation will be determined by multiplying (x) the number of unvested Performance Share Units, by (y) a fraction, with the numerator equal to the number of full months (measured from the day of the month that is the Grant Date to the corresponding day of other months) from the Grant Date through the date of the Grantee's termination of employment (but not more than 33), and the denominator equal to 33. For purposes of this Agreement, Retirement shall mean the Grantee's separation from both employment and service as a director at or after attainment of both age 60 and 10 years of completed service with the Company or its affiliates. If the Grantee is then eligible for Retirement, a termination by the Company not for Cause

(without continuing service as a director) shall be deemed a Retirement, but a termination by the Company for Cause (and any subsequent termination of service as a director) shall not be deemed a Retirement.

(d) **Termination for Death or Disability.** In the event of Grantee's termination of employment due to death or Disability (regardless of continued service as a director):

- i. if such event occurs before the end of the applicable Performance Period the Grantee's Performance Share Units will fully vest and be paid out at the target performance level within 30 days following such termination (subject to Section 16); or
- ii. if such event occurs at or after the end of the applicable Performance Period, the Performance Share Units will be deemed to be earned at the actual performance levels certified by the Committee and such earned Units will be fully vested immediately upon such termination (or, if later, upon the certification by the Committee which must occur before March 15 of the year following the end of the Performance Period) and will be settled in accordance with Section 3 below.

(e) **Termination other than for Retirement, Death and Disability.** If the Grantee's employment and service as a director is voluntarily or involuntarily terminated (other than due to Retirement, death or Disability) prior to the vesting of a Performance Share Unit, any such unvested Performance Share Unit shall be forfeited.

(f) **Account.** The Performance Share Units shall be credited to a separate account maintained for the Grantee on the books and records of the Company. All amounts credited to this account shall continue for all purposes to be part of the general assets of the Company.

Section 2. Transfer Restrictions. Until such time as the Units vest and the shares of Common Stock underlying the vested Units have been issued, the Grantee may not assign or otherwise transfer the Units or the rights relating thereto except as provided in the Plan. Any attempt to sell, pledge, assign or otherwise transfer the Units or the rights relating thereto shall be wholly ineffective and, if any such attempt is made, the Units or the rights relating thereto will be forfeited by the Grantee and all of the Grantee's rights to such units or related shares of Common Stock shall immediately terminate without any payment or consideration by the Company. Once the Units vest and the shares of Common Stock underlying the Units have been issued, the Grantee may not be able to sell immediately the shares of Common Stock depending on securities laws and under applicable insider trading policies of the Company. Any inability to sell or transfer the shares of Common Stock underlying the Units will not relieve the Grantee of the obligation to pay any required withholding taxes at the time of vesting (see discussion below under "Tax Withholding").

Section 3. Settlement of Vested Units.

(a) Within thirty (30) calendar days following the vesting of any Unit (or, if applicable, at the settlement date specified in the first sentence of Section 1(c) or in Section 1(d)(i)), the Company shall distribute to the Grantee the number of shares of Common Stock (either in book-entry form or in any other commercially reasonable manner implemented by the Company) equal to the number of vested Units.

(b) All distributions in shares of Common Stock shall be in the form of whole shares of Common Stock, and any fractional share shall be distributed in cash in an amount equal to the value of such fractional share determined based on the Fair Market Value of a share of Common Stock on the applicable vesting date.

(c) This Agreement is subject to compliance with applicable laws, statutes, rules, regulations and policies of, and any agreements with, any regulatory authority, body or agency having jurisdiction over the Company or any of its subsidiaries, including, but not limited to, compliance with any notice, non-objection or approval requirements set forth in any of the foregoing.

Section 4. Tax Withholding. The Grantee shall be required to pay to the Company, and the Company shall have the right to deduct from any compensation paid to the Grantee pursuant to the Plan, the minimum amount required to be withheld for federal, state and local taxes, domestic or foreign, including payroll taxes, in respect of the Units and to take all such other action as the Committee deems necessary to satisfy all obligations for the payment of such withholding taxes. The Company shall determine the amount of such withholding. Unless otherwise determined by the Committee, in its sole discretion, Grantee may satisfy any such tax withholding obligation by any one or a combination of the following means:

- (a) the Grantee tendering a cash payment or check payable to the Company; and/or

(b) the Company withholding shares of Common Stock from the shares of Common Stock otherwise issuable to the Grantee as a result of the vesting of the Performance Share Units or the Grantee tendering previously acquired shares (the fair market value of such withheld or tendered shares to be applied to the applicable tax and withholding obligations); provided, however, that shares of Common Stock may be withheld with a value exceeding the minimum statutory amount of tax required to be withheld by law only in accordance with a procedure or policy adopted by the Committee and in effect at the time of vesting.

Section 5. Rights as Stockholder. Except as otherwise provided in the Agreement, the Grantee shall not have any of the rights or privileges of a stockholder with respect to the shares of Common Stock underlying the Units, including but not limited to rights to vote the shares of Common Stock or to receive dividends on the shares of Common Stock, unless and until the Units vest and certificates or other evidence of ownership representing such shares of Common Stock (which may be in book-entry form) have been issued and recorded on the records of the Company, and delivered to the Grantee. After such issuance, recordation and delivery, Grantee will have the rights of a stockholder of the Company with respect to such shares of Common Stock or to receive dividends, subject to any restrictions on the shares of Common Stock and the terms and conditions of the Stockholder's Agreement.

Section 6. No Right to Continued Service. Neither the Plan nor this Agreement shall confer upon the Grantee any right to continue as an employee of the Company. Further, nothing in the Plan or this Agreement shall be construed to limit the right of the Company to terminate Grantee's employment at any time, with or without cause.

Section 7. Adjustments. The number of Units subject to this Award and related terms will be subject to adjustment in accordance with Section 11 (c) of the Plan under a variety of circumstances, including but not limited to splits or other corporate events. Any adjustment made by the Committee shall be conclusive, final and binding. For clarity, no adjustment will be made nor dividend equivalents will be paid or credited on the Units relating to ordinary dividends paid by the Company.

Section 8. Restrictive Covenants. The Grantee acknowledges and agrees that the services provided by the Grantee to the Company and its Affiliates including, but not limited to, Flagstar Bank, FSB (the "**Bank**"), are of a special, unique and extraordinary nature, and that the restrictions contained in this Section are necessary to prevent the use and disclosure of Confidential Information and to protect other legitimate business interests of the Company and its Affiliates. The Grantee acknowledges that all of the restrictions in this Section are reasonable in all respects, including duration, territory and scope of activity. In the event a court of competent jurisdiction determines as a matter of law that any of the terms of this Section are unreasonable or overbroad, the Company and the Grantee expressly allow such court to reform this Agreement to the extent necessary to make it reasonable as a matter of law and to enforce it as so reformed. The Grantee agrees that the restrictions contained in this Section shall be construed as separate agreements independent of any other provision of this Agreement or any other agreement between the Grantee and the Company or its Affiliates.

(a) **Confidentiality.** In the course of the Grantee's performing Grantee's duties for the Company and its Affiliates, the Company expects to provide Grantee with various proprietary, confidential and trade secret information of the Company and its Affiliates. Such proprietary, confidential and trade secret information may include, but not be limited to, any database of customer accounts; any customer, supplier and distributor list; customer profiles; information regarding sales and marketing activities and strategies; trade secrets; data regarding technology, products and services; information regarding pricing, pricing techniques and procurement; financial data and forecasts regarding the Company and customers, suppliers and distributors of the Company; software programs and intellectual property (collectively, "**Confidential Information**"). All Confidential Information shall be and remain the sole property of the Company and its assigns, and the Company shall be and remain the sole owner of all patents, copyrights, trademarks, names and other rights in connection therewith and without regard to whether the Company is at any particular time developing or marketing the same. The Grantee acknowledges that the Confidential Information is a valuable, special and unique asset of the Company and its Affiliates and that Grantee's access to and knowledge of the Confidential Information is essential to the performance of Grantee's duties as an employee of the Company and its Affiliates. In light of the competitive nature of the business in which the Company and its Affiliates are engaged, the Grantee agrees that Grantee will, both during Grantee's employment or service with the Company and its Affiliates and thereafter, maintain the strict confidentiality of all Confidential Information known or obtained by him or to which Grantee has access in connection with Grantee's employment by or service with the Company and that Grantee will not (i) disclose any Confidential Information to any person or entity (other than in proper performance of Grantee's duties hereunder) or (ii) make any use of any Confidential Information for Grantee's own purposes or for the direct or indirect benefit of any person or entity other than the Company or its Affiliates. Confidential Information shall not be deemed to include information that (w) becomes generally available to the public through no fault of Grantee, (x) is previously known by the Grantee prior to Grantee's receipt of such information from the Company, (y) becomes available to Grantee on a non-confidential basis from a source which, to Grantee's knowledge, is not prohibited from disclosing such information by legal, contractual or fiduciary obligation to the Company or (z) is required to be disclosed in order to comply with any applicable law or court order. Nothing in this Confidentiality provision prohibits Grantee from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and

Exchange Commission, the Congress, and any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. Grantee does not require prior authorization to make any such reports or disclosures and is not required to notify the company such reports or disclosures have been made. Immediately upon termination of the Grantee's employment or at any other time upon the Company's request, the Grantee will return to the Company all memoranda, notes and data, computer software and hardware, records or other documents compiled by Grantee or made available to the Grantee during the Grantee's employment with the Company concerning the Business of the Company, including without limitation, all files, records, documents, lists, equipment, supplies, promotional materials, keys, phone or credit cards and similar items and all copies thereof or extracts therefrom. Notwithstanding the foregoing, in certain limited circumstances described in the Company's Confidentiality Guidelines, Grantee may disclose Confidential Information that consists of materials that would otherwise be subject to trade secret protection.

(b) **No Competition.** For a period of one (1) year following the Grantee's voluntary termination of employment with the Company or its Affiliates, but only if the Grantee has vested in some portion of the Units, the Grantee agrees that the Grantee shall not, on behalf of the Grantee or for others, directly or indirectly (whether as employee, consultant, investor, partner, sole proprietor or otherwise), be employed by, have an ownership interest in, or perform any services for a financial institution engaged in the same lines of business as the Company or its Affiliates ("**Business of the Company**") in any state of the United States where the Company is doing business. The parties agree that this provision shall not prohibit the ownership by the Grantee, solely as an investment, of securities of a person engaged in the Business of the Company if (i) the Grantee is not an "affiliate" (as such term is defined in Rule 12b-2 of the regulations promulgated under the Exchange Act) of the issuer of such securities, (ii) such securities are publicly traded on a national securities exchange and (iii) the Grantee does not, directly or indirectly, beneficially own more than two percent (2%) of the class of which such securities are a part.

(c) **No Solicitation of Employees.** The Grantee agrees that, both during the Grantee's employment with the Company and for a period of one (1) year following termination of the Grantee's employment with the Company or its Affiliates for any reason, the Grantee will not, directly or indirectly, on behalf of the Grantee or any other person or entity, hire, engage or solicit to hire for employment or consulting or other provision of services, any person who is actively employed (or in the six (6) months preceding the Grantee's termination of employment with the Company was actively employed) by the Company or its Affiliates, except for rehire by the Company or its Affiliates. This includes, but is not limited to, inducing or attempting to induce, or influence or attempting to influence, any person employed by the Company to terminate his or her employment with the Company.

(d) **No Solicitation of Customers.** The Grantee agrees that, both during the Grantee's employment with the Company and for a period of one (1) year following termination of the Grantee's employment with the Company and its Affiliates for any reason, the Grantee will not directly, on behalf of any competitor of the Company or its Affiliates in the Business of the Company, solicit the business of any entity within the United States who is known by the Grantee to be a customer of the Company or its Affiliates.

(e) **Survival.** The obligations and provisions contained in this Section shall survive the Grantee's separation from service and this Agreement and shall be fully enforceable thereafter.

Section 9. Company Policies; Forfeiture.

(a) The Grantee agrees that the grant of Performance Share Units and the shares of Common Stock issued upon vesting of the Units will be subject to any applicable clawback or recoupment policies, insider trading policies, policies related to confidential information and assignment of intellectual property, stock ownership guidelines and other policies that may be implemented or updated by the Company, from time to time.

(b) Notwithstanding anything to the contrary in this Agreement or the Plan, the Grantee agrees that if either (i) Grantee is terminated by the Company with Cause or (ii), during the Grantee's employment or other service with the Company or an Affiliate and thereafter, Grantee violates any of the restrictive covenants under Section 9 above, irrespective of whether the restrictive covenant is enforceable under applicable law, then immediately upon demand by the Company made within 90 days of the Company's receipt of actual notice of the violation, any unvested Units shall be cancelled and the Grantee shall return to the Company all shares of Common Stock delivered in settlement of the Units, or the cash value received by the Grantee upon the sale of such shares, to the extent the foregoing were realized or received in the twenty-four months prior to Grantee's termination.

Section 10. Notices. Any notice required by the terms of this Agreement shall be given in writing and shall be deemed effective upon personal delivery, upon deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid or upon deposit with a reputable overnight courier. Notice shall be addressed to the Company at its principal executive office and to the Grantee at the address most recently provided by the Grantee to the Company.

Section 11. Incorporation of Plan Terms. The provisions of the Plan are incorporated by reference into these terms and conditions. To the extent any provision of this Agreement conflicts with the Plan, the terms of the Plan shall govern. The Grantee acknowledges receipt of a copy of the Plan and represents that the Grantee has reviewed the Plan and is familiar with the terms and provisions thereof. The Grantee hereby accepts this Agreement and the terms of the Plan.

Section 12. Successors and Assigns. This Agreement is personal to the Grantee and shall not be assignable by the Grantee other than by will or the laws of descent and distribution, without the written consent of the Company. This Agreement shall inure to the benefit of and be enforceable by the Grantee's legal representatives. This Agreement shall inure to the benefit of and be binding upon the Company and its successors. It shall not be assignable by the Company except in connection with the sale or other disposition of all or substantially all the assets or business of the Company.

Section 13. No Impact on Other Benefits. The value of the Grantee's Units is not part of the Grantee's compensation for purposes of calculating any severance, retirement, welfare, insurance or similar employee benefit.

Section 14. Discretionary Nature of Plan. The Plan is discretionary and may be amended, cancelled or terminated by the Company at any time, in its discretion. The grant of the Units in this Agreement does not create any contractual right or other right to receive any Units or other awards or grants in the future. Future awards, if any, will be at the sole discretion of the Committee. Any amendment, modification, or termination of the Plan shall not constitute a change or impairment of the terms and conditions of the Grantee's employment with the Company or its Affiliates.

Section 15. Amendment. The Committee shall have authority, subject to the express provisions of the Plan, to interpret this Agreement and the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, to modify the terms and provisions of this Agreement, and to make all other determinations in the judgment of the Committee necessary or desirable for the administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan or in this Agreement in the manner and to the extent it shall deem necessary or desirable to carry it into effect. All action by the Committee under the provisions of this Section shall be final, conclusive and binding for all purposes. Any amendment to this Agreement shall be in writing signed by the Company and, if the amendment materially impairs the rights of the Grantee, by the Grantee.

Section 16. Code Section 409A. This Agreement and the award of Units hereunder are intended to comply with the requirements of Code Section 409A, and shall at all times be interpreted, operated and administered in accordance with such intent. If payment of any amount that constitutes a deferral of compensation subject to Code Section 409A is triggered by a separation from service, which separation occurs while the Grantee is a "specified employee" (as defined by Code Section 409A) of the Company, and if such amount is scheduled to be paid within six (6) months after such separation from service, the amount shall accrue without interest and shall be paid the first business day after the end of such six-month period, or, if earlier, within 15 days after the appointment of the personal representative or executor of the Grantee's estate following the Grantee's death. "Termination of employment," "resignation," "retirement" or words of similar import, as used in this Agreement shall mean, with respect to any payments that constitute deferrals of compensation subject to Code Section 409A, the Grantee's "separation from service" as defined by Code Section 409A. If payment of any amount that constitutes a deferral of compensation subject to Code Section 409A is triggered by a Change in Control that is not a change in the ownership or effective control of the Company or in the ownership of a substantial portion of the assets of the Company within the meaning of Section 1.409A-3(i)(5) of the Treasury Regulations (a "**409A Change in Control**"), then any such payment will not be paid until the earliest to occur of (i) the date on which the payment would otherwise have been made in absence of the Change in Control, (ii) the Grantee's separation from service with the Company, and (iii) a 409A Change in Control. Each pro rata portion of the Performance Share Units that ceases to be subject to a substantial risk of forfeiture in a given calendar year shall be deemed to be a separate payment for purposes of Code Section 409A. Notwithstanding anything in the Plan or this Agreement to the contrary, the Grantee shall be solely responsible for the tax consequences of the Units, and in no event shall the Company have any responsibility or liability if an award under the Plan is subject to and/or fails to comply with the requirements of Code Section 409A.

Section 17. Code Section 280G. If a Change in Control occurs and payments are made under this Agreement, and the aggregate of the PSUs awarded to Grantee that vest under this Agreement, and all payments under any other agreement, plan, program or policy of the Company in connection with such Change in Control ("**Total Payments**") will be subject to an excise tax under the provisions of Code Section 4999 ("**Excise Tax**"), the Total Payments shall be reduced so that the maximum amount of the Total Payments (after reduction) will be one dollar (\$1.00) less than the amount that would cause the Total Payments to be subject to the Excise Tax; provided, however, that the Total Payments shall only be reduced to the extent the after-tax value of amounts received by Grantee after application of the above reduction would exceed the after-tax value of the Total Payments received by Grantee without application of such reduction. In making any determination as to whether the Total Payments would be subject to an Excise Tax, consideration shall be given to whether any portion of the Total Payments could reasonably be considered, based on the relevant facts and circumstances, to be reasonable compensation for services rendered (whether before

or after the consummation of the applicable Change in Control). If applicable, the particular payments that are to be reduced shall be subject to the mutual agreement of Grantee and the Company, with a view to maximizing the value of the payments to Grantee that are not reduced.

Section 18. Entire Agreement. This Agreement constitutes the entire contract between the parties hereto with regard to the subject matter hereof. This Agreement supersedes any other agreements, representations or understandings (whether oral or written and whether express or implied) which relate to the subject matter hereof.

Section 19. Severability. If any provision of this Agreement for any reason should be found by any court of competent jurisdiction to be invalid, illegal or unenforceable, in whole or in part, such declaration shall not affect the validity, legality or enforceability of any remaining provision or portion hereof, which remaining provision or portion hereof shall remain in full force and effect as if this Agreement had been adopted with the invalid, illegal or unenforceable provision or portion hereof eliminated.

Section 20. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Michigan, as such laws are applied to contracts entered into and performed in such State, without giving effect to the choice of law provisions thereof. The jurisdiction and venue for any disputes arising under, or any action brought to enforce the terms of, this Agreement shall be resolved exclusively in the courts of the State of Michigan, including the Federal Courts located therein (should Federal jurisdiction exist).

Section 21. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

Section 22. Acceptance. As a condition of receiving this Award, the Grantee agrees that the Committee, and to the extent that authority is afforded to the Board, the Board, shall have full and final authority to construe and interpret the Plan and this Agreement, and to make all other decisions and determinations as may be required under the Plan or this Agreement as they may deem necessary or advisable for administration of the Plan or this Agreement, and that all such interpretations, decisions and determinations shall be final and binding on the Grantee, the Company and all other interested persons. Any dispute regarding the interpretation of this Agreement shall be submitted by the Grantee or the Company to the Committee for review. The resolution of such dispute by the Committee shall be final and binding on the Grantee and the Company.

This Agreement is executed by the Company and the Grantee as of the date and year first written above.

GRANTEE

FLAGSTAR BANCORP, INC.

By: _____

Its: _____

ACKNOWLEDGEMENT OF INSIDER TRADING LAWS AND POLICY

NOTE: OUR INSIDER TRADING POLICY ADDRESSES VERY SERIOUS MATTERS. IF YOU HAVE ANY QUESTION OR DOUBT ABOUT THE APPLICABILITY OR INTERPRETATION OF THIS POLICY, PLEASE SEEK CLARIFICATION FROM OUR GENERAL COUNSEL.

The undersigned acknowledges that he/she has reviewed the Company’s Insider Trading Policy (the “Policy”), and will review any amendments to the Policy. The current Policy and any amendments will be maintained and available on the My Flagstar intranet. The undersigned agrees to comply with the restrictions and procedures contained in the Policy, as it may be amended from time to time.

Signature

Name

Date

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Section 4: EX-10.3 (EXHIBIT 10.3)



FLAGSTAR BANCORP, INC.

Executive Long-Term Incentive Program Award Agreement II

This Award Agreement (this "Agreement") is made effective (DATE) (the "Grant Date"), by and between Flagstar Bancorp, Inc., a Michigan corporation (the "Company"), and (NAME) (the "Executive"). Capitalized terms that are used in this Agreement but not defined herein shall have the meanings given to them in the Plan.

WHEREAS, the Company has adopted the Flagstar Bancorp, Inc. 2016 Stock Award and Incentive Plan (the "Plan"); and

WHEREAS, the Company has adopted the Flagstar Bancorp, Inc. Executive Long-Term Incentive Program II (the "Program"); and

WHEREAS, the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board") and the Board have approved the selection of the Executive to receive an award of Restricted Stock Units ("RSUs") under the Program, as evidenced by this Agreement.

NOW, THEREFORE, the Company and the Executive hereby agree as follows:

Section 1. Award of RSUs. The Company hereby awards to the Executive, as of the Grant Date, (#####) RSUs under the Plan, on the terms and conditions set forth in this Agreement, the Program and the Plan. Each RSU represents the conditional right to receive one share of Stock. The Executive shall have no voting or other rights with respect to shares of Stock that are potentially issuable in settlement of the RSUs.

Section 2. Performance Hurdle, Service Vesting and QR Review.

- (a) The "Performance Hurdle" will be attained if, for any period of ninety (90) consecutive calendar days beginning after the Grant Date, the volume-weighted average price per share of the Stock over such period is \$44.00 or more. The last calendar day of the ninety (90) day period will be the "Performance Hurdle Date." In the event that the Performance Hurdle is not attained on or before the tenth anniversary of the Grant Date, the outstanding RSUs shall be forfeited without payment.
- (b) To vest in any RSUs under this Agreement, the Executive must be employed by, or providing services as a member of the Board to, the Company or an Affiliate continuously through the fourth anniversary of the Grant Date, except if earlier there occurs (i)

the Executive's death or Disability, or (ii) a Change in Control (as defined below), in which case the Executive must meet the terms and conditions specified in Section 5 in order to vest in the RSUs. The date upon which the RSUs vest under this Section 2(b) is the "Service Vesting Date."

- (c) Fifty percent (50%) of the RSUs (the "QR RSUs") will be subject to the Quality Review (as defined below) that will be performed on each of the first, second, third and fourth anniversaries of the Grant Date (each a "Measurement Period"). If the Board determines that the results of the Quality Review performed for each of the Measurement Periods are satisfactory, one hundred (100%) of the amount of QR RSUs payable on the Payout Date (as defined below, and subject to Section 5 and 6) will be paid to the Executive in Stock (subject to Sections 2(a) and (b)). Fifty percent (50%) of the RSUs will be paid to the Executive in Stock on the Payout Date (subject to Sections 5 and 6) without regard to any Quality Review (subject to Sections 2(a) and (b)). With respect to each Measurement Period, if the Board determines that the results of the Quality Review performed for that Measurement Period are unsatisfactory, 25% of the QR RSUs that would have paid out on the Payout Date will be forfeited by the Executive without payment. "Quality Review" means the review of the factors described in Attachment A.

Section 3. Termination for Cause. If the Executive's employment with the Company is terminated for Cause, whether prior to or after the Performance Hurdle Date, the Executive will forfeit all unvested RSUs as well as any RSUs that had vested but were not yet paid out pursuant to Section 2 or Section 4. For purposes of this Agreement, "Cause" shall mean the Executive's (i) engaging in willful or gross misconduct or willful or gross neglect of duties, (ii) repeatedly and willfully failing to adhere to

the directions of the Board or the written policies and practices of the Company or an Affiliate, (iii) commission of or plea of nolo contendere to a felony, a crime of moral turpitude, or any crime involving the Company or an Affiliate that causes damage to the property or business of the Company or an Affiliate, (iv) fraud, misappropriation, dishonesty, or embezzlement in each case which causes damage to the property or business of the Company or an Affiliate, (v) material breach of the Executive's employment agreement (if any) with the Company or an Affiliate (other than a termination of employment by the Executive), (vi) loss of any license or registration that is necessary for the Executive to perform his duties for the Company or an Affiliate, or (vii) unlawful act that causes damage to the property or business of the Company or an Affiliate, all as determined in the sole discretion of the Committee. Before the Committee determines that "Cause" has occurred under clause (i), (ii), (v), or (vii) above, the Committee will provide to the Executive in writing, in reasonable detail, the reasons for the determination that such "Cause" exists, and afford the Executive a reasonable opportunity to remedy any such breach, action or inaction, if such breach action or inaction, is capable of being remedied. In addition, Executive's employment and service will be deemed to have terminated for Cause if, within twelve (12) months after the Executive's employment or service has terminated, facts and circumstances are discovered that would have justified a termination for Cause. For purposes of this Agreement, no act or failure to act on the Executive's part will be considered "willful" unless it is done, or omitted to be done, by him or her in bad faith or without reasonable belief that his or her action or omission was in the best interests of the Company or an Affiliate. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or based upon the advice of counsel for the Company or an Affiliate will be conclusively presumed to be done, or omitted to be done, in good faith and in the best interests of the Company or an Affiliate.

Section 4. Vesting; Quality Review and Payment.

On or within 30 days following the Performance Hurdle Date, the Compensation Committee or a duly authorized committee that satisfies the requirements of Code Section 162(m) shall certify that the Performance Hurdle has been attained. If so certified, subject to the terms and conditions set forth in the Program and this Agreement, the RSUs will vest and be paid out in Stock on the later of (i) the Service Vesting Date or (ii) the date of certification of achievement of the Performance Hurdle (the "Payout Date"), subject to accelerated vesting and payout in accordance with Section 5 and Section 6.

Section 5. Death or Disability. Regardless of whether the Performance Hurdle has been attained on or before the date of the Executive's death or termination due to Disability (a "Trigger Event" and the date on which any such Trigger Event occurs, a "Trigger Date"), one hundred percent (100%) of the RSUs (to the extent not yet vested and not previously forfeited) will immediately vest and be paid within 60 days after a Trigger Date, without regard to any Quality Review.

Section 6. Change in Control. If the Performance Hurdle has been attained on or before the date of a Change in Control (a "Trigger Event" and the date which any such Trigger Event occurs, a "Trigger Date"), one hundred percent (100%) of the RSUs (to the extent not yet vested and not previously forfeited) will immediately vest and be paid within five business days, without regard to any Quality Review. If the Performance Hurdle has not been attained on or before the Trigger Date of a Change in Control, one hundred percent (100%) of the RSUs under this Agreement will be forfeited. If the Trigger Event giving rise to the acceleration is a Change in Control that is not a change in the ownership or effective control of a corporation or in the ownership of a substantial portion of the assets of corporation within the meaning of Section 1.409A-3(i)(5) of the Treasury Regulations (a "409A Change in Control"), then any payment that constitutes a deferral of compensation for purposes of Section 409A of the Internal Revenue Code and that would have been made on any Payout Date will not be paid until the earliest to occur of (i) the date on which the payment would otherwise have been made in absence of the Change in Control, (ii) the termination of the Executive's employment with the Company for any reason other than Cause, and (iii) a 409A Change in Control.

For purposes of this Agreement, "Change in Control" is defined as (i) the occurrence of a "Change in Control" as defined by the Plan, (ii) MatlinPatterson Global Advisors LLC or its affiliates ceasing to be the beneficial owner, either directly or indirectly, of at least thirty percent (30%) of the Stock, or (iii) a person or entity other than MP Thrift Investments L.P. or its affiliates (together, "MatlinPatterson") becomes entitled, under an agreement to which the Company is a party, to appoint to the Board a number of directors equal to or greater than the number of directors MatlinPatterson is then entitled to appoint under an agreement to which the Company is a party.

Section 7. Withholding Taxes. The Executive shall be required to pay to the Company, and the Company shall have the right to deduct from any compensation paid to the Executive pursuant to the Plan, the minimum amount required to be withheld for federal, state and local taxes, domestic or foreign, including payroll taxes, in respect of the RSUs and to take all such other action as the Committee deems necessary to satisfy all obligations for the payment of such withholding taxes. The Company shall determine the amount of such withholding. Unless otherwise determined by the Committee, in its sole discretion, Executive may satisfy any such tax withholding obligation by any one or a combination of the following means:

- (a) Executive tendering a cash payment or check payable to the Company; and/or

- (b) The Company withholding shares of Common Stock from the shares of Common Stock otherwise issuable to the Executive as a result of the vesting of the RSUs or the Executive tendering previously acquired shares (the fair market value of such withheld or tendered shares to be applied to the applicable tax and withholding obligations); provided, however, that shares of Common Stock may be withheld or received upon a tender by Executive with a value exceeding the minimum statutory amount of tax required to be withheld by law only in accordance with a procedure or policy adopted by the Committee and in effect at the time of vesting.

Section 8. Code Section 280G. If a Change in Control occurs and payments are made under this Agreement, and the aggregate of the RSUs awarded to the Executive that vest under this Agreement, and all payments under any other agreement, plan, program or policy of the Company in connection with such Change in Control ("Total Payments") will be subject to an excise tax under the provisions of Code Section 4999 ("Excise Tax"), the Total Payments shall be reduced so that the maximum amount of the Total Payments (after reduction) will be one dollar (\$1.00) less than the amount that would cause the Total Payments to be subject to the Excise Tax; provided, however, that the Total Payments shall only be reduced to the extent the after-tax value of amounts received by the Executive after application of the above reduction would exceed the after-tax value of the Total Payments received by the Executive without application of such reduction. In making any determination as to whether the Total Payments would be subject to an Excise Tax, consideration shall be given to whether any portion of the Total Payments could reasonably be considered, based on the relevant facts and circumstances, to be reasonable compensation for services rendered (whether before or after the consummation of the applicable Change in Control). If applicable, the particular payments that are to be reduced shall be subject to the mutual agreement of the Executive and the Company, with a view to maximizing the value of the payments to the Executive that are not reduced.

Section 9. Transferability of RSUs. The Executive may not sell, transfer, pledge, assign or otherwise alienate or hypothecate the RSUs, other than by will or the laws of descent and distribution. Any effort to assign or transfer the RSUs or the rights under this Agreement will be wholly ineffective, and will be grounds for termination by the Board of all rights of the Executive under this Agreement.

Section 10. No Right to Continued Service. Neither this Agreement nor the Plan shall confer upon the Executive any right to continue as an employee of the Company or an Affiliate. Further, nothing in this Agreement or the Plan shall be construed to limit the right of the Company to terminate the Executive's employment at any time, with or without cause.

Section 11. Adjustments. In the event that any change in the outstanding shares of Stock (including an exchange in Stock for stock or other securities of another corporation) occurs by reason of a Stock dividend or split, recapitalization, merger, consolidation, combination, exchange in shares or other similar corporate changes, other than for consideration received by the Company, the number of shares of RSUs awarded hereunder, and the Performance Hurdle, shall be appropriately adjusted by the Committee, in good faith, in its sole and absolute discretion, whose determination shall be conclusive, final and binding; provided, however, that fractional shares shall be rounded to the nearest whole share. In the event of any other change in the Stock, the Committee shall determine, in good faith, in its sole discretion whether such change equitably requires a change in the number or type of the shares of stock subject to the RSUs awarded hereunder, or in the Performance Hurdle, and any adjustment made by the Committee shall be conclusive, final, and binding.

Section 12. Restrictive Covenants. The Executive acknowledges and agrees that the services provided by the Executive to the Company and its Affiliates are of a special, unique and extraordinary nature, and that the restrictions contained in this Section are necessary to prevent the use and disclosure of Confidential Information and to protect other legitimate business interests of the Company and its Affiliates. The Executive acknowledges that all of the restrictions in this Section are reasonable in all respects, including duration, territory and scope of activity. In the event a court of competent jurisdiction determines as a matter of law that any of the terms of this Section 11 are unreasonable or overbroad, the Company and the Executive expressly allow such court to reform this Agreement to the extent necessary to make it reasonable as a matter of law and to enforce it as so reformed. The Executive agrees that the restrictions contained in this Section shall be construed as separate agreements independent of any other provision of this Agreement or any other agreement between the Executive and the Company or its Affiliates.

(a) **Confidentiality.** In the course of the Executive's performing his duties for the Company and its Affiliates, the Company expects to provide the Executive with various proprietary, confidential and trade secret information of the Company and its Affiliates. Such proprietary, confidential and trade secret information may include, but not be limited to, any database of customer accounts; any customer, supplier and distributor list; customer profiles; information regarding sales and marketing activities and strategies; trade secrets; data regarding technology, products and services; information regarding pricing, pricing techniques and procurement; financial data and forecasts regarding the Company and customers, suppliers and distributors of the Company; software programs and intellectual property (collectively, "Confidential Information"). All Confidential Information shall be and remain the sole property of the Company and its assigns, and the Company shall be and remain the sole owner of all patents, copyrights, trademarks, names and other rights in connection therewith and without regard to whether the Company is at any

particular time developing or marketing the same. The Executive acknowledges that the Confidential Information is a valuable, special and unique asset of the Company and its Affiliates and that his access to and knowledge of the Confidential Information is essential to the performance of his duties as an employee of the Company and its Affiliates. In light of the competitive nature of the business in which the Company and its Affiliates are engaged, the Executive agrees that he will, both during his employment or service with the Company and its Affiliates and thereafter, maintain the strict confidentiality of all Confidential Information known or obtained by him or to which he has access in connection with his employment by or service with the Company and that he will not (i) disclose any Confidential Information to any person or entity (other than in proper performance of his duties hereunder) or (ii) make any use of any Confidential Information for his own purposes or for the direct or indirect benefit of any person or entity other than the Company or its Affiliates. Confidential Information shall not be deemed to include information that (w) becomes generally available to the public through no fault of the Executive, (x) is previously known by the Executive prior to his receipt of such information from the Company, (y) becomes available to the Executive on a non-confidential basis from a source which, to the Executive's knowledge, is not prohibited from disclosing such information by legal, contractual or fiduciary obligation to the Company or (z) is required to be disclosed in order to comply with any applicable law or court order. Nothing in this Confidentiality provision prohibits Grantee from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. Grantee does not require prior authorization to make any such reports or disclosures and is not required to notify the company such reports or disclosures have been made. Immediately upon termination of the Executive's employment or at any other time upon the Company's request, the Executive will return to the Company all memoranda, notes and data, computer software and hardware, records or other documents compiled by the Executive or made available to the Executive during the Executive's employment with the Company concerning the Business of the Company, including without limitation, all files, records, documents, lists, equipment, supplies, promotional materials, keys, phone or credit cards and similar items and all copies thereof or extracts therefrom. Notwithstanding the foregoing, in certain limited circumstances described in the Company's Confidentiality Guidelines, Grantee may disclose Confidential Information that consists of materials that would otherwise be subject to trade secret protection.

(b) **No Competition.** During the Executive's employment with the Company or its Affiliates and for a period of one (1) year following termination of the Executive's employment for any reason, but only if at least a portion of the RSUs has vested, the Executive agrees that the Executive shall not, on behalf of the Executive or for others, directly or indirectly (whether as employee, consultant, investor, partner, sole proprietor or otherwise), be employed by, perform any services for, or hold any ownership interest in any business engaged in the business of obtaining funds in the form of deposits and wholesale borrowings and investing those funds in single-family mortgages and other types of loans (the "Business of the Company") in any state of the United States where the Company is doing business. In addition, to the extent the one-year period following termination has elapsed, but the Executive is still entitled to payouts under this Agreement, the one-year period shall be extended until the final payout of the RSUs. The parties agree that this provision shall not prohibit the ownership by the Executive, solely as an investment, of securities of a person engaged in the Business of the Company if (i) the Executive is not an "affiliate" (as such term is defined in Rule 12b-2 of the regulations promulgated under the Exchange Act) of the issuer of such securities, (ii) such securities are publicly traded on a national securities exchange and (iii) the Executive does not, directly or indirectly, beneficially own more than two percent (2%) of the class of which such securities are a part.

(c) **No Solicitation of Employees.** The Executive agrees that, both during the Executive's employment with the Company and for a period of one (1) year following termination of the Executive's employment with the Company for any reason, the Executive will not, directly or indirectly, on behalf of the Executive or any other person or entity, hire, engage or solicit to hire for employment or consulting or other provision of services, any person who is actively employed (or in the six (6) months preceding the Executive's termination of employment with the Company was actively employed) by the Company, except for rehire by the Company. This includes, but is not limited to, inducing or attempting to induce, or influence or attempting to influence, any person employed by the Company to terminate his or her employment with the Company.

(d) **No Solicitation of Customers.** The Executive agrees that, both during the Executive's employment with the Company and for a period of one (1) year following termination of the Executive's employment with the Company and its Affiliates for any reason, the Executive will not directly, on behalf of any competitor of the Company in the Business of the Company, solicit the business of any entity within the United States who is known by the Executive to be a customer of the Company or its Affiliates.

(e) **Survival.** The obligations and provisions contained in this Section shall survive the Executive's separation from service and this Agreement and shall be fully enforceable thereafter.

Section 13. Company Policies; Forfeiture.

(a) The Executive agrees that the grant of RSUs and the shares of Stock issued upon vesting of the RSUs will be subject to any applicable clawback or recoupment policies, insider trading policies, policies related to confidential information and assignment of intellectual property, stock ownership guidelines and other policies that may be implemented or amended by the Company, from time to time. This provision may be modified pursuant to any applicable laws or regulations.

(b) Notwithstanding anything to the contrary in this Agreement, the Executive agrees that during the Executive's employment or other service with the Company or an Affiliate and thereafter, if the Executive violates any of the restrictive covenants under Section 11 above, irrespective of whether the restrictive covenant is enforceable under applicable law, immediately upon demand by the Company, in addition to any other remedy that may apply under any employment agreement, the law or otherwise, the Executive shall return to the Company the RSUs under this Agreement and the proceeds resulting from a sale of Stock received under this Agreement during the twelve- (12-) month period ending on the Executive's date of termination.

Section 14. Notices. Any notice required by the terms of this Agreement shall be given in writing and shall be deemed effective upon personal delivery, upon deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid or upon deposit with a reputable overnight courier. Notice shall be addressed to the Company at its principal executive office and to the Executive at the address most recently provided by the Executive to the Company.

Section 15. Entire Agreement; Amendments. This Agreement constitutes the entire contract between the parties hereto with regard to the subject matter hereof. This Agreement supersedes any other agreements, representations or understandings (whether oral or written and whether express or implied) which relate to the subject matter hereof. The Board shall have authority, subject to the express provisions of this Agreement, to interpret this Agreement, to establish, amend, and rescind any rules and regulations relating to this Agreement, to modify the terms and provisions of this Agreement, and to make all other determinations in the judgment of the Board necessary or desirable for the administration of this Agreement. The Board may correct any defect or supply any omission or reconcile any inconsistency in this Agreement in the manner and to the extent it shall deem necessary or desirable to carry it into effect. All action by the Board under the provisions of this Section shall be final, conclusive, and binding for all purposes. Except as otherwise provided in this Section, any amendment of this Agreement that materially adversely affects the Executive shall require the written consent of the Executive.

Section 16. Successors and Assigns. This Agreement and the award of RSUs hereunder are personal to the Executive and shall not be assignable by the Executive other than by will or the laws of descent and distribution, without the written consent of the Company. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives. This Agreement shall inure to the benefit of and be binding upon the Company and its successors. It shall not be assignable by the Company except in connection with the sale or other disposition of all or substantially all the assets or business of the Company.

Section 17. No Impact on Other Benefits. The value of the Executive's RSUs is not part of the Executive's compensation for purposes of calculating any severance, retirement, welfare, insurance or similar employee benefit.

Section 18. Severability. If any provision of this Agreement for any reason should be found by any court of competent jurisdiction to be invalid, illegal or unenforceable, in whole or in part, such declaration shall not affect the validity, legality or enforceability of any remaining provision or portion hereof, which remaining provision or portion hereof shall remain in full force and effect as if this Agreement had been adopted with the invalid, illegal or unenforceable provision or portion hereof eliminated.

Section 19. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Michigan, as such, laws are applied to contracts entered into and performed in such State, without giving effect to the choice of law provisions thereof. The jurisdiction and venue for any disputes arising under, or any action brought to enforce the terms of, this Agreement shall be resolved exclusively in the courts of the State of Michigan, including the Federal Courts located therein (should Federal jurisdiction exist).

Section 20. Code Section 409A. Notwithstanding anything herein to the contrary, this Agreement and the award of RSUs hereunder are intended to comply with the requirements of Code Section 409A, and shall be interpreted and administered in accordance with such intent. Should any provision of this Agreement be found not to comply with, or otherwise not be exempt from, the provisions of Code Section 409A, such provision shall be modified and given effect (retroactively if necessary), in the sole discretion of the Committee, and without the consent of the Executive, in such manner as the Committee determines to be necessary or appropriate to comply with, or to effectuate an exemption from, Code Section 409A. The QR RSUs that relate to each separate Measurement Period each shall be deemed a separate payment, and the RSUs other than the QR RSUs shall be deemed a separate payment, within the meaning of Code Section 409A. Any payment or distribution that constitutes a deferral of compensation subject to Code Section 409A and payable upon the Executive's termination of employment or other similar

event shall not be made unless the Executive has experienced a “separation from service” as defined under Code Section 409A. Any payment that constitutes a deferral of compensation subject to Section 409A that is to be made upon or within six months following a “separation from service” to the Executive, if at the time of such separation the Executive is a “specified employee” as defined under Code Section 409A, instead shall accrue without interest and shall be paid on the first business day after the end of such six-month period, or, if earlier, within 15 days after the appointment of the personal representative or executor of the Grantee’s estate following the Executive’s death. Notwithstanding anything in this Agreement to the contrary, the Executive shall be solely responsible for the tax consequences of the RSUs, and in no event shall the Company have any responsibility or liability if any payment under this Agreement is subject to and/or fails to comply with the requirements of Code Section 409A. In all events, the Company will settle and pay out any RSUs not later than two and one-half (2½) months following the end of the year in which the Executive’s right to the RSUs is no longer subject to a substantial risk of forfeiture, subject to any earlier payment date required to comply with Section 409A or specified in this Agreement.

Section 21. Headings. The headings and captions in this Agreement shall not be construed to limit or modify the terms or meaning of this Agreement.

Section 22. No Limitation on the Company’s Rights. The awarding of RSUs under this Agreement shall not and will not in any way affect the rights or powers of the Company or its Affiliates to make adjustments, reclassifications or changes in its capital or business structure or to merge, consolidate, reincorporate, dissolve, liquidate, sell or transfer all or any part of its business or assets.

Section 23. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

Section 24. Acceptance. As a condition of receiving this Award, the Executive agrees that the Committee, and to the extent that authority is afforded to the Board, the Board, shall have full and final authority to construe and interpret this Agreement, and to make all other decisions and determinations as may be required under this Agreement as they may deem necessary or advisable for administration of this Agreement, and that all such interpretations, decisions and determinations shall be final and binding on the Executive, the Company and all other interested persons. Any dispute regarding the interpretation of this Agreement shall be submitted by the Executive or the Company to the Committee for review. The resolution of such dispute by the Committee shall be final and binding on the Executive and the Company.

This Agreement is executed by the Company and the Executive as of the date and year first written above.

EXECUTIVE

(Executive Name)

FLAGSTAR BANCORP, INC.

By: _____
Its: _____

ATTACHMENT A

Quality Review for the Executive Long-Term Incentive Program

In conducting its Quality Review on each of the first, second, third and fourth anniversaries of the Grant Date (each, a “Measurement Period”) for the QR RSUs, the Board of Directors of the Company will measure performance relative to the Company peer group (listed below) with respect to the following two metrics:

Asset Quality: NPA Ratio (Non-Performing Assets / Total Assets)

Liquidity: Core Deposit Ratio (Total Deposits less Certificates of Deposits > \$250,000 and excluding Brokered Deposits / Total Assets)

These metrics are measured on a pass/fail basis using the scale below. The Quality Review will be based on the publicly available metrics of the Company and the Company peer group as of the 12 month period ending on the last day of the most recently completed calendar quarter immediately preceding the applicable Measurement Period. If the Company has “passed” one or both of the metrics, then the Quality Review for the applicable Measurement Period is satisfactory and all QR RSUs subject to that Measurement Period will be paid out in accordance with the terms of the Program. If the Company has “failed” both metrics, then the Quality Review for the applicable Measurement Period is not satisfactory and accordingly, the QR RSUs subject to that Measurement Period shall be forfeited without payment.

Asset Quality	<div style="background-color: yellow; padding: 5px; border: 1px solid black;">Flagstar achieves peer group 25th percentile or better ----- PASS</div> <p><i>PASS = 100% of RSUs will be released - no need to check Liquidity</i></p>	<div style="background-color: red; color: white; padding: 5px; border: 1px solid black;">Flagstar achieves worse than peer group 25th percentile ----- FAIL</div> <p><i>FAIL = Check Liquidity Pass/Fail for results</i></p>
Liquidity	<div style="background-color: yellow; padding: 5px; border: 1px solid black;">Flagstar achieves peer group 25th percentile or better ----- PASS</div> <p><i>PASS = 100% of RSUs will be released - no need to check Asset Quality</i></p>	<div style="background-color: red; color: white; padding: 5px; border: 1px solid black;">Flagstar achieves worse than peer group 25th percentile ----- FAIL</div> <p><i>FAIL = Check Asset Quality Pass/Fail for results</i></p>

Peer Group:

- Associated Banc-Corp
- BankUnited
- BOK Financial Corp.
- Chemical Financial
- Commerce Bancshares
- First Horizon National Corp.
- First Midwest Bancorp
- Hilltop Holdings
- HomeStreet
- MB Financial
- Old National Bancorp
- TCF Financial
- Texas Capital BancShares
- Trustmark
- UMB Financial
- Umpqua Holdings
- Washington Federal
- Western Alliance Bancorp
- Webster Financial
- Wintrust Financial Corp.

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Section 5: EX-10.4 (EXHIBIT 10.4)



FLAGSTAR BANCORP, INC.
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WHEREAS, the Company has adopted the Flagstar Bancorp, Inc. Executive Long-Term Incentive Program II (the "Program"); and

WHEREAS, the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board") and the Board have approved the selection of the Executive to receive an award of Restricted Stock Units ("RSUs") under the Program, as evidenced by this Agreement.

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Section 2. Performance Hurdle, Service Vesting and QR Review.

- (a) The "Performance Hurdle" will be attained if, for any period of ninety (90) consecutive calendar days beginning after the Grant Date, the volume-weighted average price per share of the Stock over such period is \$40.00 or more. The last calendar day of the ninety (90) day period will be the "Performance Hurdle Date." In the event that the Performance Hurdle is not attained on or before the tenth anniversary of the Grant Date, the outstanding RSUs shall be forfeited without payment.
- (b) To vest in any RSUs under this Agreement, the Executive must be employed by, or providing services as a member of the Board to, the Company or an Affiliate continuously through the fourth anniversary of the Grant Date, except if earlier there occurs (i) the Executive's death or Disability, or (ii) a Change in Control (as defined below), in which case the Executive must meet the terms and conditions specified in Section 5 in order to vest in the RSUs. The date upon which the RSUs vest under this Section 2(b) is the "Service Vesting Date."
- (c) Fifty percent (50%) of the RSUs (the "QR RSUs") will be subject to the Quality Review (as defined below) that will be performed on each of the first, second, third and fourth anniversaries of the Grant Date (each a "Measurement Period"). If the Board determines that the results of the Quality Review performed for each of the Measurement Periods are satisfactory, one hundred (100%) of the amount of QR RSUs payable on the Payout Date (as defined below, and subject to Section 5 and 6) will be paid to the Executive in Stock (subject to Sections 2(a) and (b)). Fifty percent (50%) of the RSUs will be paid to the Executive in Stock on the Payout Date (subject to Sections 5 and 6) without regard to any Quality Review (subject to Sections 2(a) and (b)). With respect to each Measurement Period, if the Board determines that the results of the Quality Review performed for that Measurement Period are unsatisfactory, 25% of the QR RSUs that would have paid out on the Payout Date will be forfeited by the Executive without payment. "Quality Review" means the review of the factors described in Attachment A.

Section 3. Termination for Cause. If the Executive's employment with the Company is terminated for Cause, whether prior to or after the Performance Hurdle Date, the Executive will forfeit all unvested RSUs as well as any RSUs that had vested but were not yet paid out pursuant to Section 2 or Section 4. For purposes of this Agreement, "Cause" shall mean the Executive's (i) engaging in willful or gross misconduct or willful or gross neglect of duties, (ii) repeatedly and willfully failing to adhere to the directions of the Board or the written policies and practices of the Company or an Affiliate, (iii) commission of or plea of nolo

contendere to a felony, a crime of moral turpitude, or any crime involving the Company or an Affiliate that causes damage to the property or business of the Company or an Affiliate, (iv) fraud, misappropriation, dishonesty, or embezzlement in each case which causes damage to the property or business of the Company or an Affiliate, (v) material breach of the Executive's employment agreement (if any) with the Company or an Affiliate (other than a termination of employment by the Executive), (vi) loss of any license or registration that is necessary for the Executive to perform his duties for the Company or an Affiliate, or (vii) unlawful act that causes damage to the property or business of the Company or an Affiliate, all as determined in the sole discretion of the Committee. Before the Committee determines that "Cause" has occurred under clause (i), (ii), (v), or (vii) above, the Committee will provide to the Executive in writing, in reasonable detail, the reasons for the determination that such "Cause" exists, and afford the Executive a reasonable opportunity to remedy any such breach, action or inaction, if such breach action or inaction, is capable of being remedied. In addition, Executive's employment and service will be deemed to have terminated for Cause if, within twelve (12) months after the Executive's employment or service has terminated, facts and circumstances are discovered that would have justified a termination for Cause. For purposes of this Agreement, no act or failure to act on the Executive's part will be considered "willful" unless it is done, or omitted to be done, by him or her in bad faith or without reasonable belief that his or her action or omission was in the best interests of the Company or an Affiliate. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or based upon the advice of counsel for the Company or an Affiliate will be conclusively presumed to be done, or omitted to be done, in good faith and in the best interests of the Company or an Affiliate.

Section 4. Vesting; Quality Review and Payment.

On or within 30 days following the Performance Hurdle Date, the Compensation Committee or a duly authorized committee that satisfies the requirements of Code Section 162(m) shall certify that the Performance Hurdle has been attained. If so certified, subject to the terms and conditions set forth in the Program and this Agreement, the RSUs will vest and be paid out in Stock on the later of (i) the Service Vesting Date or (ii) the date of certification of achievement of the Performance Hurdle (the "Payout Date"), subject to accelerated vesting and payout in accordance with Section 5 and Section 6.

Section 5. Death or Disability. Regardless of whether the Performance Hurdle has been attained on or before the date of the Executive's death or termination due to Disability (a "Trigger Event" and the date on which any such Trigger Event occurs, a "Trigger Date"), one hundred percent (100%) of the RSUs (to the extent not yet vested and not previously forfeited) will immediately vest and be paid within 60 days after a Trigger Date, without regard to any Quality Review.

Section 6. Change in Control. If the Performance Hurdle has been attained on or before the date of a Change in Control (a "Trigger Event" and the date which any such Trigger Event occurs, a "Trigger Date"), one hundred percent (100%) of the RSUs (to the extent not yet vested and not previously forfeited) will immediately vest and be paid within five business days, without regard to any Quality Review. If the Performance Hurdle has not been attained on or before the Trigger Date of a Change in Control, one hundred percent (100%) of the RSUs under this Agreement will be forfeited. If the Trigger Event giving rise to the acceleration is a Change in Control that is not a change in the ownership or effective control of a corporation or in the ownership of a substantial portion of the assets of corporation within the meaning of Section 1.409A-3(i)(5) of the Treasury Regulations (a "409A Change in Control"), then any payment that constitutes a deferral of compensation for purposes of Section 409A of the Internal Revenue Code and that would have been made on any Payout Date will not be paid until the earliest to occur of (i) the date on which the payment would otherwise have been made in absence of the Change in Control, (ii) the termination of the Executive's employment with the Company for any reason other than Cause, and (iii) a 409A Change in Control.

For purposes of this Agreement, "Change in Control" is defined as (i) the occurrence of a "Change in Control" as defined by the Plan, (ii) MatlinPatterson Global Advisors LLC or its affiliates ceasing to be the beneficial owner, either directly or indirectly, of at least thirty percent (30%) of the Stock, or (iii) a person or entity other than MP Thrift Investments L.P. or its affiliates (together, "MatlinPatterson") becomes entitled, under an agreement to which the Company is a party, to appoint to the Board a number of directors equal to or greater than the number of directors MatlinPatterson is then entitled to appoint under an agreement to which the Company is a party.

Section 7. Withholding Taxes. The Executive shall be required to pay to the Company, and the Company shall have the right to deduct from any compensation paid to the Executive pursuant to the Plan, the minimum amount required to be withheld for federal, state and local taxes, domestic or foreign, including payroll taxes, in respect of the RSUs and to take all such other action as the Committee deems necessary to satisfy all obligations for the payment of such withholding taxes. The Company shall determine the amount of such withholding. Unless otherwise determined by the Committee, in its sole discretion, Executive may satisfy any such tax withholding obligation by any one or a combination of the following means:

- (a) Executive tendering a cash payment or check payable to the Company; and/or
- (b) The Company withholding shares of Common Stock from the shares of Common Stock otherwise issuable to the Executive as a result of the vesting of the RSUs or the Executive tendering previously acquired shares (the fair market

value of such withheld or tendered shares to be applied to the applicable tax and withholding obligations); provided, however, that shares of Common Stock may be withheld or received upon a tender by Executive with a value exceeding the minimum statutory amount of tax required to be withheld by law only in accordance with a procedure or policy adopted by the Committee and in effect at the time of vesting.

Section 8. Code Section 280G. If a Change in Control occurs and payments are made under this Agreement, and the aggregate of the RSUs awarded to the Executive that vest under this Agreement, and all payments under any other agreement, plan, program or policy of the Company in connection with such Change in Control (“Total Payments”) will be subject to an excise tax under the provisions of Code Section 4999 (“Excise Tax”), the Total Payments shall be reduced so that the maximum amount of the Total Payments (after reduction) will be one dollar (\$1.00) less than the amount that would cause the Total Payments to be subject to the Excise Tax; provided, however, that the Total Payments shall only be reduced to the extent the after-tax value of amounts received by the Executive after application of the above reduction would exceed the after-tax value of the Total Payments received by the Executive without application of such reduction. In making any determination as to whether the Total Payments would be subject to an Excise Tax, consideration shall be given to whether any portion of the Total Payments could reasonably be considered, based on the relevant facts and circumstances, to be reasonable compensation for services rendered (whether before or after the consummation of the applicable Change in Control). If applicable, the particular payments that are to be reduced shall be subject to the mutual agreement of the Executive and the Company, with a view to maximizing the value of the payments to the Executive that are not reduced.

Section 9. Transferability of RSUs. The Executive may not sell, transfer, pledge, assign or otherwise alienate or hypothecate the RSUs, other than by will or the laws of descent and distribution. Any effort to assign or transfer the RSUs or the rights under this Agreement will be wholly ineffective, and will be grounds for termination by the Board of all rights of the Executive under this Agreement.

Section 10. No Right to Continued Service. Neither this Agreement nor the Plan shall confer upon the Executive any right to continue as an employee of the Company or an Affiliate. Further, nothing in this Agreement or the Plan shall be construed to limit the right of the Company to terminate the Executive’s employment at any time, with or without cause.

Section 11. Adjustments. In the event that any change in the outstanding shares of Stock (including an exchange in Stock for stock or other securities of another corporation) occurs by reason of a Stock dividend or split, recapitalization, merger, consolidation, combination, exchange in shares or other similar corporate changes, other than for consideration received by the Company, the number of shares of RSUs awarded hereunder, and the Performance Hurdle, shall be appropriately adjusted by the Committee, in good faith, in its sole and absolute discretion, whose determination shall be conclusive, final and binding; provided, however, that fractional shares shall be rounded to the nearest whole share. In the event of any other change in the Stock, the Committee shall determine, in good faith, in its sole discretion whether such change equitably requires a change in the number or type of the shares of stock subject to the RSUs awarded hereunder, or in the Performance Hurdle, and any adjustment made by the Committee shall be conclusive, final, and binding.

Section 12. Restrictive Covenants. The Executive acknowledges and agrees that the services provided by the Executive to the Company and its Affiliates are of a special, unique and extraordinary nature, and that the restrictions contained in this Section are necessary to prevent the use and disclosure of Confidential Information and to protect other legitimate business interests of the Company and its Affiliates. The Executive acknowledges that all of the restrictions in this Section are reasonable in all respects, including duration, territory and scope of activity. In the event a court of competent jurisdiction determines as a matter of law that any of the terms of this Section 11 are unreasonable or overbroad, the Company and the Executive expressly allow such court to reform this Agreement to the extent necessary to make it reasonable as a matter of law and to enforce it as so reformed. The Executive agrees that the restrictions contained in this Section shall be construed as separate agreements independent of any other provision of this Agreement or any other agreement between the Executive and the Company or its Affiliates.

(a) **Confidentiality.** In the course of the Executive’s performing his duties for the Company and its Affiliates, the Company expects to provide the Executive with various proprietary, confidential and trade secret information of the Company and its Affiliates. Such proprietary, confidential and trade secret information may include, but not be limited to, any database of customer accounts; any customer, supplier and distributor list; customer profiles; information regarding sales and marketing activities and strategies; trade secrets; data regarding technology, products and services; information regarding pricing, pricing techniques and procurement; financial data and forecasts regarding the Company and customers, suppliers and distributors of the Company; software programs and intellectual property (collectively, “Confidential Information”). All Confidential Information shall be and remain the sole property of the Company and its assigns, and the Company shall be and remain the sole owner of all patents, copyrights, trademarks, names and other rights in connection therewith and without regard to whether the Company is at any particular time developing or marketing the same. The Executive acknowledges that the Confidential Information is a valuable, special and unique asset of the Company and its Affiliates and that his access to and knowledge of the Confidential Information

is essential to the performance of his duties as an employee of the Company and its Affiliates. In light of the competitive nature of the business in which the Company and its Affiliates are engaged, the Executive agrees that he will, both during his employment or service with the Company and its Affiliates and thereafter, maintain the strict confidentiality of all Confidential Information known or obtained by him or to which he has access in connection with his employment by or service with the Company and that he will not (i) disclose any Confidential Information to any person or entity (other than in proper performance of his duties hereunder) or (ii) make any use of any Confidential Information for his own purposes or for the direct or indirect benefit of any person or entity other than the Company or its Affiliates. Confidential Information shall not be deemed to include information that (w) becomes generally available to the public through no fault of the Executive, (x) is previously known by the Executive prior to his receipt of such information from the Company, (y) becomes available to the Executive on a non-confidential basis from a source which, to the Executive's knowledge, is not prohibited from disclosing such information by legal, contractual or fiduciary obligation to the Company or (z) is required to be disclosed in order to comply with any applicable law or court order. Nothing in this Confidentiality provision prohibits Grantee from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. Grantee does not require prior authorization to make any such reports or disclosures and is not required to notify the company such reports or disclosures have been made. Immediately upon termination of the Executive's employment or at any other time upon the Company's request, the Executive will return to the Company all memoranda, notes and data, computer software and hardware, records or other documents compiled by the Executive or made available to the Executive during the Executive's employment with the Company concerning the Business of the Company, including without limitation, all files, records, documents, lists, equipment, supplies, promotional materials, keys, phone or credit cards and similar items and all copies thereof or extracts therefrom. Notwithstanding the foregoing, in certain limited circumstances described in the Company's Confidentiality Guidelines, Grantee may disclose Confidential Information that consists of materials that would otherwise be subject to trade secret protection.

(b) **No Competition.** During the Executive's employment with the Company or its Affiliates and for a period of one (1) year following termination of the Executive's employment for any reason, but only if at least a portion of the RSUs has vested, the Executive agrees that the Executive shall not, on behalf of the Executive or for others, directly or indirectly (whether as employee, consultant, investor, partner, sole proprietor or otherwise), be employed by, perform any services for, or hold any ownership interest in any business engaged in the business of obtaining funds in the form of deposits and wholesale borrowings and investing those funds in single-family mortgages and other types of loans (the "Business of the Company") in any state of the United States where the Company is doing business. In addition, to the extent the one-year period following termination has elapsed, but the Executive is still entitled to payouts under this Agreement, the one-year period shall be extended until the final payout of the RSUs. The parties agree that this provision shall not prohibit the ownership by the Executive, solely as an investment, of securities of a person engaged in the Business of the Company if (i) the Executive is not an "affiliate" (as such term is defined in Rule 12b-2 of the regulations promulgated under the Exchange Act) of the issuer of such securities, (ii) such securities are publicly traded on a national securities exchange and (iii) the Executive does not, directly or indirectly, beneficially own more than two percent (2%) of the class of which such securities are a part.

(c) **No Solicitation of Employees.** The Executive agrees that, both during the Executive's employment with the Company and for a period of one (1) year following termination of the Executive's employment with the Company for any reason, the Executive will not, directly or indirectly, on behalf of the Executive or any other person or entity, hire, engage or solicit to hire for employment or consulting or other provision of services, any person who is actively employed (or in the six (6) months preceding the Executive's termination of employment with the Company was actively employed) by the Company, except for rehire by the Company. This includes, but is not limited to, inducing or attempting to induce, or influence or attempting to influence, any person employed by the Company to terminate his or her employment with the Company.

(d) **No Solicitation of Customers.** The Executive agrees that, both during the Executive's employment with the Company and for a period of one (1) year following termination of the Executive's employment with the Company and its Affiliates for any reason, the Executive will not directly, on behalf of any competitor of the Company in the Business of the Company, solicit the business of any entity within the United States who is known by the Executive to be a customer of the Company or its Affiliates.

(e) **Survival.** The obligations and provisions contained in this Section shall survive the Executive's separation from service and this Agreement and shall be fully enforceable thereafter.

Section 13. Company Policies; Forfeiture.

(a) The Executive agrees that the grant of RSUs and the shares of Stock issued upon vesting of the RSUs will be subject to any applicable clawback or recoupment policies, insider trading policies, policies related to confidential information and assignment

of intellectual property, stock ownership guidelines and other policies that may be implemented or amended by the Company, from time to time. This provision may be modified pursuant to any applicable laws or regulations.

(b) Notwithstanding anything to the contrary in this Agreement, the Executive agrees that during the Executive's employment or other service with the Company or an Affiliate and thereafter, if the Executive violates any of the restrictive covenants under Section 11 above, irrespective of whether the restrictive covenant is enforceable under applicable law, immediately upon demand by the Company, in addition to any other remedy that may apply under any employment agreement, the law or otherwise, the Executive shall return to the Company the RSUs under this Agreement and the proceeds resulting from a sale of Stock received under this Agreement during the twelve- (12-) month period ending on the Executive's date of termination.

Section 14. Notices. Any notice required by the terms of this Agreement shall be given in writing and shall be deemed effective upon personal delivery, upon deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid or upon deposit with a reputable overnight courier. Notice shall be addressed to the Company at its principal executive office and to the Executive at the address most recently provided by the Executive to the Company.

Section 15. Entire Agreement; Amendments. This Agreement constitutes the entire contract between the parties hereto with regard to the subject matter hereof. This Agreement supersedes any other agreements, representations or understandings (whether oral or written and whether express or implied) which relate to the subject matter hereof. The Board shall have authority, subject to the express provisions of this Agreement, to interpret this Agreement, to establish, amend, and rescind any rules and regulations relating to this Agreement, to modify the terms and provisions of this Agreement, and to make all other determinations in the judgment of the Board necessary or desirable for the administration of this Agreement. The Board may correct any defect or supply any omission or reconcile any inconsistency in this Agreement in the manner and to the extent it shall deem necessary or desirable to carry it into effect. All action by the Board under the provisions of this Section shall be final, conclusive, and binding for all purposes. Except as otherwise provided in this Section, any amendment of this Agreement that materially adversely affects the Executive shall require the written consent of the Executive.

Section 16. Successors and Assigns. This Agreement and the award of RSUs hereunder are personal to the Executive and shall not be assignable by the Executive other than by will or the laws of descent and distribution, without the written consent of the Company. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives. This Agreement shall inure to the benefit of and be binding upon the Company and its successors. It shall not be assignable by the Company except in connection with the sale or other disposition of all or substantially all the assets or business of the Company.

Section 17. No Impact on Other Benefits. The value of the Executive's RSUs is not part of the Executive's compensation for purposes of calculating any severance, retirement, welfare, insurance or similar employee benefit.

Section 18. Severability. If any provision of this Agreement for any reason should be found by any court of competent jurisdiction to be invalid, illegal or unenforceable, in whole or in part, such declaration shall not affect the validity, legality or enforceability of any remaining provision or portion hereof, which remaining provision or portion hereof shall remain in full force and effect as if this Agreement had been adopted with the invalid, illegal or unenforceable provision or portion hereof eliminated.

Section 19. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Michigan, as such, laws are applied to contracts entered into and performed in such State, without giving effect to the choice of law provisions thereof. The jurisdiction and venue for any disputes arising under, or any action brought to enforce the terms of, this Agreement shall be resolved exclusively in the courts of the State of Michigan, including the Federal Courts located therein (should Federal jurisdiction exist).

Section 20. Code Section 409A. Notwithstanding anything herein to the contrary, this Agreement and the award of RSUs hereunder are intended to comply with the requirements of Code Section 409A, and shall be interpreted and administered in accordance with such intent. Should any provision of this Agreement be found not to comply with, or otherwise not be exempt from, the provisions of Code Section 409A, such provision shall be modified and given effect (retroactively if necessary), in the sole discretion of the Committee, and without the consent of the Executive, in such manner as the Committee determines to be necessary or appropriate to comply with, or to effectuate an exemption from, Code Section 409A. The QR RSUs that relate to each separate Measurement Period each shall be deemed a separate payment, and the RSUs other than the QR RSUs shall be deemed a separate payment, within the meaning of Code Section 409A. Any payment or distribution that constitutes a deferral of compensation subject to Code Section 409A and payable upon the Executive's termination of employment or other similar event shall not be made unless the Executive has experienced a "separation from service" as defined under Code Section 409A. Any payment that constitutes a deferral of compensation subject to Section 409A that is to be made upon or within six months following a "separation from service" to the Executive, if at the time of such separation the Executive is a "specified employee" as defined under Code Section 409A, instead shall accrue without interest and shall be paid on the first business day after the end

of such six-month period, or, if earlier, within 15 days after the appointment of the personal representative or executor of the Grantee's estate following the Executive's death. Notwithstanding anything in this Agreement to the contrary, the Executive shall be solely responsible for the tax consequences of the RSUs, and in no event shall the Company have any responsibility or liability if any payment under this Agreement is subject to and/or fails to comply with the requirements of Code Section 409A. In all events, the Company will settle and pay out any RSUs not later than two and one-half (2½) months following the end of the year in which the Executive's right to the RSUs is no longer subject to a substantial risk of forfeiture, subject to any earlier payment date required to comply with Section 409A or specified in this Agreement.

Section 21. Headings. The headings and captions in this Agreement shall not be construed to limit or modify the terms or meaning of this Agreement.

Section 22. No Limitation on the Company's Rights. The awarding of RSUs under this Agreement shall not and will not in any way affect the rights or powers of the Company or its Affiliates to make adjustments, reclassifications or changes in its capital or business structure or to merge, consolidate, reincorporate, dissolve, liquidate, sell or transfer all or any part of its business or assets.

Section 23. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

Section 24. Acceptance. As a condition of receiving this Award, the Executive agrees that the Committee, and to the extent that authority is afforded to the Board, the Board, shall have full and final authority to construe and interpret this Agreement, and to make all other decisions and determinations as may be required under this Agreement as they may deem necessary or advisable for administration of this Agreement, and that all such interpretations, decisions and determinations shall be final and binding on the Executive, the Company and all other interested persons. Any dispute regarding the interpretation of this Agreement shall be submitted by the Executive or the Company to the Committee for review. The resolution of such dispute by the Committee shall be final and binding on the Executive and the Company.

This Agreement is executed by the Company and the Executive as of the date and year first written above.

EXECUTIVE

(Executive Name)

FLAGSTAR BANCORP, INC.

By: _____
Its: _____

ATTACHMENT A

Quality Review for the Executive Long-Term Incentive Program

In conducting its Quality Review on each of the first, second, third and fourth anniversaries of the Grant Date (each, a “Measurement Period”) for the QR RSUs, the Board of Directors of the Company will measure performance relative to the Company peer group (listed below) with respect to the following two metrics:

Asset Quality: NPA Ratio (Non-Performing Assets / Total Assets)

Liquidity: Core Deposit Ratio (Total Deposits less Certificates of Deposits > \$250,000 and excluding Brokered Deposits / Total Assets)

These metrics are measured on a pass/fail basis using the scale below. The Quality Review will be based on the publicly available metrics of the Company and the Company peer group as of the 12 month period ending on the last day of the most recently completed calendar quarter immediately preceding the applicable Measurement Period. If the Company has “passed” one or both of the metrics, then the Quality Review for the applicable Measurement Period is satisfactory and all QR RSUs subject to that Measurement Period will be paid out in accordance with the terms of the Program. If the Company has “failed” both metrics, then the Quality Review for the applicable Measurement Period is not satisfactory and accordingly, the QR RSUs subject to that Measurement Period shall be forfeited without payment.

Asset Quality	Flagstar achieves peer group 25th percentile or better PASS <i>PASS = 100% of RSUs will be released - no need to check Liquidity</i>	Flagstar achieves worse than peer group 25th percentile FAIL <i>FAIL = Check Liquidity Pass/Fail for results</i>
Liquidity	Flagstar achieves peer group 25th percentile or better PASS <i>PASS = 100% of RSUs will be released - no need to check Asset Quality</i>	Flagstar achieves worse than peer group 25th percentile FAIL <i>FAIL = Check Asset Quality Pass/Fail for results</i>

Peer Group:

- Associated Banc-Corp
- BankUnited
- BOK Financial Corp.
- Chemical Financial
- Commerce Bancshares
- First Horizon National Corp.
- First Midwest Bancorp
- Hilltop Holdings
- HomeStreet
- MB Financial
- Old National Bancorp
- TCF Financial
- Texas Capital BancShares
- Trustmark
- UMB Financial
- Umpqua Holdings
- Washington Federal
- Western Alliance Bancorp
- Webster Financial
- Wintrust Financial Corp.

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Section 6: EX-10.5 (EXHIBIT 10.5)



Grantee Name: ###PARTICIPANT_NAME### (“Grantee”)

Grant Name: ###GRANT_NAME###

Grant Date: ###GRANT_DATE### (“Grant Date”)

Grant Price: ###GRANT_PRICE###

Total ###DICTIONARY_AWARD_NAME###: ###TOTAL_AWARDS### (subject to adjustment)

FLAGSTAR BANCORP, INC.
2016 STOCK AWARD AND INCENTIVE PLAN
RESTRICTED STOCK UNIT
SENIOR EXECUTIVE OFFICER AWARD AGREEMENT

This Award Agreement (this “**Agreement**”) is made effective at the Grant Date set forth above by and between Flagstar Bancorp, Inc., a Michigan corporation (the “**Company**”), and the Grantee named above.

WHEREAS, the Company sponsors and maintains the Flagstar Bancorp, Inc. 2016 Stock Award and Incentive Plan (the “**Plan**”); and

WHEREAS, the Grantee has been selected by the Compensation Committee and the Board to receive a grant of Restricted Stock Units under the Plan.

NOW, THEREFORE, the Company and the Grantee hereby agree as follows:

Section 1. Grant of Restricted Stock Units. The Company hereby grants to the Grantee, as of the Grant Date, an award of ###TOTAL_AWARDS### Restricted Stock Units (the “Restricted Stock Units” or “Units”) on the terms and conditions set forth in this Agreement and the Plan. Each Restricted Stock Unit is granted under Section 6(e) of the Plan and represents the right to receive one share of Common Stock at the times and subject to the conditions set forth herein. Capitalized terms that are used but not defined herein have the meaning given to them in the Plan.

(a) **Vesting.** The Restricted Stock Units granted by the Company hereunder shall vest in three (3) installments in accordance with the following schedule: (a) twenty-five percent (25%) shall vest on the first anniversary of the Grant Date, (b) twenty-five percent (25%) shall vest on the second anniversary of the Grant Date, and (c) the remaining fifty percent (50%) shall vest on the third anniversary of the Grant Date (each such date, an “**RSU Vesting Date**”), in each case, subject to the Grantee’s continued employment with the Company or an Affiliate or service to the Company as a member of the Board through the applicable RSU Vesting Date. Vesting of the Restricted Stock Units is additionally subject to the requirement that, at each RSU Vesting Date, the Company has a Tier 1 Leverage Ratio that is at least five percent (5%), consistent with the definition of a “well-capitalized” institution. The Tier 1 Leverage Ratio will be calculated in accordance with the requirements of the Federal Reserve, as described in FR Y-9C on Schedule HC-R, line 44 (or the replacement thereof). If the Company is not “well-capitalized” at an RSU Vesting Date, all Units that are then scheduled to vest are forfeited.

(b) **Change in Control.** In the event of a Change in Control, any unforfeited Restricted Stock Units will be governed by the provisions of Section 9 of the Plan, which describes the conditions for accelerated vesting of the Restricted Stock Units. Vesting of the Restricted Stock Units in these circumstances will occur only if the Company had remained well-capitalized (as defined above) at the close of the last full quarter preceding the Change in Control.

(c) **Termination due to Retirement.** If Grantee’s employment with the Company and service to the Company as a director is terminated due to Retirement prior to an applicable RSU Vesting Date, then the Restricted Stock Units shall vest on a pro-rata basis on the Grantee’s termination; vesting of the Restricted Stock Units in these circumstances will occur only if the Company had remained well-capitalized (as defined above) at the close of the last full quarter preceding termination. The pro rata calculation will be determined by multiplying (x) the number of unvested Restricted Stock Units scheduled to vest at the RSU Vesting Date by (y) a fraction, with the numerator equal to the number of calendar days since the later of the grant date or the most recent anniversary of the grant date and with the denominator equal to 365. Such vested Restricted Stock Units shall be settled in accordance with Section 3. For purposes of this Agreement, Retirement shall mean the Grantee’s separation from both employment

and service as a director at or after attainment of both age 60 and 10 years of completed service with the Company or its affiliates. If the Grantee is then eligible for Retirement, a termination by the Company not for Cause (without continuing service as a director) shall be deemed a Retirement, but a termination by the Company for Cause (and any subsequent termination of service as a director) shall not be deemed a Retirement.

(d) **Termination for Death or Disability.** Any unforfeited Restricted Stock Units shall vest immediately and fully upon the Grantee's termination of employment due to death or Disability (regardless of any continued service as a director) and be settled in accordance with Section 3. Vesting of the Restricted Stock Units in these circumstances will occur only if the Company had remained well-capitalized (as defined above) at the close of the last full quarter preceding the event of termination due to death or Disability.

(e) **Termination for other reason than for Retirement, Death or Disability.** If the Grantee's employment and service as a director is voluntarily or involuntarily terminated (other than due to Retirement, death or Disability) prior to the vesting of any Restricted Stock Units, any such unvested Restricted Stock Units shall be forfeited.

(f) **Account.** The Restricted Stock Units shall be credited to a separate account maintained for the Grantee on the books and records of the Company. All amounts credited to this account shall continue for all purposes to be part of the general assets of the Company.

Section 2. Transfer Restrictions. Until such time as the Units vest and the shares of Common Stock underlying the vested Units have been issued, the Grantee may not assign or otherwise transfer the Units or the rights relating thereto except as provided in the Plan. Any attempt to sell, pledge, assign or otherwise transfer the Units or the rights relating thereto shall be wholly ineffective and, if any such attempt is made, the Units or the rights relating thereto will be forfeited by the Grantee and all of the Grantee's rights to such units or related shares of Common Stock shall immediately terminate without any payment or consideration by the Company. Once the Units vest and the shares of Common Stock underlying the Units have been issued, the Grantee may not be able to sell immediately the shares of Common Stock depending on securities laws and under applicable insider trading policies of the Company. Any inability to sell or transfer the shares of Common Stock underlying the Units will not relieve the Grantee of the obligation to pay any required withholding taxes at the time of vesting (see discussion below under "**Tax Withholding**").

Section 3. Settlement of Vested Units.

(a) Within thirty (30) calendar days following the vesting of any Unit (but not later than the applicable deadline in order that Units qualify as short-term deferrals for purposes of Section 409A of the Internal Revenue Code), the Company shall distribute to the Grantee the number of shares of Common Stock (either in book-entry form or in any other commercially reasonable manner implemented by the Company) equal to the number of vested Units.

(b) All distributions in shares of Common Stock shall be in the form of whole shares of Common Stock, and any fractional share shall be distributed in cash in an amount equal to the value of such fractional share determined based on the Fair Market Value of a share of Common Stock on the applicable vesting date.

(c) This Agreement is subject to compliance with applicable laws, statutes, rules, regulations and policies of, and any agreements with, any regulatory authority, body or agency having jurisdiction over the Company or any of its subsidiaries, including, but not limited to, compliance with any notice, non-objection or approvals requirements set forth in any of the foregoing.

Section 4. Tax Withholding. The Grantee shall be required to pay to the Company, and the Company shall have the right to deduct from any compensation paid to the Grantee pursuant to the Plan, the minimum amount required to be withheld for federal, state and local taxes, domestic or foreign, including payroll taxes, in respect of the Units and to take all such other action as the Committee deems necessary to satisfy all obligations for the payment of such withholding taxes. The Company shall determine the amount of such withholding. Unless otherwise determined by the Committee, in its sole discretion, Grantee may satisfy any such tax withholding obligation by any one or a combination of the following means:

(a) the Grantee tendering a cash payment or check payable to the Company; and/or

(b) the Company withholding shares of Common Stock from the shares of Common Stock otherwise issuable to the Grantee as a result of the vesting of the Restricted Stock Units or the Grantee tendering previously acquired shares (the fair market value of such withheld or tendered shares to be applied to the applicable tax and withholding obligations); provided, however, that shares of Common Stock may be withheld or received upon a tender by Grantee with a value exceeding the minimum statutory amount of tax required to be withheld by law only in accordance with a procedure or policy adopted by the Committee and in effect at the time of vesting.

Section 5. Rights as Stockholder. Except as otherwise provided in the Agreement, the Grantee shall not have any of the rights or privileges of a stockholder with respect to the shares of Common Stock underlying the Units, including but not limited to rights to vote the shares of Common Stock or to receive dividends on the shares of Common Stock, unless and until the Units vest and certificates or other evidence of ownership representing such shares of Common Stock (which may be in book-entry form) have been issued and recorded on the records of the Company, and delivered to the Grantee. After such issuance, recordation and delivery, Grantee will have the rights of a stockholder of the Company with respect to such shares of Common Stock or to receive dividends, subject to any restrictions on the shares of Common Stock and the terms and conditions of the Stockholder's Agreement.

Section 6. No Right to Continued Service. Neither the Plan nor this Agreement shall confer upon the Grantee any right to continue as an employee of the Company. Further, nothing in the Plan or this Agreement shall be construed to limit the right of the Company to terminate Grantee's employment at any time, with or without cause.

Section 7. Adjustments. The number of Units subject to this Award and related terms will be subject to adjustment in accordance with Section 11 (c) of the Plan under a variety of circumstances, including but not limited to splits or other corporate events. Any adjustment made by the Committee shall be conclusive, final and binding. For clarity, no adjustment will be made nor dividend equivalents will be paid or credited on the Units relating to ordinary dividends paid by the Company.

Section 8. Restrictive Covenants. The Grantee acknowledges and agrees that the services provided by the Grantee to the Company and its Affiliates including, but not limited to, Flagstar Bank, FSB (the "**Bank**"), are of a special, unique and extraordinary nature, and that the restrictions contained in this Section are necessary to prevent the use and disclosure of Confidential Information and to protect other legitimate business interests of the Company and its Affiliates. The Grantee acknowledges that all of the restrictions in this Section are reasonable in all respects, including duration, territory and scope of activity. In the event a court of competent jurisdiction determines as a matter of law that any of the terms of this Section are unreasonable or overbroad, the Company and the Grantee expressly allow such court to reform this Agreement to the extent necessary to make it reasonable as a matter of law and to enforce it as so reformed. The Grantee agrees that the restrictions contained in this Section shall be construed as separate agreements independent of any other provision of this Agreement or any other agreement between the Grantee and the Company or its Affiliates.

(a) **Confidentiality.** In the course of the Grantee's performing Grantee's duties for the Company and its Affiliates, the Company expects to provide Grantee with various proprietary, confidential and trade secret information of the Company and its Affiliates. Such proprietary, confidential and trade secret information may include, but not be limited to, any database of customer accounts; any customer, supplier and distributor list; customer profiles; information regarding sales and marketing activities and strategies; trade secrets; data regarding technology, products and services; information regarding pricing, pricing techniques and procurement; financial data and forecasts regarding the Company and customers, suppliers and distributors of the Company; software programs and intellectual property (collectively, "**Confidential Information**"). All Confidential Information shall be and remain the sole property of the Company and its assigns, and the Company shall be and remain the sole owner of all patents, copyrights, trademarks, names and other rights in connection therewith and without regard to whether the Company is at any particular time developing or marketing the same. The Grantee acknowledges that the Confidential Information is a valuable, special and unique asset of the Company and its Affiliates and that Grantee's access to and knowledge of the Confidential Information is essential to the performance of Grantee's duties as an employee of the Company and its Affiliates. In light of the competitive nature of the business in which the Company and its Affiliates are engaged, the Grantee agrees that Grantee will, both during Grantee's employment or service with the Company and its Affiliates and thereafter, maintain the strict confidentiality of all Confidential Information known or obtained by him or to which Grantee has access in connection with Grantee's employment by or service with the Company and that Grantee will not (i) disclose any Confidential Information to any person or entity (other than in proper performance of Grantee's duties hereunder) or (ii) make any use of any Confidential Information for Grantee's own purposes or for the direct or indirect benefit of any person or entity other than the Company or its Affiliates. Confidential Information shall not be deemed to include information that (w) becomes generally available to the public through no fault of Grantee, (x) is previously known by the Grantee prior to Grantee's receipt of such information from the Company, (y) becomes available to Grantee on a non-confidential basis from a source which, to Grantee's knowledge, is not prohibited from disclosing such information by legal, contractual or fiduciary obligation to the Company or (z) is required to be disclosed in order to comply with any applicable law or court order. Nothing in this Confidentiality provision prohibits Grantee from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. Grantee does not require prior authorization to make any such reports or disclosures and is not required to notify the company such reports or disclosures have been made. Immediately upon termination of the Grantee's employment or at any other time upon the Company's request, the Grantee will return to the Company all memoranda, notes and data, computer software and hardware, records or other documents compiled by Grantee or made available to the Grantee during the Grantee's employment with the Company concerning the Business of the Company, including without

limitation, all files, records, documents, lists, equipment, supplies, promotional materials, keys, phone or credit cards and similar items and all copies thereof or extracts therefrom. Notwithstanding the foregoing, in certain limited circumstances described in the Company's Confidentiality Guidelines, Grantee may disclose Confidential Information that consists of materials that would otherwise be subject to trade secret protection.

(b) **No Competition.** For a period of one (1) year following the Grantee's voluntary termination of employment with the Company or its Affiliates, but only if the Grantee has vested in some portion of the Units, the Grantee agrees that the Grantee shall not, on behalf of the Grantee or for others, directly or indirectly (whether as employee, consultant, investor, partner, sole proprietor or otherwise), be employed by, have an ownership interest in, or perform any services for a financial institution engaged in the same lines of business as the Company or its Affiliates ("**Business of the Company**") in any state of the United States where the Company is doing business. The parties agree that this provision shall not prohibit the ownership by the Grantee, solely as an investment, of securities of a person engaged in the Business of the Company if (i) the Grantee is not an "affiliate" (as such term is defined in Rule 12b-2 of the regulations promulgated under the Exchange Act) of the issuer of such securities, (ii) such securities are publicly traded on a national securities exchange and (iii) the Grantee does not, directly or indirectly, beneficially own more than two percent (2%) of the class of which such securities are a part.

(c) **No Solicitation of Employees.** The Grantee agrees that, both during the Grantee's employment with the Company and for a period of one (1) year following termination of the Grantee's employment with the Company or its Affiliates for any reason, the Grantee will not, directly or indirectly, on behalf of the Grantee or any other person or entity, hire, engage or solicit to hire for employment or consulting or other provision of services, any person who is actively employed (or in the six (6) months preceding the Grantee's termination of employment with the Company was actively employed) by the Company or its Affiliates, except for rehire by the Company or its Affiliates. This includes, but is not limited to, inducing or attempting to induce, or influence or attempting to influence, any person employed by the Company to terminate his or her employment with the Company.

(d) **No Solicitation of Customers.** The Grantee agrees that, both during the Grantee's employment with the Company and for a period of one (1) year following termination of the Grantee's employment with the Company and its Affiliates for any reason, the Grantee will not directly, on behalf of any competitor of the Company or its Affiliates in the Business of the Company, solicit the business of any entity within the United States who is known by the Grantee to be a customer of the Company or its Affiliates.

(e) **Survival.** The obligations and provisions contained in this Section shall survive the Grantee's separation from service and this Agreement and shall be fully enforceable thereafter.

Section 9. Company Policies; Forfeiture.

(a) The Grantee agrees that the grant of Restricted Stock Units and the shares of Common Stock issued upon vesting of the Units will be subject to any applicable clawback or recoupment policies, insider trading policies, policies related to confidential information and assignment of intellectual property, stock ownership guidelines and other policies that may be implemented or updated by the Company, from time to time.

(b) Notwithstanding anything to the contrary in this Agreement or the Plan, the Grantee agrees that if either (i) Grantee is terminated by the Company with Cause or (ii), during the Grantee's employment or other service with the Company or an Affiliate and thereafter, Grantee violates any of the restrictive covenants under Section 8 above, irrespective of whether the restrictive covenant is enforceable under applicable law, then immediately upon demand by the Company made within 90 days of the Company's receipt of actual notice of the violation, any unvested Units shall be cancelled and the Grantee shall return to the Company all shares of Common Stock delivered in settlement of the Units, or the cash value received by the Grantee upon the sale of such shares, to the extent the foregoing were realized or received in the twenty-four months prior to Grantee's termination.

Section 10. Notices. Any notice required by the terms of this Agreement shall be given in writing and shall be deemed effective upon personal delivery, upon deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid or upon deposit with a reputable overnight courier. Notice shall be addressed to the Company at its principal executive office and to the Grantee at the address most recently provided by the Grantee to the Company.

Section 11. Incorporation of Plan Terms. The provisions of the Plan are incorporated by reference into these terms and conditions. To the extent any provision of this Agreement conflicts with the Plan, the terms of the Plan shall govern. The Grantee acknowledges receipt of a copy of the Plan and represents that the Grantee has reviewed the Plan and is familiar with the terms and provisions thereof. The Grantee hereby accepts this Agreement and the terms of the Plan.

Section 12. Successors and Assigns. This Agreement is personal to the Grantee and shall not be assignable by the Grantee other than by will or the laws of descent and distribution, without the written consent of the Company. This Agreement shall inure

to the benefit of and be enforceable by the Grantee's legal representatives. This Agreement shall inure to the benefit of and be binding upon the Company and its successors. It shall not be assignable by the Company except in connection with the sale or other disposition of all or substantially all the assets or business of the Company.

Section 13. No Impact on Other Benefits. The value of the Grantee's Units is not part of the Grantee's compensation for purposes of calculating any severance, retirement, welfare, insurance or similar employee benefit.

Section 14. Discretionary Nature of Plan. The Plan is discretionary and may be amended, cancelled or terminated by the Company at any time, in its discretion. The grant of the Units in this Agreement does not create any contractual right or other right to receive any Units or other awards or grants in the future. Future awards, if any, will be at the sole discretion of the Committee. Any amendment, modification, or termination of the Plan shall not constitute a change or impairment of the terms and conditions of the Grantee's employment with the Company or its Affiliates.

Section 15. Amendment. The Committee shall have authority, subject to the express provisions of the Plan, to interpret this Agreement and the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, to modify the terms and provisions of this Agreement, and to make all other determinations in the judgment of the Committee necessary or desirable for the administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan or in this Agreement in the manner and to the extent it shall deem necessary or desirable to carry it into effect. All action by the Committee under the provisions of this Section shall be final, conclusive and binding for all purposes. Any amendment to this Agreement shall be in writing signed by the Company and, if the amendment materially impairs the rights of the Grantee, by the Grantee.

Section 16. Code Section 409A. This Agreement and the award of Units hereunder are intended to comply with the requirements of Code Section 409A, and shall at all times be interpreted, operated and administered in accordance with such intent. If payment of any amount that constitutes a deferral of compensation subject to Code Section 409A is triggered by a separation from service, which separation occurs while the Grantee is a "specified employee" (as defined by Code Section 409A) of the Company, and if such amount is scheduled to be paid within six (6) months after such separation from service, the amount shall accrue without interest and shall be paid the first business day after the end of such six-month period, or, if earlier, within 15 days after the appointment of the personal representative or executor of the Grantee's estate following the Grantee's death. "Termination of employment," "resignation," "retirement" or words of similar import, as used in this Agreement shall mean, with respect to any payments that constitute deferred compensation subject to Code Section 409A, the Grantee's "separation from service" as defined by Code Section 409A. If payment of any amount that constitutes a deferral of compensation subject to Code Section 409A is triggered by a Change in Control that is not a change in the ownership or effective control of the Company or in the ownership of a substantial portion of the assets of the Company within the meaning of Section 1.409A-3(i)(5) of the Treasury Regulations (a "**409A Change in Control**"), then any such payment will not be paid until the earliest to occur of (i) the date on which the payment would otherwise have been made in absence of the Change in Control, (ii) the Grantee's separation from service with the Company, and (iii) a 409A Change in Control. Each installment that vests at a distinct RSU Vesting Date, and each pro rata portion of such an installment that ceases to be subject to a substantial risk of forfeiture in a given calendar year, shall be deemed to be a separate payment for purposes of Code Section 409A. Notwithstanding anything in the Plan or this Agreement to the contrary, the Grantee shall be solely responsible for the tax consequences of the Units, and in no event shall the Company have any responsibility or liability if an award under the Plan is subject to and/or fails to comply with the requirements of Code Section 409A.

Section 17. Code Section 280G. If a Change in Control occurs and payments are made under this Agreement, and the Units awarded to Grantee that vest under this Agreement, and all payments under any other agreement, plan, program or policy of the Company in connection with such Change in Control ("**Total Payments**") will be subject to an excise tax under the provisions of Code Section 4999 ("**Excise Tax**"), the Total Payments shall be reduced so that the maximum amount of the Total Payments (after reduction) will be one dollar (\$1.00) less than the amount that would cause the Total Payments to be subject to the Excise Tax; provided, however, that the Total Payments shall only be reduced to the extent the after-tax value of amounts received by Grantee after application of the above reduction would exceed the after-tax value of the Total Payments received by Grantee without application of such reduction. In making any determination as to whether the Total Payments would be subject to an Excise Tax, consideration shall be given to whether any portion of the Total Payments could reasonably be considered, based on the relevant facts and circumstances, to be reasonable compensation for services rendered (whether before or after the consummation of the applicable Change in Control). If applicable, the particular payments that are to be reduced shall be subject to the mutual agreement of Grantee and the Company, with a view to maximizing the value of the payments to Grantee that are not reduced.

Section 18. Entire Agreement. This Agreement constitutes the entire contract between the parties hereto with regard to the subject matter hereof. This Agreement supersedes any other agreements, representations or understandings (whether oral or written and whether express or implied) which relate to the subject matter hereof.

Section 19. Severability. If any provision of this Agreement for any reason should be found by any court of competent jurisdiction to be invalid, illegal or unenforceable, in whole or in part, such declaration shall not affect the validity, legality or enforceability of any remaining provision or portion hereof, which remaining provision or portion hereof shall remain in full force and effect as if this Agreement had been adopted with the invalid, illegal or unenforceable provision or portion hereof eliminated.

Section 20. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Michigan, as such laws are applied to contracts entered into and performed in such State, without giving effect to the choice of law provisions thereof. The jurisdiction and venue for any disputes arising under, or any action brought to enforce the terms of, this Agreement shall be resolved exclusively in the courts of the State of Michigan, including the Federal Courts located therein (should Federal jurisdiction exist).

Section 21. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

Section 22. Acceptance. As a condition of receiving this Award, the Grantee agrees that the Committee, and to the extent that authority is afforded to the Board, the Board, shall have full and final authority to construe and interpret the Plan and this Agreement, and to make all other decisions and determinations as may be required under the Plan or this Agreement as they may deem necessary or advisable for administration of the Plan or this Agreement, and that all such interpretations, decisions and determinations shall be final and binding on the Grantee, the Company and all other interested persons. Any dispute regarding the interpretation of this Agreement shall be submitted by the Grantee or the Company to the Committee for review. The resolution of such dispute by the Committee shall be final and binding on the Grantee and the Company.

This Agreement is executed by the Company and the Grantee as of the date and year first written above.

GRANTEE

FLAGSTAR BANCORP, INC.

By: _____

Its: _____

ACKNOWLEDGEMENT OF INSIDER TRADING LAWS AND POLICY

NOTE: OUR INSIDER TRADING POLICY ADDRESSES VERY SERIOUS MATTERS. IF YOU HAVE ANY QUESTION OR DOUBT ABOUT THE APPLICABILITY OR INTERPRETATION OF THIS POLICY, PLEASE SEEK CLARIFICATION FROM OUR GENERAL COUNSEL.

The undersigned acknowledges that he/she has reviewed the Company's Insider Trading Policy (the "**Policy**"), and will review any amendments to the Policy. The current Policy and any amendments will be maintained and available on the My Flagstar intranet. The undersigned agrees to comply with the restrictions and procedures contained in the Policy, as it may be amended from time to time.

Signature

Name

Date

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