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## Section 1: 8-K (8-K)

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**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): December 28, 2018

**PennyMac Financial Services, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-38727**  
(Commission  
File Number)

**83-1098934**  
(IRS Employer  
Identification No.)

**3043 Townsgate Road, Westlake Village, California**  
(Address of principal executive offices)

**91361**  
(Zip Code)

**(818) 224-7442**  
(Registrant's telephone number, including area code)

**Not Applicable**  
(Former name or former address, if changed since last report)

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:

- 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 1.01 Entry into a Material Definitive Agreement.***Employment Agreements*

On December 28, 2018, PennyMac Financial Services, Inc. (the “Company”) and Private National Mortgage Acceptance Company, LLC (“PNMAC”), its wholly-owned subsidiary, entered into employment agreements with each of Stanford L. Kurland (the “Kurland Agreement”), David A. Spector (the “Spector Agreement”) and Doug Jones (the “Jones Agreement”) for terms commencing on January 1, 2019 and expiring on December 31, 2022.

Pursuant to the Kurland Agreement, Mr. Kurland shall continue to serve as the Executive Chairman of the Board of Directors (the “Board”) through December 31, 2019, and, beginning on January 1, 2020 and continuing through the end of the term, shall serve as the Non-Executive Chairman of the Board of the Company, assuming he is re-elected to that post through the end of such term. Mr. Spector shall continue to serve as a member of the Board and as the President and Chief Executive Officer of the Company and PNMAC throughout the term of the Spector Agreement. Mr. Jones shall continue to serve as Senior Managing Director and Chief Mortgage Banking Officer of the Company and PNMAC throughout the term of the Jones Agreement.

The other material terms of the Kurland Agreement, the Spector Agreement and the Jones Agreement are described in Item 5.02 of this report.

**Item 1.02 Termination of a Material Definitive Agreement.**

In connection with entering into the new employment agreements with Mr. Kurland and Mr. Spector as described in Item 1.01 of this report, the prior employment agreements with such executives were terminated, effective as of December 31, 2018. The prior employment agreements were scheduled to expire on December 31, 2018.

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

As described in Item 1.01 of this report, the Company and PNMAC entered into employment agreements with Mr. Kurland, Mr. Spector and Mr. Jones, each of which has a four-year term.

*Base Salary and Incentive Compensation*

Pursuant to the Kurland Agreement, Mr. Kurland shall receive an annual base salary of \$900,000 from January 1, 2019 through and including December 31, 2019. During that time, Mr. Kurland also shall be entitled to receive cash and equity incentive compensation, with such compensation awarded at levels based on annual performance targets determined by the Board and the compensation committee of the Board. From January 1, 2020 and for so long as Mr. Kurland remains on the Board as Non-Executive Chairman, Mr. Kurland shall be entitled to receive (i) annual director fees in cash in amount equal to 2.5 times the annual director fees of the highest paid non-employee Board member, and (ii) annual equity awards in an amount equal to 2.5 times the amount granted to any other non-employee Board member.

During the term of the Spector Agreement, Mr. Spector shall receive an annual base salary of no less than \$900,000, which amount shall increase to \$1,000,000 on January 1, 2020. During the term of the Jones Agreement, Mr. Jones shall receive an annual base salary of no less than \$550,000, which amount shall increase to \$600,000 on January 1, 2020. During the terms of their employment agreements, each of Mr. Spector and Mr. Jones also shall be entitled to receive annual cash and equity incentive compensation, with such compensation awarded at levels based on annual performance targets determined by the Board and the compensation committee of the Board.

All equity awards are granted pursuant to the PennyMac Financial Services, Inc. 2013 Equity Incentive Plan (the “2013 Plan”) and subject to vesting requirements as specified in the relevant award agreement.

### *Other Benefits*

The employment agreements provide for the annual accrual of forty days of paid time off for Mr. Kurland and twenty days of paid time off for Mr. Spector and Mr. Jones, in each case at the executive's regular base pay rate during each year of the term. The agreements also provide for medical benefits, reimbursement for expenses related to tax advice and financial counseling not to exceed \$25,000, an automobile allowance of up to \$1,500 per month for Mr. Kurland and Mr. Spector, reimbursement of reasonable business expenses, and participation in such other benefits programs as are provided to the Company's executives generally.

### *Payments Upon Specified Termination Events*

Pursuant to the employment agreements, upon a termination due to death or disability, a termination by the Company other than for cause (as defined in the employment agreement), a termination by the executive for good reason (as defined in the employment agreement), or a termination as a result of change of control (as defined in the 2013 Plan), in addition to any other amounts required by law to be paid to him, the executive would be entitled to any cash bonus earned but unpaid for the year prior to the year in which the termination date occurs and the pro rata portion of any cash bonus earned but unpaid for the year during which the termination date occurs. In any such termination event, any unvested equity awards granted pursuant to the 2013 Plan shall vest immediately. The Company will also generally reimburse the executive or his estate for any amounts paid by him or his estate for coverage of him and his family under the Company's group health medical benefits plan pursuant to the Consolidated Omnibus Budget Reconciliation Act, or COBRA, for as long as the executive or his family is eligible to receive such benefits under COBRA. Upon a termination due to death, the executive's estate will also receive a continuing payment of executive's annual base salary as of the termination date for a period of six months following such termination.

Upon a termination of Mr. Spector's or Mr. Jones' employment as a result of a change of control or by the Company other than for cause, or upon a termination by Mr. Spector or Mr. Jones for good reason, the executive shall also receive a severance payment equal to two years of executive's annual base salary plus two years of executive's cash incentive compensation (based on the average cash incentive bonus received in the most recent two years), with such amounts to be paid in 24 monthly installments. Upon termination of Mr. Spector's or Mr. Jones' employment by the Company or PNMAC for cause, the executive shall receive his annual base salary through the termination date, any accrued but unused paid time off and reimbursement of any unreimbursed incurred expenses.

### *Consulting Services*

Upon the expiration of the term of the Kurland Agreement or upon a termination of Mr. Kurland's employment by the Company other than for cause or a termination by Mr. Kurland for good reason, Mr. Kurland shall serve as a consultant to the Company for an 18-month period commencing on the termination date. During the consulting period, the executive will receive a consulting fee of \$1.5 million, with approximately \$1 million paid in 18 monthly installments and the remainder paid upon the completion of the consulting period; provided, however, that such compensation will cease if the executive engages in services for a business that competes with the Company.

Upon the expiration of the term of the Spector Agreement, Mr. Spector shall serve as a consultant to the Company for an 18-month period commencing on the termination date. During the consulting period, Mr. Spector will receive a consulting fee of \$1.5 million, with approximately \$1 million paid in 18 monthly installments and the remainder paid upon the completion of the consulting period; provided, however, that such compensation will cease if the executive engages in services for a business that competes with the Company.

Upon the expiration of the term of the Jones Agreement, Mr. Jones shall serve as a consultant to the Company for an 18-month period commencing on the termination date. During the consulting period, Mr. Jones will receive a consulting fee of \$1 million, with approximately \$750,000 paid in 18 monthly installments and the remainder paid upon the completion of the consulting period; provided, however, that such compensation will cease if the executive engages in services for a business that competes with the Company.

The foregoing descriptions of the Kurland Agreement, the Spector Agreement and the Jones Agreement do not purport to be complete and are qualified in their entirety by reference to the full text of such agreements, which have been filed with this Current Report on Form 8-K as Exhibits 10.1, 10.2 and 10.3, respectively.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

<b>Exhibit No.</b>	<b>Description</b>
10.1	<a href="#"><u>Employment Agreement, dated December 28, 2018, among Stanford L. Kurland, Private National Mortgage Acceptance Company, LLC and PennyMac Financial Services, Inc.</u></a>
10.2	<a href="#"><u>Employment Agreement, dated December 28, 2018, among David A. Spector, Private National Mortgage Acceptance Company, LLC and PennyMac Financial Services, Inc.</u></a>
10.3	<a href="#"><u>Employment Agreement, dated December 28, 2018, among Doug Jones, Private National Mortgage Acceptance Company, LLC and PennyMac Financial Services, Inc.</u></a>

**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.

PENNYMAC FINANCIAL SERVICES, INC.

Dated: December 31, 2018

/s/ Andrew S. Chang  
Andrew S. Chang  
Senior Managing Director and Chief Financial Officer

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**Section 2: EX-10.1 (EX-10.1)**

**Exhibit 10.1**

**EMPLOYMENT AGREEMENT**

This Employment Agreement (“Agreement”) is effective the 1<sup>st</sup> day of January, 2019 (“Effective Date”), among **Private National Mortgage Acceptance Company, LLC** (“PNMAC”) and **PennyMac Financial Services, Inc.** (formerly known as New PennyMac Financial Services, Inc.) (“PFSI”), each having a principal place of business at 3043 Townsgate Road, Westlake Village, CA 91361, and **Stanford L. Kurland** (“Executive”), whose residence is at \*\* \*\*\*\*\* \*\*\*\*\* \*\*\*\*\* , \*\*\*\*\* , \*\*\*\*\* \*\*\*\*\*.

**RECITALS**

WHEREAS, PNMAC, a wholly-owned subsidiary of PFSI, is a validly existing Delaware limited liability company duly organized under the Fifth Amended and Restated Limited Liability Company Agreement Of Private National Mortgage Acceptance Company LLC entered into as of November 1, 2018 (the “PNMAC LLC Agreement”);

WHEREAS, PFSI is a validly existing Delaware corporation duly organized under the Amended and Restated Certificate of Incorporation of New PennyMac Financial Services, Inc. filed with the Securities and Exchange Commission (the “SEC”) on November 1, 2018, as amended, and the Amended and Restated Bylaws of New PennyMac Financial Services, Inc. filed with the SEC on November 1, 2018;

WHEREAS, Executive currently serves as Executive Chairman of PFSI and certain of PNMAC’s operating subsidiaries;

WHEREAS, PNMAC and PNMAC Holdings, Inc. (formerly known as PennyMac Financial Services, Inc. and now wholly-owned subsidiary of PFSI) executed an employment agreement with Executive effective December 8, 2015 (with subsequent amendments) that, by its terms, will expire on or before December 31, 2018 (the “December 2015 Employment Agreement”);

WHEREAS, PNMAC and PFSI desire to obtain the benefit of continued services of Executive and Executive desires to continue to render services to PFSI and its subsidiaries; and



WHEREAS, PNMAC, PFSI, and Executive each has determined that it would be to the advantage and best interest of PNMAC, PFSI, and Executive to enter into this Agreement to establish the terms under which Executive would continue to render services to PFSI and its subsidiaries.

**NOW, THEREFORE**, in consideration of the mutual promises and covenants herein contained, PNMAC, PFSI, and Executive agree that the following terms and conditions shall apply to Executive's employment:

## **AGREEMENT**

1. Term. PNMAC hereby agrees to employ Executive and Executive hereby accepts employment with PNMAC for the period commencing with the Effective Date and expiring on December 31, 2022 (the "Expiration Date") unless earlier terminated in accordance with the provisions hereof (the "Term"). As used herein, the "Termination Date" shall mean the earlier of the Expiration Date or the date on which the Agreement is terminated in accordance with the terms hereof and as may be further specified in Section 7(g).

2. Duties.

(a) Through December 31, 2019, Executive shall be employed as the Executive Chairman of PFSI, and in that role shall provide oversight and guidance to the CEO and the Senior Executive management team with a focus on the following issues: succession planning; corporate governance; strategic planning; organizational development; enterprise risk management; information technology; and products and pricing strategy. In addition to these broad oversight activities, Executive shall sponsor and/or champion key initiatives relating to these issues. Executive shall report only to the board of directors of PFSI (the "Board"). The duties and title of Executive may be changed from time to time by the mutual consent of Executive, PFSI, and PNMAC without resulting in a breach or rescission of this Agreement. Notwithstanding any such change from the responsibilities originally specified above, or hereafter assigned, the employment of Executive shall be construed as continuing under this Agreement as modified; *provided*,

*however*, that any material diminution in Executive's responsibilities imposed by PNMAC or PFSI without Executive's consent shall be construed as a termination of Executive Other Than for Cause as described in Section 7(d) of this Agreement.

(b) Beginning on January 1, 2020, and continuing through the end of the Term, Executive shall serve as the Non-Executive Chairman of PFSI, assuming Executive is reelected to that post through that date. In that post, Executive shall perform the usual and customary duties of such office, including calling, attending and chairing meetings of the Board.

(c) Throughout the Term, Executive's principal office shall be located at PNMAC's offices in Summerlin, Nevada, where he will be provided an executive office. Executive also shall be provided access to and support from an administrative assistant throughout the Term.

(d) Nothing in this Agreement is intended to have any impact on Executive's continued service as Executive Chairman of PennyMac Mortgage Investment Trust ("PMT"), and any compensation or benefits he receives for that position or any other service is independent of any compensation or benefits paid under this Agreement.

3. Outside Activities. Through December 31, 2019, Executive shall devote all of Executive's full business time, ability and attention to the business of PNMAC and PFSI, including their management of PMT. Notwithstanding the foregoing, however, Executive may pursue other appropriate civic, charitable or religious activities so long as such activities do not interfere with Executive's performance of his duties hereunder. In addition, Executive may engage in other business activities or investments during the Term provided such activities or investments do not compete with PFSI or its subsidiaries and are fully disclosed to the Board prior to the time of such activities or investments (except that investments representing less than five percent (5%) of the securities of companies that are regularly traded on a national securities exchange need not be disclosed to the Board). Executive shall also be permitted to serve on the board of directors of any non-profit entity, subject to prior full disclosure to the Board.

4. Board Appointment. Executive shall serve as a member of the Board as specified in Section 2(a) and 2(b) and fulfill all duties required of a member of the Board. In the event Executive's employment is terminated in accordance with this Agreement or Executive resigns or otherwise becomes unaffiliated with PFSI, Executive shall, and does hereby agree to, tender his written resignation from the Board effective on the date of termination, resignation or non-affiliation.

5. Compensation and Benefits.

(a) Base Salary. Through December 31, 2019, in consideration for Executive's services hereunder, PNMAC shall pay or cause to be paid as base salary to Executive an amount of not less than Nine Hundred Thousand Dollars (\$900,000) per year, prorated for any partial years of service, less any applicable deductions. Said base salary shall be payable in conformity with PNMAC's normal payroll periods. Beginning on January 1, 2020 and for so long as Executive remains on the Board, PFSI shall pay or cause to be paid to Executive annual director fees in cash in an amount equal to two and one-half (2.5) times the annual director fees of the highest paid board member (other than board members who are fulltime employees of PNMAC). The annual director fees of the highest paid board member shall be the amount to which such board member was entitled to receive in cash, whether or not such amount was paid in cash or settled in stock in lieu of cash, as reflected in PFSI's proxy statement filed for the prior fiscal year.

(b) Cash Incentive Compensation. Through December 31, 2019, Executive shall be eligible to participate in all executive incentive programs offered by PNMAC to its employees. PNMAC shall pay to Executive an annual cash incentive compensation award at a level determined by the Board and the Compensation Committee pursuant to an annual targeting process establishing performance targets and designating cash incentive compensation to be earned as a result of meeting those performance targets (the "Bonus"); *provided, however*, that the annual performance targets established for Executive and the cash incentive to be earned as a result of meeting those targets shall each be set at levels and amounts at least as favorable to Executive as those for other senior executives at PNMAC. Executive

understands that any Bonus for the 2019 Fiscal Year shall be paid to Executive in 2020, and Executive elects to defer payment of such Bonus to no earlier than March 16, 2020 but no later than October 31, 2020, *provided that*, except as set forth in Sections 7(a), (b), and (d), Executive must be employed on December 31, 2019 to receive any portion of the Bonus.

(c) Equity Compensation. Through December 31, 2019, PFSI shall grant to Executive equity incentive compensation pursuant to the terms of PFSI's 2013 Equity Incentive Plan (the "EIP") or any other equity incentive plan adopted by PFSI in a form and amount determined by the Board and the Compensation Committee pursuant to an annual targeting process establishing performance targets and designating equity incentive compensation to be earned as a result of meeting those performance targets; *provided, however*, that the annual performance targets established for Executive and the equity incentive compensation to be earned as a result of meeting those targets shall each be set at levels and amounts at least as favorable to Executive as those for other senior executives at PNMAC. The equity incentive compensation shall be granted at the same time as PNMAC grants equity incentive compensation to its other senior executives for 2019 (but in no event later than June 30, 2019). Any equity incentive compensation granted to Executive pursuant to this Section 5(c) shall vest in accordance with the terms set forth in the EIP and the related award document; *provided however*, that notwithstanding anything to the contrary contained in the EIP or any other document, any unvested equity incentive compensation granted to Executive pursuant to this Section 5(c) shall automatically and immediately vest if any of the following events occur: (i) Executive's death; (ii) Executive's Disability as defined in Section 7(a); or (iii) the termination of Executive Other Than for Cause as described in Section 7(d) of this Agreement. In addition, because the equity incentive compensation granted to Executive pursuant to this Section 5(c) may be based on Performance Criteria (as defined in Section 7.7(f)(i) of the EIP) that relate to events occurring after the Executive ceases his service as Executive Chairman of PNMAC and PFSI or is no longer employed by the Company, the Performance Goals (as defined in Section 7.7(f)(ii) of the EIP) established for Executive shall not be dependent in any respect on Executive's individual performance. In

the event of a sale, merger, consolidation, reorganization, restructuring or transfer of assets of PFSI in which PFSI is not the surviving entity or in which it survives as a subsidiary of another entity (a "Transaction"), and the shares or equity securities of the surviving entity or parent thereof are publicly traded on a recognized stock exchange or over the counter market, the equity incentive compensation to be granted pursuant to this Section 5(c) after the date of the Transaction shall be granted in accordance herewith in the form of securities of the surviving entity or parent thereof, as applicable. To the extent that any of the terms of this Agreement governing Executive's equity incentive compensation conflict with anything contained in the EIP or any other document, the terms of this Agreement control and supersede any such contrary provisions. Beginning on January 1, 2020 and for so long as Executive remains on the Board, Executive shall receive equity Awards in an amount equal to two and one-half (2.5) times the amount granted to any other non-employee member of the Board.

(d) Paid Time Off. Through December 31, 2019, Executive shall accrue forty (40) days of paid time off ("PTO") at Executive's regular base pay rate during each year of the Term, prorated for partial years worked, subject to the terms of PNMAC's employment benefit policies as they relate to senior executive officers.

(e) Medical Benefits. During the Term, PNMAC shall pay for Executive to undergo an annual comprehensive executive physical appropriate for chief executives such as Executive. In addition, Executive and Executive's family shall be entitled to participate in PNMAC's group medical insurance benefits, in accordance with PNMAC's employment benefit policies as they relate to senior executive officers and their families. If Executive is terminated pursuant to Section 7(a), (b), or (d), PNMAC will reimburse Executive for any amounts paid by Executive for coverage of Executive and/or Executive's family under PNMAC's group health medical benefits plan pursuant to the Consolidated Omnibus Budget Reconciliation Act ("COBRA") for as long as Executive is eligible to receive such benefits under COBRA, on the condition that Executive timely elects COBRA and provides PNMAC with proof of payment of the applicable COBRA premiums on a monthly basis; *provided however*, that

the reimbursement described in this Section 5(e) shall be subject to and paid only if and to the extent (1) such reimbursement is permitted by the Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Reconciliation Act of 2010, and other applicable law, and (2) Executive is not otherwise eligible or entitled to participate in group medical benefits offered by a subsequent employer. If PNMAC's reimbursement of Executive for COBRA-related payments under this subparagraph 5(e) is not permitted by the Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Reconciliation Act of 2010, and Executive is not otherwise eligible or entitled to participate in group medical benefits offered by a subsequent employer, then PNMAC shall discontinue the COBRA-related payments provided for in this subparagraph 5(e) and, in such case, PNMAC will pay Executive an amount equal to the amount that Executive would otherwise be entitled to receive for reimbursement of COBRA-related payments.

(f) Tax Advice and Financial Counseling. During the Term, PNMAC shall reimburse Executive for expenses relating to tax advice and financial counseling, subject to reasonable proof of such expenses, *provided that*, such expenses shall not exceed twenty-five thousand dollars (\$25,000) per year, prorated for partial years worked. Executive shall have sole discretion in selecting an appropriate tax advisor and financial counselor.

(g) Automobile Allowance. Through December 31, 2019, PNMAC shall provide Executive with an automobile allowance of one thousand five hundred dollars (\$1,500) per month prorated for partial months worked, which allowance shall be in lieu of any expense reimbursement for automobile or automobile-related expenditures (other than expenditures for car services or other transportation costs associated with Executive's business travel, which shall be reimbursed in accordance with the terms of Section 6 of this Agreement), or use of a PNMAC owned or leased vehicle.

(h) Additional Benefits. Through December 31, 2019, Executive shall be entitled to participate in all programs, rights, and benefits for which Executive is otherwise entitled under any bonus plan, incentive plan, participation plan, extra compensation plan, pension plan, profit sharing plan,

savings plan, life, medical, dental, other health care, disability, or other insurance plan or policy or other plan or benefit that PNMAC or PFSI may provide for senior executives or for employees of PNMAC generally, if any, in force from time to time. For the avoidance of doubt, the rights granted or afforded to Executive under any such plans shall not be less than the most favorable rights and highest amounts granted to employees of similar or lower positions with PNMAC and on terms at least as favorable, and, for the purposes of such plan, Executive shall receive credit for the entire period of his employment with PNMAC (including his employment with PNMAC prior to the execution of this Agreement). To the extent that anything contained in any such plans or programs is in conflict or inconsistent with anything stated in this Agreement, the terms of this Agreement shall control and supersede any contrary language except as prohibited by law. Beginning on January 1, 2020 and for so long as Executive remains on the Board, Executive shall receive the same benefits, if any, as are provided to any other non-employee member of the Board.

6. Business Expense Reimbursement. Executive shall be entitled to reimbursement by PNMAC for any ordinary and necessary business expenses incurred by Executive in the performance of Executive's duties and in acting for PNMAC or PFSI during the Term, which types of expenditures shall be determined by the Board.

7. Termination. During the Term, Executive's employment may be terminated only as provided in this Section 7. Except as set forth in this Agreement, neither PNMAC nor PFSI shall have any further obligation to Executive or liability under this Agreement by way of compensation, post termination benefits or obligations or otherwise upon the Termination Date. Notwithstanding anything to the contrary in this Agreement or any other document, the termination of Executive's employment for any reason shall not affect Executive's ownership of Common Stock of PFSI, and shall not affect Executive's entitlement to all benefits which have vested or which are otherwise payable in respect of periods ending prior to the termination of his employment.

(a) Disability. In the event that Executive qualifies for permanent disability benefits under PNMAC's long term disability plan (the "LTD Plan"), or if Executive does not participate in the LTD Plan, would have qualified for permanent disability had Executive been a participant of the LTD Plan (a "Disability"), Executive's employment hereunder may be terminated, by written Notice of Termination (as that term is defined in Section 7(g) herein) from PNMAC to Executive. Upon termination due to Executive's Disability under this Section 7(a), Executive shall be entitled to: (i) his base salary described in Section 5(a) and in effect as of the Termination Date, through and including the Termination Date (as that term is defined in Section 7(g) herein); (ii) if not previously paid prior to the Termination Date, incentive based compensation as described in Section 5(b) of this Agreement for the year prior to the Fiscal Year in which the Termination Date occurs; (iii) accrued but unused PTO through the Termination Date; (iv) reimbursement of any unreimbursed expenses incurred by Executive pursuant to Section 6 of this Agreement; (v) if not previously paid prior to the Termination Date, a prorated share of the incentive based compensation described in Section 5(b) for the Fiscal Year in which the Termination Date occurs, payable in accordance with such Section; and (vi) continuing medical benefits as set forth in Section 5(e) herein. In addition, in the event Executive's employment is terminated pursuant to this Section 7(a), any Award (as that term is defined in the EIP) granted to Executive pursuant to the EIP shall become immediately and fully vested. The determination of Disability shall be made only after sixty (60) days' notice to Executive and only if Executive is not able to perform his duties with or without reasonable accommodation prior to the expiration of the sixty (60) day notice period.

(b) Death. In the event that Executive dies during the Term of this Agreement, this Agreement shall automatically terminate on the date of Executive's death. Upon termination due to Executive's death pursuant to this Section 7(b), Executive's estate shall be entitled to: (i) continuing payment of Executive's base salary described in Section 5(a) and as of the Termination Date through the Termination Date and for a period of six (6) months following the Termination Date; (ii) if not previously paid prior to the Termination Date, incentive based compensation as described in Section 5 (b)

of this Agreement for the year prior to the Fiscal Year in which the Termination Date occurs; (iii) accrued but unused PTO through the Termination Date; (iv) reimbursement of any unreimbursed expenses incurred by Executive pursuant to Section 6 of this Agreement; (v) if not previously paid prior to the Termination Date, a prorated share of the incentive based compensation described in Section 5 (b) for the Fiscal Year in which the Termination Date occurs, payable in accordance with such Section; and (vi) continuing medical benefits as set forth in Section 5(e) herein. In addition, in the event of Executive's death, any Award (as that term is defined in the EIP) granted to Executive pursuant to the EIP shall become immediately and fully vested.

(c) Termination for Cause. PNMAC or PFSI may terminate Executive's employment or services under this Agreement for "Cause" by written Notice of Termination. A termination for Cause is a termination by reason of: (i) a material breach of this Agreement (other than as a result of incapacity due to death or Disability) which is committed by Executive in bad faith and which is not remedied within thirty (30) days of Executive's receipt of a notice to cure such breach; (ii) Executive's conviction by a court of competent jurisdiction of a felony involving dishonesty or moral turpitude, *provided, however*, that any convictions solely on the basis of vicarious liability shall not give PNMAC or PFSI the right to terminate Executive for Cause; (iii) entry of an order duly issued by any federal or state regulatory agency having jurisdiction of the matter removing Executive from office of PFSI or any its subsidiaries or permanently prohibiting him from participating in the conduct of the affairs of PFSI or any of its subsidiaries; or (iv) proven acts of fraud or willful misconduct committed by Executive in connection with the performance of his duties under Section 2 of this Agreement which result in material injury to PFSI or any of its subsidiaries. In the event of a termination for Cause pursuant to this Section 7(c), Executive shall be entitled to receive (a) his base salary for the entire period up to and including the date of Executive's termination for Cause; (b) accrued but unused PTO through the Termination Date; and (c) reimbursement of any unreimbursed expenses incurred by Executive pursuant to Section 6 of this Agreement. If Executive is convicted of a felony involving dishonesty or moral turpitude or removed

from office and/or prohibited from participating in the conduct of the affairs of PFSI or any of its subsidiaries by any federal or state regulatory agency having jurisdiction of the matter, and if the charges resulting in such removal or prohibition are ultimately dismissed or if a final judgment on the merits of such charges is issued in favor of Executive, or if the felony conviction is overturned on appeal, then Executive's termination shall be treated as a Termination Other Than for Cause pursuant to Section 7(d).

(d) Termination Other Than for Cause. PNMAC or PFSI may terminate Executive's employment other than for Cause (including the expiration of Executive's Term pursuant to Section 1 above) or Executive may terminate his employment for Good Reason as that term is defined in this Section 7(d). If Executive's employment terminates pursuant to this Section 7(d), then Executive shall be entitled to (i) his base salary in effect as of the Termination Date through and including the Termination Date (as that term is defined in Section 7(g) herein); (ii) if not previously paid prior to the Termination Date, incentive based compensation as described in Section 5(b) of this Agreement for the year prior to the Fiscal Year in which the Termination Date occurs; (iii) accrued but unused PTO through the Termination Date; (iv) reimbursement of any unreimbursed expenses incurred by Executive pursuant to Section 6 of this Agreement; (v) a prorated share of the incentive based compensation described in Section 5(b) for the Fiscal Year in which the Termination Date occurs, payable in accordance with such Section; and (vi) continuing medical benefits as set forth in Section 5(e) herein. In addition, in the event Executive's employment is terminated pursuant to this Section 7(d) (unless such termination is the result of the expiration of Executive's Term pursuant to Section 1 above or Executive's termination for Good Reason at his option at any time on or after January 1, 2020), any Award (as that term is defined in the EIP) granted to Executive pursuant to the EIP shall become immediately and fully vested. If such termination is the result of the expiration of Executive's Term pursuant to Section 1 above or Executive's termination under clause (a) of the definition of Good Reason below, any such Awards shall continue to vest, if applicable, in accordance with their terms, and the Termination Date of this Agreement shall be deemed to be the Retirement Date as defined in the related award document; *provided, however*, that if

the related award document does not contain any reference to retirement provisions or a Retirement Date, then the affected Awards shall become immediately and fully vested.

For purposes of this Agreement, Executive will have “Good Reason” to terminate this Agreement (a) at his option at any time on or after January 1, 2020, subject only to the notice provisions set forth in Section 7(g), or (b) if PFSI (or any resulting or surviving entity in the event of a Transaction as defined in Section 5(c) of this Agreement) or PNMAC (1) materially breaches this Agreement; (2) requires Executive to report to anyone other than the Board; (3) requires that Executive be based anywhere more than fifty (50) miles from the office where Executive is located as of Effective Date; (4) takes any other action which results in a material diminution or adverse change in Executive’s status, title, position, compensation, or responsibilities as set forth herein, other than an insubstantial action not taken in bad faith and remedied promptly after receipt of notice by Executive; or (5) fails to indemnify and advance all expenses to Executive in response to a proper request for indemnity and advancement by Executive; *provided, however*, Executive’s resignation for Good Reason under clauses (b)(1)-(5) above will only be effective if Executive provides written notice to PNMAC or PFSI of the events constituting the Good Reason within ninety (90) days after the occurrence of any such event, and PNMAC or PFSI does not cure said events within thirty (30) days after receipt of the notice.

(e) Termination Following a Change of Control. This Agreement and Executive’s employment shall not automatically terminate due to a “Change of Control” as that term is defined in the EIP. In the event of a Change of Control, PNMAC and PFSI shall take all actions necessary to ensure that the surviving or resulting entity, if other than PNMAC or PFSI, is bound by and shall have the benefit of the provisions of this Agreement. However, in the event there is a Change of Control and Executive’s employment or service to PFSI or its affiliates (or any successors thereto) is terminated as a result of or in connection with such Change of Control, Executive shall be entitled to all of the rights and benefits he would be entitled to if his employment were terminated other than for Cause as described in Section 7(d)

above, including, without limitation, that any Award (as that term is defined in the EIP) granted to Executive pursuant to the EIP shall become immediately and fully vested.

(f) Voluntary Resignation. Except as provided in Section 7(d), in the event that Executive resigns voluntarily during the Term of this Agreement, Executive shall be entitled to receive (a) his base salary or director fees, as applicable, for the entire period up to and including the date of Executive's Termination Date; (b) accrued but unused PTO through the Termination Date; and (c) reimbursement of any unreimbursed expenses incurred by Executive pursuant to Section 6 of this Agreement.

(g) Notice of Termination. Any purported termination by PNMAC or by Executive shall be communicated by a written notice of termination (the "Notice of Termination") to the other party hereto which indicates the specific termination provision in this Agreement, if any, relied upon and which sets forth in reasonable detail the facts and circumstances, if any, claimed to provide a basis for termination of Executive's employment under the provision so indicated. For purposes of this Agreement, and except as expressly provided otherwise herein, no such purported termination shall be effective without such Notice of Termination. To the extent the Agreement is terminated prior to the Expiration Date, the "Termination Date" shall be the date specified in the Notice of Termination, which shall be not less than thirty (30) and not more than sixty (60) days from the date of the Notice of Termination.

(h) Consulting. Upon (i) expiration of the Term pursuant to Section 1 herein or (ii) termination of this Agreement pursuant to Section 7(d) herein, Executive shall serve as a consultant to PNMAC and PFSI (or in the event of a Transaction, to the surviving entity or parent) for an eighteen-month period commencing on the Termination Date (the "Consulting Period"); *provided, however*, that if Executive remains employed with PNMAC or otherwise provide services as Non-Executive Chairman to PFSI following the expiration of the Term pursuant to Section 1 herein, then the Consulting Period shall commence on the first day after Executive ceases to be employed by PNMAC or otherwise provide

services as Non-Executive Chairman to PFSI. During the Consulting Period, Executive shall make himself available for consulting services concerning PFSI's (or its successor's) general operations if and as may be reasonably requested by PFSI *provided that* (a) the consulting services shall be rendered at such location(s) as may be mutually agreed upon by Executive and PFSI and (b) the nature of and time required for the consulting services do not interfere with Executive's personal and professional activities. The consulting services shall be of an advisory nature and, in his role as a consultant, Executive shall have no power to bind PFSI. In consideration for the consulting services described in this Section 7(h), PNMAC shall pay to Executive a consulting fee of One Million Five Hundred Thousand Dollars (\$1,500,000), payable in eighteen monthly installments of Fifty-Five Thousand Five Hundred Fifty-Five Dollars (\$55,555) during the Consulting Period with a final payment of the remaining Five Hundred Thousand Dollars (\$500,000) upon the completion of such Consulting Period; *provided, however*, that the consulting relationship shall automatically terminate, and Executive shall not be entitled to continue receiving monthly payments under this Section 7(h), if he, directly or indirectly, engages in, provides services to, works for, consults with, owns, invests in or operates, any business that competes with the business of PFSI (or in the event of a Transaction, of the surviving entity or parent). PNMAC or PFSI shall provide Executive written notice if it contends Executive has breached any provision in this Section 7(h), and Executive shall have thirty (30) days following receipt of such notice to cure any alleged breach.

(i) Disputes. In consideration of PNMAC and PFSI employing Executive, and the salary and benefits provided under this Agreement, Executive, PNMAC and PFSI agree that all claims arising out of or relating to this Agreement or the breach thereof, or Executive's employment, including its termination, and/or the enforceability and validity of the arbitration agreement set forth in this Agreement, shall be resolved by binding arbitration pursuant to Section 12(e) below. This Agreement expressly does not prohibit either party from filing an application for a provisional remedy to prevent actual or threatened irreparable harm in accordance with California law.

(j) Restriction on Timing of Distributions. The intent of the parties is that payments and benefits under this Agreement comply with Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder (collectively “Code Section 409A”) and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. Notwithstanding the foregoing, PNMAC does not warrant to Executive that all amounts paid or delivered to him will be exempt from, or paid in compliance with, Code Section 409A. Accordingly, Executive understands and agrees that he bears the entire risk of any adverse federal, state or local tax consequences and penalty taxes which may result from payment under this Agreement and he acknowledges that he has been given the opportunity to consult with a tax advisor with respect to this Agreement. If Executive notifies PNMAC that Executive believes that any provision of this Agreement (or any award of compensation, including equity compensation or benefits) would cause him to incur any additional tax or interest under Code Section 409A and PNMAC concurs, or PNMAC independently makes such determination, PNMAC shall use reasonable efforts to reform such provision to the extent possible to comply with Code Section 409A; *provided, that*, such modification shall, to the maximum extent practicable, maintain the original intent and economic benefit to the parties of the applicable provision without violating the provisions of Code Section 409A.

If and to the extent necessary to comply with Code Section 409A, for the purposes of determining when amounts otherwise payable on account of Executive’s termination of employment under this Agreement will be paid, “terminate”, “terminated” or “termination” or words of similar import relating to Executive’s employment with PNMAC, as used in this Agreement, shall be construed as the date that Executive first incurs a “separation from service” within the meaning of Code Section 409A from PNMAC. In applying Code Section 409A to amounts paid pursuant to this Agreement, any right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments. Any taxable reimbursement of business or other expenses provided for under this Agreement shall be subject to the following conditions: (i) the expenses eligible for reimbursement in one taxable

year shall not affect the expenses eligible for reimbursement in any other taxable year; (ii) the reimbursement of an eligible expense shall be made no later than the end of the year after the year in which such expense was incurred; and (iii) the right to reimbursement shall not be subject to liquidation or exchange for another benefit.

8. Indemnity, Advancement and Insurance. To the fullest extent permitted by applicable law, the PNMAC LLC Agreement, or any indemnity agreements entered into from time to time between PNMAC or PFSI and Executive, PNMAC or PFSI, as applicable, (or in the event of a Change of Control as described in Section 7(e), the surviving or resulting entity or transferee) shall indemnify Executive and hold him harmless for any acts or decisions made by him in good faith while performing services for PNMAC and/or PFSI, and shall advance to Executive all fees and costs associated with the defense of any action or proceeding for which he has tendered an appropriate indemnification demand. PNMAC further agrees that it will provide Executive with appropriate “directors’ and officers’ insurance” coverage (as described in Section 6.4 of the PNMAC LLC Agreement) in each case in connection with the performance of his duties under this Agreement, but Executive’s right to indemnity and advancement pursuant to this Section shall not be dependent or contingent upon the availability of insurance coverage.

9. Reimbursement for Legal Fees. Upon submission of appropriate invoices by Executive’s counsel, PNMAC shall pay all reasonable legal fees and expenses incurred by Executive in connection with the preparation and negotiation of this Agreement.

10. No Obligation to Mitigate. Executive shall not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise and, except as otherwise expressly provided under this Agreement, no payment hereunder shall be offset or reduced by the amount of any compensation or benefits provided to Executive in any subsequent employment or business venture.

11. Non-Solicitation. During the Term of this Agreement, and for eighteen (18) months following the Termination Date, Executive shall not, directly or indirectly, either for or on behalf of

himself or any other person or entity, solicit or induce or attempt to solicit or induce any employee, consultant, independent contractor, agent or representative of PFSI, or any parent, subsidiary or affiliate thereof, to discontinue employment or engagement with PFSI or any parent, subsidiary or affiliate thereof; or otherwise interfere or attempt to interfere with the relationship between PFSI, or any parent, subsidiary or affiliate thereof, and their employees, consultants, independent contractors, agents or representatives.

12. Miscellaneous.

(a) Succession; Assignment. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective executors, administrators, successors and assigns. The parties agree that the obligations and duties of Executive are personal and are not assignable.

(b) Notice. Any notice, request, demand or other communication required or permitted hereunder shall be deemed to be properly given when personally served in writing or by facsimile, when deposited in the United States mail, postage prepaid, or when communicated to a public telegraph company for transmittal, addressed to the party at the address appearing at the beginning of this Agreement. Either party may change its address by written notice in accordance with this Section 12(b).

(c) Entire Agreement; Modification. Except as otherwise provided herein, this Agreement contains the entire agreement of the parties with respect to the subject matter herein, and supersedes any and all other prior or contemporaneous agreements, either oral or in writing, between the parties hereto with respect to the employment of Executive by PNMAC. This Agreement may not be modified or amended by oral agreement, but only by an agreement in writing executed by PNMAC, PFSI and Executive.

(d) Waiver. Any waiver of a breach of any provision hereof shall not operate as or be construed as a waiver of any subsequent breach of the same provision or any other provision of this Agreement.

(e) Governing Law, Venue Selection, and Arbitration. This Agreement is to be governed by and construed in accordance with the laws of the State of California without regard to its

choice of law provisions. The parties hereto agree that this Agreement was negotiated and executed in California. Any controversy, dispute or claim arising out of or relating to this Agreement, the breach thereof, Executive's employment, including the termination thereof, and/or the enforceability or validity of this arbitration agreement, shall first be settled through good faith negotiation. If the dispute cannot be settled through negotiation, the parties agree to binding arbitration administered by JAMS pursuant to its Employment Arbitration Rules & Procedures and subject to JAMS Policy on Employment Arbitration Minimum Standards of Procedural Fairness. Executive acknowledges that he has been provided a copy of the JAMS rules contemporaneously herewith. The parties agree that any such arbitration will be heard at the election of Executive, in Las Vegas, Nevada or in Los Angeles, California, and that judgment on any arbitration award may be entered in any court having jurisdiction. PNMAC shall pay the arbitration administrative costs and the arbitrator's fees in accordance with California law and the JAMS rules. Each party will bear its/his own attorneys' fees and legal costs, *provided, however*, (i) if any party prevails on a statutory claim which affords the prevailing party attorneys' fees or legal costs, the arbitrator may award reasonable attorneys' fees and/or legal costs to the prevailing party to the extent permitted by applicable law, or (ii) if any party prevails on a non-statutory claim, the arbitrator shall award reasonable attorneys' fees and/or legal costs to the prevailing party to the extent permitted by applicable law. The parties agree to file any demand for arbitration within the time limit established by the applicable statute of limitations for the asserted claims. Failure to demand arbitration within the prescribed time period shall result in waiver of said claims. EXECUTIVE UNDERSTANDS AND AGREES THAT HE IS WAIVING HIS RIGHTS TO BRING SUCH CLAIMS TO COURT, INCLUDING THE RIGHT TO A JURY TRIAL.

(f) Acknowledgment of Past Performance and Mutual Releases. This Agreement supersedes the December 2015 Employment Agreement as of the Effective Date. The parties hereby agree and acknowledge that Executive, PNMAC, and PFSI have met all of their respective performance obligations under the December 2015 Employment Agreement, and that, upon the Effective Date of this Agreement, Executive, PNMAC, and PFSI will not have any remaining obligations or liabilities in

connection with the April 2013 Employment Agreement. It is the intention of Executive, PNMAC and PFSI that this Agreement shall be effective as a full and complete release of any claims they (or their successors or assigns) may have in connection with the December 2015 Employment Agreement. In furtherance of this intention, Executive, PNMAC, and PFSI each acknowledge and agree to waive any rights or benefits they may have under Section 1542 of the California Civil Code, which reads as follows: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known to him or her must have materially affected his or her settlement with the debtor." Executive and PFSI each covenant not to bring any lawsuit related to or arising out of the December 2015 Employment Agreement.

(g) Confidential Information. Executive agrees that he will not use, divulge or otherwise disclose, directly or indirectly, any trade secret, business process, or other confidential information concerning the business or policies of PFSI or any of its subsidiaries which he may have learned, obtained, accessed or developed during the course of his employment with PNMAC, including prior to the Effective Date of this Agreement, except to the extent such use or disclosure is: (i) necessary or appropriate to the performance of this Agreement and in furtherance of the best interests of PFSI and its subsidiaries; (ii) required by applicable law; (iii) lawfully obtainable from other sources; or (iv) authorized by PNMAC or PFSI. The provisions of this subsection shall survive the expiration or termination of this Agreement for any reason.

(h) Severability. Should any provision of this Agreement for any reason be declared invalid, void, or unenforceable by a court of competent jurisdiction, the validity and binding effect of any remaining provisions shall not be affected, and the remaining provisions of this Agreement shall remain in full force and effect as if this Agreement had been executed without the inclusion of said provision.

(i) Interpretation. If any claim is made by any party hereto relating to any conflict, omission or ambiguity of this Agreement, no presumption or burden of proof or persuasion shall be implied by reason of the fact that this Agreement was prepared by or at the request of any particular party

hereto or such party's counsel. Executive acknowledges that he has been represented by counsel of his choice throughout the negotiation and drafting of this Agreement.

(j) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of December 28, 2018.

**PRIVATE NATIONAL MORTGAGE  
ACCEPTANCE COMPANY, LLC:**

**PENNYMAC FINANCIAL SERVICES, INC.:**

By: /s/ Derek W. Stark  
Name: Derek W. Stark  
Title: Senior Managing Director and  
Chief Legal Officer and Secretary

By: /s/ Matt Botein  
Name: Matt Botein  
Title: Chairman of the Compensation Committee

**EXECUTIVE:**

/s/ Stanford L. Kurland  
Stanford L. Kurland

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### **Section 3: EX-10.2 (EX-10.2)**

**Exhibit 10.2**

#### **EMPLOYMENT AGREEMENT**

This Employment Agreement ("Agreement") is effective the 1<sup>st</sup> day of January, 2019 ("Effective Date"), among **Private National Mortgage Acceptance Company, LLC** ("PNMAC") and **PennyMac Financial Services, Inc.** (formerly known as New PennyMac Financial Services, Inc.) ("PFSI"), each having a principal place of business at 3043 Townsgate Road, Westlake Village, CA 91361, and **David A. Spector** ("Executive"), whose residence is at \*\*\*\*\* \*\*.\*

#### **RECITALS**

WHEREAS, PNMAC, a wholly-owned subsidiary of PFSI, is a validly existing Delaware limited liability company duly organized under the Fifth Amended and Restated Limited Liability Company Agreement Of Private National Mortgage Acceptance Company LLC entered into as of November 1, 2018 (the "PNMAC LLC Agreement");

WHEREAS, PFSI is a validly existing Delaware corporation duly organized under the

Amended and Restated Certificate of Incorporation of New PennyMac Financial Services, Inc. filed with the Securities and Exchange Commission (the "SEC") on November 1, 2018, as amended, and the Amended and Restated Bylaws of New PennyMac Financial Services, Inc. filed with the SEC on November 1, 2018;

WHEREAS, Executive currently serves as PNMAC's and PFSI's President and Chief Executive Officer ("CEO");

WHEREAS, PNMAC and PNMAC Holdings, Inc. (formerly known as PennyMac Financial Services, Inc. and now wholly-owned subsidiary of PFSI) executed an employment agreement with Executive effective December 8, 2015 (with subsequent amendments) that, by its terms, will expire on or before December 31, 2018 (the "December 2015 Employment Agreement");

WHEREAS, PNMAC and PFSI desire to obtain the benefit of continued services of Executive and Executive desires to continue to render services to PFSI and its subsidiaries; and

WHEREAS, PNMAC, PFSI, and Executive each has determined that it would be to the advantage and best interest of PNMAC, PFSI, and Executive to enter into this Agreement to establish the terms under which Executive would continue to render services to PFSI and its subsidiaries.

**NOW, THEREFORE**, in consideration of the mutual promises and covenants herein contained, PNMAC, PFSI, and Executive agree that the following terms and conditions shall apply to Executive's employment:

### **AGREEMENT**

1. Term. PNMAC hereby agrees to employ Executive and Executive hereby accepts employment with PNMAC for the period commencing with the Effective Date and expiring on December 31, 2022 (the "Expiration Date") unless earlier terminated in accordance with the provisions hereof (the "Term"). As used herein, the "Termination Date" shall mean the earlier of the Expiration Date or the date on which the Agreement is terminated in accordance with the terms hereof and as may be further specified in Section 7(g).

2. Duties. Executive shall continue to be employed by PNMAC as the President and CEO of PNMAC and shall also continue to serve as the President and CEO of PFSI. Executive shall report only to the board of directors of PFSI (the "Board"), and shall have general supervision, direction, and control of the business, officers, and employees of PNMAC. All officers and employees of PNMAC shall report directly or indirectly to Executive. Executive shall have full latitude to have, discharge, discipline, promote and compensate PNMAC officers and employees, and shall have full managerial and financial authority over PNMAC, subject to the oversight responsibilities of Stanford L. Kurland in his role as Executive Chairman through December 31, 2019 and subject to such direction and control as the Board may specify from time to time throughout the Term. The duties and title of Executive may be changed from time to time by the mutual consent of Executive, PFSI, and PNMAC without resulting in a breach or rescission of this Agreement. Notwithstanding any such change from the duties originally assigned and specified above, or hereafter assigned, the employment of Executive shall be construed as continuing

under this Agreement as modified; *provided, however*, that any material diminution in Executive's duties imposed by PNMAC or PFSI without Executive's consent shall be construed as a termination of Executive Other Than for Cause as described in Section 7(d) of this Agreement.

3. Outside Activities. During the Term of this Agreement, Executive shall devote all of Executive's full business time, ability and attention to the business of PNMAC and PFSI, including their management of PMT. Notwithstanding the foregoing, however, Executive may pursue other appropriate civic, charitable or religious activities so long as such activities do not interfere with Executive's performance of his duties hereunder. In addition, Executive may engage in other business activities or investments during the Term provided such activities or investments do not compete with PFSI or its subsidiaries and are fully disclosed to the Board prior to the time of such activities or investments (except that investments representing less than five percent (5%) of the securities of companies that are regularly traded on a national securities exchange need not be disclosed to the Board). Executive shall also be permitted to serve on the board of directors of any non-profit entity, subject to prior full disclosure to the Board.

4. Board Appointment. For so long as Executive is employed by PNMAC under this Agreement, Executive shall serve as a member of the board of directors of PFSI (the "Board"). Executive shall fulfill all duties required of a member of the Board without any additional compensation. In the event Executive's employment is terminated in accordance with this Agreement or Executive resigns or otherwise becomes unaffiliated with PFSI, Executive shall, and does hereby agree to, tender his written resignation from the Board effective on the date of termination, resignation or non-affiliation.

5. Compensation and Benefits.

(a) Base Salary. In consideration for Executive's services hereunder, during the Term PNMAC shall pay or cause to be paid as base salary to Executive an amount of not less than Nine Hundred Thousand Dollars (\$900,000) per year, prorated for any partial years of service, less any applicable deductions. Said base salary shall be payable in conformity with PNMAC's normal payroll

periods. Executive's base salary shall increase to One Million Dollars (\$1,000,000) per year on January 1, 2020. For purposes of this Agreement, the term "Fiscal Year" shall mean the period beginning on January 1 and ending on December 31 during the Term of this Agreement.

(b) Cash Incentive Compensation. During the Term, Executive shall be eligible to participate in all executive incentive programs offered by PNMAC to its employees. PNMAC shall pay to Executive for each of the Fiscal Years during the Term of this Agreement an annual cash incentive compensation award at a level determined by the Board and the Compensation Committee pursuant to an annual targeting process establishing performance targets and designating cash incentive compensation to be earned as a result of meeting those performance targets (the "Bonus"); *provided, however*, that the annual performance targets established for Executive and the cash incentive to be earned as a result of meeting those targets shall each be set at levels and amounts at least as favorable to Executive as those for other senior executives at PNMAC (excluding the Executive Chairman). The Bonus shall be paid to Executive in the year following the year to which the Bonus relates at the same time that such cash incentive compensation is paid to other PNMAC senior executives, and no later than October 31st of such year, *provided that*, except as set forth in Sections 7(a), (b), and (d), Executive must be employed on December 31st of the year to which the Bonus relates to receive any portion of the Bonus.

(c) Equity Incentive Compensation. PFSI shall grant to Executive equity incentive compensation pursuant to the terms of PFSI's 2013 Equity Incentive Plan (the "EIP") or any other equity incentive plan adopted by PFSI in a form and amount determined by the Board and the Compensation Committee pursuant to an annual targeting process establishing performance targets and designating equity incentive compensation to be earned as a result of meeting those performance targets; *provided, however*, that the annual performance targets established for Executive and the equity incentive compensation to be earned as a result of meeting those targets shall each be set at levels and amounts at least as favorable to Executive as those for other senior executives at PNMAC (excluding the Executive Chairman). The equity incentive compensation shall be granted at the same time as PNMAC grants

equity incentive compensation to its other senior executives in respect of such Fiscal Year (but in no event later than June 30 following the end of such Fiscal Year). Any equity incentive compensation granted to Executive pursuant to this Section 5(c) shall vest in accordance with the terms set forth in the EIP and the related award document; *provided however*, that notwithstanding anything to the contrary contained in the EIP or any other document, any unvested equity incentive compensation granted to Executive pursuant to this Section 5(c) shall automatically and immediately vest if any of the following events occur: (i) Executive's death; (ii) Executive's Disability as defined in Section 7(a); (iii) the termination of Executive Other Than for Cause as described in Section 7(d) of this Agreement; or (iv) Executive's termination of this Agreement for Good Reason as that term is defined in Section 7(d) of this Agreement. In addition, because the equity incentive compensation granted to Executive pursuant to this Section 5(c) may be based on Performance Criteria (as defined in Section 7.7(f)(i) of the EIP) that relate to events occurring after the Executive is no longer employed by the Company, the Performance Goals (as defined in Section 7.7(f)(ii) of the EIP) established for Executive shall not be dependent in any respect on Executive's individual performance. In the event of a sale, merger, consolidation, reorganization, restructuring or transfer of assets of PFSI in which PFSI is not the surviving entity or in which it survives as a subsidiary of another entity (a "Transaction"), and the shares or equity securities of the surviving entity or parent thereof are publicly traded on a recognized stock exchange or over the counter market, the equity incentive compensation to be granted pursuant to this Section 5(c) after the date of the Transaction shall be granted in accordance herewith in the form of securities of the surviving entity or parent thereof, as applicable. To the extent that any of the terms of this Agreement governing Executive's equity incentive compensation conflict with anything contained in the EIP or any other document, the terms of this Agreement control and supersede any such contrary provisions.

(d) Paid Time Off. During the Term, Executive shall accrue twenty (20) days of paid time off ("PTO") at Executive's regular base pay rate during each year of the Term, prorated for partial

years worked, subject to the terms of PNMAC's employment benefit policies as they relate to senior executive officers and on terms at least as favorable as provided to other senior executives.

(e) Medical Benefits. During the Term, PNMAC shall pay for Executive to undergo an annual comprehensive executive physical appropriate for chief executives such as Executive. In addition, Executive and Executive's family shall be entitled to participate in PNMAC's group medical insurance benefits, in accordance with PNMAC's employment benefit policies as they relate to senior executive officers and their families. If Executive is terminated pursuant to Section 7(a), (b), or (d), PNMAC will reimburse Executive for any amounts paid by Executive for coverage of Executive and/or Executive's family under PNMAC's group health medical benefits plan pursuant to the Consolidated Omnibus Budget Reconciliation Act ("COBRA") for as long as Executive is eligible to receive such benefits under COBRA, on the condition that Executive timely elects COBRA and provides PNMAC with proof of payment of the applicable COBRA premiums on a monthly basis; *provided however*, that the reimbursement described in this Section 5(e) shall be subject to and paid only if and to the extent (1) such reimbursement is permitted by the Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Reconciliation Act of 2010, and other applicable law, and (2) Executive is not otherwise eligible or entitled to participate in group medical benefits offered by a subsequent employer. If PNMAC's reimbursement of Executive for COBRA-related payments under this subparagraph 5(e) is not permitted by the Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Reconciliation Act of 2010, and Executive is not otherwise eligible or entitled to participate in group medical benefits offered by a subsequent employer, then PNMAC shall discontinue the COBRA-related payments provided for in this subparagraph 5(e) and, in such case, PNMAC will pay Executive an amount equal to the amount that Executive would otherwise be entitled to receive for reimbursement of COBRA-related payments.

(f) Tax Advice and Financial Counseling. During the Term, PNMAC shall reimburse Executive for expenses relating to tax advice and financial counseling, subject to reasonable proof of such

expenses, *provided that*, such expenses shall not exceed twenty-five thousand dollars (\$25,000) per year, prorated for partial years worked. Executive shall have sole discretion in selecting an appropriate tax advisor and financial counselor.

(g) Automobile Allowance. During the Term, PNMAC shall provide Executive with an automobile allowance of one thousand five hundred dollars (\$1,500) per month prorated for partial months worked, which allowance shall be in lieu of any expense reimbursement for automobile or automobile-related expenditures (other than expenditures for car services or other transportation costs associated with Executive's business travel, which shall be reimbursed in accordance with the terms of Section 6 of this Agreement), or use of a PNMAC owned or leased vehicle.

(h) Additional Benefits. Executive shall be entitled to participate in all programs, rights, and benefits for which Executive is otherwise entitled under any bonus plan, incentive plan, participation plan, extra compensation plan, pension plan, profit sharing plan, savings plan, life, medical, dental, other health care, disability, or other insurance plan or policy or other plan or benefit that PNMAC or PFSI may provide for senior executives or for employees of PNMAC generally, if any, in force from time to time during the Term. For the avoidance of doubt, the rights granted or afforded to Executive under any such plans shall not be less than the most favorable rights and highest amounts granted to employees of similar or lower positions with PNMAC and on terms at least as favorable, and, for the purposes of such plan, Executive shall receive credit for the entire period of his employment with PNMAC (including his employment with PNMAC prior to the execution of this Agreement). To the extent that anything contained in any such plans or programs is in conflict or inconsistent with anything stated in this Agreement, the terms of this Agreement shall control and supersede any contrary language except as prohibited by law.

6. Business Expense Reimbursement. Executive shall be entitled to reimbursement by PNMAC for any ordinary and necessary business expenses incurred by Executive in the performance of Executive's duties and in acting for PNMAC or PFSI during the Term.

7. Termination. During the Term, Executive's employment may be terminated only as provided in this Section 7. Except as set forth in this Agreement, neither PNMAC nor PFSI shall have any further obligation to Executive or liability under this Agreement by way of compensation, post termination benefits or obligations or otherwise upon the Termination Date. Notwithstanding anything to the contrary in this Agreement or any other document, the termination of Executive's employment for any reason shall not affect Executive's ownership of Common Stock of PFSI, and shall not affect Executive's entitlement to all benefits which have vested or which are otherwise payable in respect of periods ending prior to the termination of his employment.

(a) Disability. In the event that Executive qualifies for permanent disability benefits under PNMAC's long term disability plan (the "LTD Plan"), or if Executive does not participate in the LTD Plan, would have qualified for permanent disability had Executive been a participant of the LTD Plan (a "Disability"), Executive's employment hereunder may be terminated, by written Notice of Termination (as that term is defined in Section 7(g) herein) from PNMAC to Executive. Upon termination due to Executive's Disability under this Section 7(a), Executive shall be entitled to: (i) his base salary described in Section 5(a) and in effect as of the Termination Date, through and including the Termination Date (as that term is defined in Section 7(g) herein); (ii) if not previously paid prior to the Termination Date, incentive based compensation as described in Section 5(b) of this Agreement for the year prior to the Fiscal Year in which the Termination Date occurs; (iii) accrued but unused PTO through the Termination Date; (iv) reimbursement of any unreimbursed expenses incurred by Executive pursuant to Section 6 of this Agreement; (v) if not previously paid prior to the Termination Date, a prorated share of the incentive based compensation described in Section 5(b) for the Fiscal Year in which the Termination Date occurs, payable in accordance with such Section; and (vi) continuing medical benefits as set forth in Section 5(e) herein. In addition, in the event Executive's employment is terminated pursuant to this Section 7(a), any Award (as that term is defined in the EIP) granted to Executive pursuant to the EIP shall become immediately and fully vested. The determination of Disability shall be made only

after sixty (60) days' notice to Executive and only if Executive is not able to perform his duties with or without reasonable accommodation prior to the expiration of the sixty (60) day notice period.

(b) Death. In the event that Executive dies during the Term of this Agreement, this Agreement shall automatically terminate on the date of Executive's death. Upon termination due to Executive's death pursuant to this Section 7(b), Executive's estate shall be entitled to: (i) continuing payment of Executive's base salary described in Section 5(a) and as of the Termination Date through the Termination Date and for a period of six (6) months following the Termination Date; (ii) if not previously paid prior to the Termination Date, incentive based compensation as described in Section 5 (b) of this Agreement for the year prior to the Fiscal Year in which the Termination Date occurs; (iii) accrued but unused PTO through the Termination Date; (iv) reimbursement of any unreimbursed expenses incurred by Executive pursuant to Section 6 of this Agreement; (v) if not previously paid prior to the Termination Date, a prorated share of the incentive based compensation described in Section 5 (b) for the Fiscal Year in which the Termination Date occurs, payable in accordance with such Section; and (vi) continuing medical benefits as set forth in Section 5(e) herein. In addition, in the event of Executive's death, any Award (as that term is defined in the EIP) granted to Executive pursuant to the EIP shall become immediately and fully vested.

(c) Termination for Cause. PNMAC or PFSI may terminate Executive's employment or services under this Agreement for "Cause" by written Notice of Termination. A termination for Cause is a termination by reason of: (i) a material breach of this Agreement (other than as a result of incapacity due to death or Disability) which is committed by Executive in bad faith and which is not remedied within thirty (30) days of Executive's receipt of a notice to cure such breach; (ii) Executive's conviction by a court of competent jurisdiction of a felony involving dishonesty or moral turpitude, *provided, however*, that any convictions solely on the basis of vicarious liability shall not give PNMAC or PFSI the right to terminate Executive for Cause; (iii) entry of an order duly issued by any federal or state regulatory agency having jurisdiction of the matter removing Executive from office of PFSI or any its subsidiaries or

permanently prohibiting him from participating in the conduct of the affairs of PFSI or any of its subsidiaries; or (iv) proven acts of fraud or willful misconduct committed by Executive in connection with the performance of his duties under Section 2 of this Agreement which result in material injury to PFSI or any of its subsidiaries. In the event of a termination for Cause pursuant to this Section 7(c), Executive shall be entitled to receive (a) his base salary for the entire period up to and including the date of Executive's termination for Cause; (b) accrued but unused PTO through the Termination Date; and (c) reimbursement of any unreimbursed expenses incurred by Executive pursuant to Section 6 of this Agreement. If Executive is convicted of a felony involving dishonesty or moral turpitude or removed from office and/or prohibited from participating in the conduct of the affairs of PFSI or any of its subsidiaries by any federal or state regulatory agency having jurisdiction of the matter, and if the charges resulting in such removal or prohibition are ultimately dismissed or if a final judgment on the merits of such charges is issued in favor of Executive, or if the felony conviction is overturned on appeal, then Executive's termination shall be treated as a Termination Other Than for Cause pursuant to Section 7(d).

(d) Termination Other Than for Cause. PNMAC or PFSI may terminate Executive's employment other than for Cause (including the expiration of Executive's Term pursuant to Section 1 above) or Executive may terminate his employment for Good Reason as that term is defined in this Section 7(d). If Executive's employment terminates pursuant to this Section 7(d), then Executive shall be entitled to (i) his base salary in effect as of the Termination Date through and including the Termination Date (as that term is defined in Section 7(g) herein); (ii) if not previously paid prior to the Termination Date, incentive based compensation as described in Section 5(b) of this Agreement for the year prior to the Fiscal Year in which the Termination Date occurs; (iii) accrued but unused PTO through the Termination Date; (iv) reimbursement of any unreimbursed expenses incurred by Executive pursuant to Section 6 of this Agreement; (v) a prorated share of the incentive based compensation described in Section 5(b) for the Fiscal Year in which the Termination Date occurs, payable in accordance with such Section; and (vi) continuing medical benefits as set forth in Section 5(e) herein; (vii) an amount equal to

two years of Executive's base salary (as described in Section 5(a) above) as of the Termination Date, payable in twenty-four monthly installments beginning on the first day of the first full month following the month in which the Termination Date occurs; and (viii) an amount equal to two years of Executive's cash incentive compensation (as described in Section 5(b) above), as calculated based on the average Bonus Executive received in the most recent two years in which Executive received a Bonus. In addition, in the event Executive's employment is terminated pursuant to this Section 7(d) (unless such termination is the result of the expiration of Executive's Term pursuant to Section 1 above), any Award (as that term is defined in the EIP) granted to Executive pursuant to the EIP, shall become immediately and fully vested. If such termination is the result of the expiration of Executive's Term pursuant to Section 1 above, the Retirement (as defined in the related award document) of the Executive shall be deemed to have occurred. In the event of such deemed Retirement, any such Awards shall continue to vest, if applicable, in accordance with their terms, and the Termination Date of this Agreement shall be deemed to be the Retirement Date as defined in the related award document. Notwithstanding the foregoing, if the related award document does not contain any reference to Retirement or a Retirement Date, then the affected Awards shall become immediately and fully vested.

For purposes of this Agreement, Executive will have "Good Reason" to terminate this Agreement if PFSI (or any resulting or surviving entity in the event of a Transaction as defined in Section 5(c) of this Agreement) or PNMAC (1) materially breaches this Agreement; (2) requires Executive to report to anyone other than the Board; (3) requires that Executive be based anywhere more than fifty (50) miles from the office where Executive is located as of Effective Date; (4) takes any other action which results in a material diminution or adverse change in Executive's status, title, position, compensation, or responsibilities as set forth herein, other than an insubstantial action not taken in bad faith and remedied promptly after receipt of notice by Executive; or (5) fails to indemnify and advance all expenses to Executive in response to a proper request for indemnity and advancement by Executive, *provided, however*, Executive's resignation for Good Reason will only be effective if Executive provides written

notice to PNMAC or PFSI of the events constituting the Good Reason within ninety (90) days after the occurrence of any such event, and PNMAC or PFSI does not cure said events within thirty (30) days after receipt of the notice.

(e) Termination Following a Change of Control. This Agreement and Executive's employment shall not automatically terminate upon a "Change of Control" as that term is defined in the EIP. In the event of a Change of Control, PNMAC and PFSI shall take all actions necessary to ensure that the surviving or resulting entity, if other than PNMAC or PFSI, is bound by and shall have the benefit of the provisions of this Agreement. However, in the event there is a Change of Control and Executive's employment or service to PFSI or its affiliates (or any successors thereto) is terminated as a result of or in connection with such Change of Control, Executive shall be entitled to all of the rights and benefits he would be entitled to if his employment were terminated other than for Cause as described in Section 7(d) above, including, without limitation, that any award (as that term is defined in the EIP) granted to Executive pursuant to the EIP shall become immediately and fully vested.

(f) Voluntary Resignation. Except as provided in Section 7(d), in the event that Executive resigns voluntarily during the Term of this Agreement, Executive shall be entitled to receive (a) his base salary for the entire period up to and including the date of Executive's Termination Date; (b) accrued but unused PTO through the Termination Date; and (c) reimbursement of any unreimbursed expenses incurred by Executive pursuant to Section 6 of this Agreement.

(g) Notice of Termination. Any purported termination by PNMAC or by Executive shall be communicated by a written notice of termination (the "Notice of Termination") to the other party hereto which indicates the specific termination provision in this Agreement, if any, relied upon and which sets forth in reasonable detail the facts and circumstances, if any, claimed to provide a basis for termination of Executive's employment under the provision so indicated. For purposes of this Agreement, and except as expressly provided otherwise herein, no such purported termination shall be effective without such Notice of Termination. To the extent the Agreement is terminated prior to the

Expiration Date, the "Termination Date" shall be the date specified in the Notice of Termination, which shall be not less than thirty (30) and not more than sixty (60) days from the date of the Notice of Termination.

(h) Consulting. Upon (i) expiration of the Term pursuant to Section 1 herein, Executive shall serve as a consultant to PNMAC and PFSI (or in the event of a Transaction, to the surviving entity or parent) for an eighteen-month period commencing on the Termination Date (the "Consulting Period"); *provided, however*, that if Executive remains employed with PNMAC following the expiration of the Term pursuant to Section 1 herein, then the Consulting Period shall commence on the first day after Executive ceases to be employed by PNMAC. During the Consulting Period, Executive shall make himself available for consulting services concerning PFSI's (or its successor's) general operations if and as may be reasonably requested by PFSI *provided that* (a) the consulting services shall be rendered at such location(s) as may be mutually agreed upon by Executive and PFSI and (b) the nature of and time required for the consulting services do not interfere with Executive's personal and professional activities. The consulting services shall be of an advisory nature and, in his role as a consultant, Executive shall have no power to bind PFSI. In consideration for the consulting services described in this Section 7(h), PNMAC shall pay to Executive a consulting fee of One Million Five Hundred Thousand Dollars (\$1,500,000), payable in eighteen monthly installments of Fifty-Five Thousand Five Hundred Fifty-Five Dollars (\$55,555) during the Consulting Period with a final payment of the remaining Five Hundred Thousand Dollars (\$500,000) upon the completion of such Consulting Period; *provided, however*, that the consulting relationship shall automatically terminate, and Executive shall not be entitled to continue receiving monthly payments under this Section 7(h), if he, directly or indirectly, engages in, provides services to, works for, consults with, owns, invests in or operates, any business that competes with the business of PFSI (or in the event of a Transaction, of the surviving entity or parent). PNMAC or PFSI shall provide Executive written notice if it contends Executive has breached

any provision in this Section 7(h), and Executive shall have thirty (30) days following receipt of such notice to cure any alleged breach.

(i) Disputes. In consideration of PNMAC and PFSI employing Executive, and the salary and benefits provided under this Agreement, Executive, PNMAC and PFSI agree that all claims arising out of or relating to this Agreement or the breach thereof, or Executive's employment, including its termination, and/or the enforceability and validity of the arbitration agreement set forth in this Agreement, shall be resolved by binding arbitration pursuant to Section 12(e) below. This Agreement expressly does not prohibit either party from filing an application for a provisional remedy to prevent actual or threatened irreparable harm in accordance with California law.

(j) Restriction on Timing of Distributions. The intent of the parties is that payments and benefits under this Agreement comply with Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder (collectively "Code Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. Notwithstanding the foregoing, PNMAC does not warrant to Executive that all amounts paid or delivered to him will be exempt from, or paid in compliance with, Code Section 409A. Accordingly, Executive understands and agrees that he bears the entire risk of any adverse federal, state or local tax consequences and penalty taxes which may result from payment under this Agreement and he acknowledges that he has been given the opportunity to consult with a tax advisor with respect to this Agreement. If Executive notifies PNMAC that Executive believes that any provision of this Agreement (or any award of compensation, including equity compensation or benefits) would cause him to incur any additional tax or interest under Code Section 409A and PNMAC concurs, or PNMAC independently makes such determination, PNMAC shall use reasonable efforts to reform such provision to the extent possible to comply with Code Section 409A; *provided, that*, such modification shall, to the maximum extent practicable, maintain the original intent and economic benefit to the parties of the applicable provision without violating the provisions of Code Section 409A.

If and to the extent necessary to comply with Code Section 409A, for the purposes of determining when amounts otherwise payable on account of Executive's termination of employment under this Agreement will be paid, "terminate", "terminated" or "termination" or words of similar import relating to Executive's employment with PNMAC, as used in this Agreement, shall be construed as the date that Executive first incurs a "separation from service" within the meaning of Code Section 409A from PNMAC. In applying Code Section 409A to amounts paid pursuant to this Agreement, any right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments. Any taxable reimbursement of business or other expenses provided for under this Agreement shall be subject to the following conditions: (i) the expenses eligible for reimbursement in one taxable year shall not affect the expenses eligible for reimbursement in any other taxable year; (ii) the reimbursement of an eligible expense shall be made no later than the end of the year after the year in which such expense was incurred; and (iii) the right to reimbursement shall not be subject to liquidation or exchange for another benefit.

8. Indemnity, Advancement and Insurance. To the fullest extent permitted by applicable law, the PNMAC LLC Agreement, or any indemnity agreements entered into from time to time between PNMAC or PFSI and Executive, PNMAC or PFSI, as applicable, (or in the event of a Change of Control as described in Section 7(e), the surviving or resulting entity or transferee) shall indemnify Executive and hold him harmless for any acts or decisions made by him in good faith while performing services for PNMAC and/or PFSI, and shall advance to Executive all fees and costs associated with the defense of any action or proceeding for which he has tendered an appropriate indemnification demand. PNMAC further agrees that it will provide Executive with appropriate "directors' and officers' insurance" coverage (as described in Section 6.4 of the PNMAC LLC Agreement) in each case in connection with the performance of his duties under this Agreement, but Executive's right to indemnity and advancement pursuant to this Section shall not be dependent or contingent upon the availability of insurance coverage.

9. Reimbursement for Legal Fees. Upon submission of appropriate invoices by Executive's counsel, PNMAC shall pay all reasonable legal fees and expenses incurred by Executive in connection with the preparation and negotiation of this Agreement.

10. No Obligation to Mitigate. Executive shall not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise and, except as otherwise expressly provided under this Agreement, no payment hereunder shall be offset or reduced by the amount of any compensation or benefits provided to Executive in any subsequent employment or business venture.

11. Non-Solicitation. During the Term of this Agreement, and for eighteen (18) months following the Termination Date, Executive shall not, directly or indirectly, either for or on behalf of himself or any other person or entity, solicit or induce or attempt to solicit or induce any employee, consultant, independent contractor, agent or representative of PFSI, or any parent, subsidiary or affiliate thereof, to discontinue employment or engagement with PFSI or any parent, subsidiary or affiliate thereof; or otherwise interfere or attempt to interfere with the relationship between PFSI, or any parent, subsidiary or affiliate thereof, and their employees, consultants, independent contractors, agents or representatives.

12. Miscellaneous.

(a) Succession; Assignment. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective executors, administrators, successors and assigns. The parties agree that the obligations and duties of Executive are personal and are not assignable.

(b) Notice. Any notice, request, demand or other communication required or permitted hereunder shall be deemed to be properly given when personally served in writing or by facsimile, when deposited in the United States mail, postage prepaid, or when communicated to a public telegraph company for transmittal, addressed to the party at the address appearing at the beginning of this Agreement. Either party may change its address by written notice in accordance with this Section 12(b).

(c) Entire Agreement; Modification. Except as otherwise provided herein, this Agreement contains the entire agreement of the parties with respect to the subject matter herein, and supersedes any and all other prior or contemporaneous agreements, either oral or in writing, between the parties hereto with respect to the employment of Executive by PNMAC. This Agreement may not be modified or amended by oral agreement, but only by an agreement in writing executed by PNMAC, PFSI and Executive.

(d) Waiver. Any waiver of a breach of any provision hereof shall not operate as or be construed as a waiver of any subsequent breach of the same provision or any other provision of this Agreement.

(e) Governing Law, Venue Selection, and Arbitration. This Agreement is to be governed by and construed in accordance with the laws of the State of California without regard to its choice of law provisions. The parties hereto agree that this Agreement was negotiated and executed in California. Any controversy, dispute or claim arising out of or relating to this Agreement, the breach thereof, Executive's employment, including the termination thereof, and/or the enforceability or validity of this arbitration agreement, shall first be settled through good faith negotiation. If the dispute cannot be settled through negotiation, the parties agree to binding arbitration administered by JAMS pursuant to its Employment Arbitration Rules & Procedures and subject to JAMS Policy on Employment Arbitration Minimum Standards of Procedural Fairness. Executive acknowledges that he has been provided a copy of the JAMS rules contemporaneously herewith. The parties agree that any such arbitration will be heard in Los Angeles, California, and that judgment on any arbitration award may be entered in any court having jurisdiction. PNMAC shall pay the arbitration administrative costs and the arbitrator's fees in accordance with California law and the JAMS rules. Each party will bear its/his own attorneys' fees and legal costs, *provided, however*, (i) if any party prevails on a statutory claim which affords the prevailing party attorneys' fees or legal costs, the arbitrator may award reasonable attorneys' fees and/or legal costs to the prevailing party to the extent permitted by applicable law, or (ii) if any party prevails on a non-statutory

claim, the arbitrator shall award reasonable attorneys' fees and/or legal costs to the prevailing party to the extent permitted by applicable law. The parties agree to file any demand for arbitration within the time limit established by the applicable statute of limitations for the asserted claims. Failure to demand arbitration within the prescribed time period shall result in waiver of said claims. EXECUTIVE UNDERSTANDS AND AGREES THAT HE IS WAIVING HIS RIGHTS TO BRING SUCH CLAIMS TO COURT, INCLUDING THE RIGHT TO A JURY TRIAL.

(f) Acknowledgment of Past Performance and Mutual Releases. This Agreement supersedes the December 2015 Employment Agreement as of the Effective Date. The parties hereby agree and acknowledge that Executive, PNMAC, and PFSI have met all of their respective performance obligations under the December 2015 Employment Agreement, and that, upon the Effective Date of this Agreement, Executive, PNMAC, and PFSI will not have any remaining obligations or liabilities in connection with the December 2015 Employment Agreement. It is the intention of Executive, PNMAC and PFSI that this Agreement shall be effective as a full and complete release of any claims they (or their successors or assigns) may have in connection with the December 2015 Employment Agreement. In furtherance of this intention, Executive, PNMAC, and PFSI each acknowledge and agree to waive any rights or benefits they may have under Section 1542 of the California Civil Code, which reads as follows: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known to him or her must have materially affected his or her settlement with the debtor." Executive and PFSI each covenant not to bring any lawsuit related to or arising out of the December 2015 Employment Agreement.

(g) Confidential Information. Executive agrees that he will not use, divulge or otherwise disclose, directly or indirectly, any trade secret, business process, or other confidential information concerning the business or policies of PFSI or any of its subsidiaries which he may have learned, obtained, accessed or developed during the course of his employment with PNMAC, including prior to the Effective Date of this Agreement, except to the extent such use or disclosure is: (i) necessary

or appropriate to the performance of this Agreement and in furtherance of the best interests of PFSI and its subsidiaries; (ii) required by applicable law; (iii) lawfully obtainable from other sources; or (iv) authorized by PNMAC or PFSI. The provisions of this subsection shall survive the expiration or termination of this Agreement for any reason.

(h) Severability. Should any provision of this Agreement for any reason be declared invalid, void, or unenforceable by a court of competent jurisdiction, the validity and binding effect of any remaining provisions shall not be affected, and the remaining provisions of this Agreement shall remain in full force and effect as if this Agreement had been executed without the inclusion of said provision.

(i) Interpretation. If any claim is made by any party hereto relating to any conflict, omission or ambiguity of this Agreement, no presumption or burden of proof or persuasion shall be implied by reason of the fact that this Agreement was prepared by or at the request of any particular party hereto or such party's counsel. Executive acknowledges that he has been represented by counsel of his choice throughout the negotiation and drafting of this Agreement.

*[Remainder of page intentionally left blank]*

(j) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of December 28, 2018.

**PRIVATE NATIONAL MORTGAGE  
ACCEPTANCE COMPANY, LLC:**

**PENNYMAC FINANCIAL SERVICES,  
INC.:**

By: /s/ Derek W. Stark  
Name: Derek W. Stark  
Title: Senior Managing Director and Chief  
Legal Officer and Secretary

By: /s/ Matt Botein  
Name: Matt Botein  
Title: Chairman of the  
Compensation Committee

**EXECUTIVE:**

/s/ David A. Spector  
David A. Spector

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## **Section 4: EX-10.3 (EX-10.3)**

**Exhibits 10.3**

### **EMPLOYMENT AGREEMENT**

This Employment Agreement (“Agreement”) is effective the 1<sup>st</sup> day of January, 2019 (“Effective Date”), among **Private National Mortgage Acceptance Company, LLC** (“PNMAC”) and **PennyMac Financial Services, Inc.** (formerly known as New PennyMac Financial Services, Inc.) (“PFSI”), each having a principal place of business at 3043 Townsgate Road, Westlake Village, CA 91361, and **Doug Jones** (“Executive”), whose residence is at \*\*\*\* \* \*\*\*\*\* \*\*\*\*\* \*\*\*\*, \*\*\*\*\* \*\*\*\*\* , \*\* \*\*\*\*\*.

#### **RECITALS**

WHEREAS, PNMAC, a wholly-owned subsidiary of PFSI, is a validly existing Delaware limited liability company duly organized under the Fifth Amended and Restated Limited Liability Company Agreement Of Private National Mortgage Acceptance Company LLC entered into as of November 1, 2018 (the “PNMAC LLC Agreement”);

WHEREAS, PFSI is a validly existing Delaware corporation duly organized under the Amended and Restated Certificate of Incorporation of New PennyMac Financial Services, Inc. filed with the Securities and Exchange Commission (the “SEC”) on November 1, 2018, as amended, and the Amended and Restated Bylaws of New PennyMac Financial Services, Inc. filed with the SEC on November 1, 2018;

WHEREAS, Executive currently serves as PNMAC’s and PFSI’s Senior Managing Director and Chief

Mortgage Banking Officer;

WHEREAS, PNMAC and PFSI desire to obtain the benefit of continued services of Executive and Executive desires to continue to render services to PFSI and its subsidiaries; and

WHEREAS, PNMAC, PFSI, and Executive each has determined that it would be to the advantage and best interest of PNMAC, PFSI, and Executive to enter into this Agreement to establish the terms under which Executive would continue to render services to PFSI and its subsidiaries.

**NOW, THEREFORE**, in consideration of the mutual promises and covenants herein contained, PNMAC, PFSI, and Executive agree that the following terms and conditions shall apply to Executive's employment:

## **AGREEMENT**

1. Term. PNMAC hereby agrees to employ Executive and Executive hereby accepts employment with PNMAC for the period commencing with the Effective Date and expiring on December 31, 2022 (the "Expiration Date") unless earlier terminated in accordance with the provisions hereof (the "Term"). As used herein, the "Termination Date" shall mean the earlier of the Expiration Date or the date on which the Agreement is terminated in accordance with the terms hereof and as may be further specified in Section 7(g).

2. Duties. Executive shall continue to be employed by PNMAC as a Senior Managing Director and Chief Mortgage Banking Officer and shall also continue to serve as a Senior Managing Director and Chief Mortgage Banking Officer of PFSI, and shall perform the duties assigned to him by PNMAC's Chief Executive Officer ("CEO") and PFSI's CEO. Executive shall report to the CEOs of PNMAC and PFSI. The duties and title of Executive may be changed from time to time by the mutual consent of Executive, PFSI, and PNMAC without resulting in a breach or rescission of this Agreement. Notwithstanding any such change from the duties originally assigned and specified above, or hereafter assigned, the employment of Executive shall be construed as continuing under this Agreement as modified; *provided, however*, that any material diminution in Executive's duties imposed by PNMAC or PFSI without Executive's consent shall be construed as a termination of Executive Other Than for Cause as described in Section 7(d) of this Agreement.

3. Outside Activities. During the Term of this Agreement, Executive shall devote all of Executive's full business time, ability and attention to the business of PNMAC and PFSI, including their management of PMT. Notwithstanding the foregoing, however, Executive may pursue other appropriate civic, charitable or religious activities so long as such activities do not interfere with Executive's

performance of his duties hereunder. In addition, Executive may engage in other business activities or investments during the Term provided such activities or investments do not compete with PFSI or its subsidiaries and are fully disclosed to PNMAC's CEO prior to the time of such activities or investments (except that investments representing less than five percent (5%) of the securities of companies that are regularly traded on a national securities exchange need not be disclosed to PNMAC's CEO). Executive shall also be permitted to serve on the board of directors of any non-profit entity, subject to prior full disclosure to PNMAC's CEO.

4. Compensation and Benefits.

(a) Base Salary. In consideration for Executive's services hereunder, during the Term PNMAC shall pay or cause to be paid as base salary to Executive an amount of not less than Five Hundred Fifty Thousand Dollars (\$550,000) per year, prorated for any partial years of service, less any applicable deductions. Said base salary shall be payable in conformity with PNMAC's normal payroll periods. Executive's base salary shall increase to Six Hundred Thousand Dollars (\$600,000) per year on January 1, 2020. For purposes of this Agreement, the term "Fiscal Year" shall mean the period beginning on January 1 and ending on December 31 during the Term of this Agreement.

(b) Cash Incentive Compensation. During the Term, Executive shall be eligible to participate in all executive incentive programs offered by PNMAC to its employees. PNMAC shall pay to Executive for each of the Fiscal Years during the Term of this Agreement an annual cash incentive compensation award at a level determined by the Board and the Compensation Committee pursuant to an annual targetting process establishing performance targets and designating cash incentive compensation to be earned as a result of meeting those performance targets (the "Bonus"); *provided, however*, that the annual performance targets established for Executive and the cash incentive to be earned as a result of meeting those targets shall each be set at levels and amounts at least as favorable to Executive as those for other similarly situated senior executives at PNMAC. The Bonus shall be paid to Executive in the year following the year to which the Bonus relates at the same time that such cash incentive compensation is

paid to other PNMAC senior executives, and no later than October 31st of such year, *provided that*, except as set forth in Sections 7(a), (b), and (d), Executive must be employed on December 31st of the year to which the Bonus relates to receive any portion of the Bonus. For all purposes of this Agreement, the “Compensation Committee” shall mean the compensation committee of PFSI.

(c) Equity Incentive Compensation. PFSI shall grant to Executive equity incentive compensation pursuant to the terms of PFSI’s 2013 Equity Incentive Plan (the “EIP”) or any other equity incentive plan adopted by PFSI in a form and amount determined by the Board and the Compensation Committee pursuant to an annual targeting process establishing performance targets and designating equity incentive compensation to be earned as a result of meeting those performance targets; *provided, however*, that the annual performance targets established for Executive and the equity incentive compensation to be earned as a result of meeting those targets shall each be set at levels and amounts at least as favorable to Executive as those for other similarly situated senior executives at PNMAC. The equity incentive compensation shall be granted at the same time as PNMAC grants equity incentive compensation to its other senior executives in respect of such Fiscal Year (but in no event later than June 30 following the end of such Fiscal Year). Any equity incentive compensation granted to Executive pursuant to this Section 5(c) shall vest in accordance with the terms set forth in the EIP and the related award document; *provided however*, that notwithstanding anything to the contrary contained in the EIP or any other document, any unvested equity incentive compensation granted to Executive pursuant to this Section 5(c) shall automatically and immediately vest if any of the following events occur: (i) Executive’s death; (ii) Executive’s Disability as defined in Section 7(a); (iii) the termination of Executive Other Than for Cause as described in Section 7(d) of this Agreement; or (iv) Executive’s termination of this Agreement for Good Reason as that term is defined in Section 7(d) of this Agreement. In addition, because the equity incentive compensation granted to Executive pursuant to this Section 5(c) may be based on Performance Criteria (as defined in Section 7.7(f)(i) of the EIP) that relate to events occurring after the Executive is no longer employed by the Company, the Performance Goals (as defined in Section

7.7(f)(ii) of the EIP) established for Executive shall not be dependent in any respect on Executive's individual performance. In the event of a sale, merger, consolidation, reorganization, restructuring or transfer of assets of PFSI in which PFSI is not the surviving entity or in which it survives as a subsidiary of another entity (a "Transaction"), and the shares or equity securities of the surviving entity or parent thereof are publicly traded on a recognized stock exchange or over the counter market, the equity incentive compensation to be granted pursuant to this Section 5(c) after the date of the Transaction shall be granted in accordance herewith in the form of securities of the surviving entity or parent thereof, as applicable. To the extent that any of the terms of this Agreement governing Executive's equity incentive compensation conflict with anything contained in the EIP or any other document, the terms of this Agreement control and supersede any such contrary provisions.

(d) Paid Time Off. During the Term, Executive shall accrue twenty (20) days of paid time off ("PTO") at Executive's regular base pay rate during each year of the Term, prorated for partial years worked, subject to the terms of PNMAC's employment benefit policies as they relate to senior executive officers and on terms at least as favorable as provided to other senior executives.

(e) Medical Benefits. During the Term, PNMAC shall pay for Executive to undergo an annual comprehensive executive physical appropriate for chief executives such as Executive. In addition, Executive and Executive's family shall be entitled to participate in PNMAC's group medical insurance benefits, in accordance with PNMAC's employment benefit policies as they relate to senior executive officers and their families. If Executive is terminated pursuant to Section 7(a), (b), or (d), PNMAC will reimburse Executive for any amounts paid by Executive for coverage of Executive and/or Executive's family under PNMAC's group health medical benefits plan pursuant to the Consolidated Omnibus Budget Reconciliation Act ("COBRA") for as long as Executive is eligible to receive such benefits under COBRA, on the condition that Executive timely elects COBRA and provides PNMAC with proof of payment of the applicable COBRA premiums on a monthly basis; *provided however*, that the reimbursement described in this Section 5(e) shall be subject to and paid only if and to the extent (1)

such reimbursement is permitted by the Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Reconciliation Act of 2010, and other applicable law, and (2) Executive is not otherwise eligible or entitled to participate in group medical benefits offered by a subsequent employer. If PNMAC's reimbursement of Executive for COBRA-related payments under this subparagraph 5(e) is not permitted by the Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Reconciliation Act of 2010, and Executive is not otherwise eligible or entitled to participate in group medical benefits offered by a subsequent employer, then PNMAC shall discontinue the COBRA-related payments provided for in this subparagraph 5(e) and, in such case, PNMAC will pay Executive an amount equal to the amount that Executive would otherwise be entitled to receive for reimbursement of COBRA-related payments.

(f) Tax Advice and Financial Counseling. During the Term, PNMAC shall reimburse Executive for expenses relating to tax advice and financial counseling, subject to reasonable proof of such expenses, *provided that*, such expenses shall not exceed twenty-five thousand dollars (\$25,000) per year, prorated for partial years worked. Executive shall have sole discretion in selecting an appropriate tax advisor and financial counselor.

(g) Additional Benefits. Executive shall be entitled to participate in all programs, rights, and benefits for which Executive is otherwise entitled under any bonus plan, incentive plan, participation plan, extra compensation plan, pension plan, profit sharing plan, savings plan, life, medical, dental, other health care, disability, or other insurance plan or policy or other plan or benefit that PNMAC or PFSI may provide for senior executives or for employees of PNMAC generally, if any, in force from time to time during the Term. For the avoidance of doubt, the rights granted or afforded to Executive under any such plans shall not be less than the most favorable rights and highest amounts granted to employees of similar or lower positions with PNMAC and on terms at least as favorable, and, for the purposes of such plan, Executive shall receive credit for the entire period of his employment with PNMAC (including his employment with PNMAC prior to the execution of this Agreement). To the

extent that anything contained in any such plans or programs is in conflict or inconsistent with anything stated in this Agreement, the terms of this Agreement shall control and supersede any contrary language except as prohibited by law.

5. Business Expense Reimbursement. Executive shall be entitled to reimbursement by PNMAC for any ordinary and necessary business expenses incurred by Executive in the performance of Executive's duties and in acting for PNMAC or PFSI during the Term.

6. Termination. During the Term, Executive's employment may be terminated only as provided in this Section 7. Except as set forth in this Agreement, neither PNMAC nor PFSI shall have any further obligation to Executive or liability under this Agreement by way of compensation, post termination benefits or obligations or otherwise upon the Termination Date. Notwithstanding anything to the contrary in this Agreement or any other document, the termination of Executive's employment for any reason shall not affect Executive's ownership of Common Stock of PFSI, and shall not affect Executive's entitlement to all benefits which have vested or which are otherwise payable in respect of periods ending prior to the termination of his employment.

(a) Disability. In the event that Executive qualifies for permanent disability benefits under PNMAC's long term disability plan (the "LTD Plan"), or if Executive does not participate in the LTD Plan, would have qualified for permanent disability had Executive been a participant of the LTD Plan (a "Disability"), Executive's employment hereunder may be terminated, by written Notice of Termination (as that term is defined in Section 7(g) herein) from PNMAC to Executive. Upon termination due to Executive's Disability under this Section 7(a), Executive shall be entitled to: (i) his base salary described in Section 5(a) and in effect as of the Termination Date, through and including the Termination Date (as that term is defined in Section 7(g) herein); (ii) if not previously paid prior to the Termination Date, incentive based compensation as described in Section 5(b) of this Agreement for the year prior to the Fiscal Year in which the Termination Date occurs; (iii) accrued but unused PTO through the Termination Date; (iv) reimbursement of any unreimbursed expenses incurred by Executive pursuant

to Section 6 of this Agreement; (v) if not previously paid prior to the Termination Date, a prorated share of the incentive based compensation described in Section 5(b) for the Fiscal Year in which the Termination Date occurs, payable in accordance with such Section; and (vi) continuing medical benefits as set forth in Section 5(e) herein. In addition, in the event Executive's employment is terminated pursuant to this Section 7(a), any Award (as that term is defined in the EIP) granted to Executive pursuant to the EIP shall become immediately and fully vested. The determination of Disability shall be made only after sixty (60) days' notice to Executive and only if Executive is not able to perform his duties with or without reasonable accommodation prior to the expiration of the sixty (60) day notice period.

(b) Death. In the event that Executive dies during the Term of this Agreement, this Agreement shall automatically terminate on the date of Executive's death. Upon termination due to Executive's death pursuant to this Section 7(b), Executive's estate shall be entitled to: (i) continuing payment of Executive's base salary described in Section 5(a) and as of the Termination Date through the Termination Date and for a period of six (6) months following the Termination Date; (ii) if not previously paid prior to the Termination Date, incentive based compensation as described in Section 5(b) of this Agreement for the year prior to the Fiscal Year in which the Termination Date occurs; (iii) accrued but unused PTO through the Termination Date; (iv) reimbursement of any unreimbursed expenses incurred by Executive pursuant to Section 6 of this Agreement; (v) if not previously paid prior to the Termination Date, a prorated share of the incentive based compensation described in Section 5(b) for the Fiscal Year in which the Termination Date occurs, payable in accordance with such Section; and (vi) continuing medical benefits as set forth in Section 5(e) herein. In addition, in the event of Executive's death, any Award (as that term is defined in the EIP) granted to Executive pursuant to the EIP shall become immediately and fully vested.

(c) Termination for Cause. PNMAC or PFSI may terminate Executive's employment or services under this Agreement for "Cause" by written Notice of Termination. A termination for Cause is a termination by reason of: (i) a material breach of this Agreement (other than as a result of incapacity

due to death or Disability) which is committed by Executive in bad faith and which is not remedied within thirty (30) days of Executive's receipt of a notice to cure such breach; (ii) Executive's conviction by a court of competent jurisdiction of a felony involving dishonesty or moral turpitude, *provided, however*, that any convictions solely on the basis of vicarious liability shall not give PNMAC or PFSI the right to terminate Executive for Cause; (iii) entry of an order duly issued by any federal or state regulatory agency having jurisdiction of the matter removing Executive from office of PFSI or any its subsidiaries or permanently prohibiting him from participating in the conduct of the affairs of PFSI or any of its subsidiaries; or (iv) proven acts of fraud or willful misconduct committed by Executive in connection with the performance of his duties under Section 2 of this Agreement which result in material injury to PFSI or any of its subsidiaries. In the event of a termination for Cause pursuant to this Section 7(c), Executive shall be entitled to receive (a) his base salary for the entire period up to and including the date of Executive's termination for Cause; (b) accrued but unused PTO through the Termination Date; and (c) reimbursement of any unreimbursed expenses incurred by Executive pursuant to Section 6 of this Agreement. If Executive is convicted of a felony involving dishonesty or moral turpitude or removed from office and/or prohibited from participating in the conduct of the affairs of PFSI or any of its subsidiaries by any federal or state regulatory agency having jurisdiction of the matter, and if the charges resulting in such removal or prohibition are ultimately dismissed or if a final judgment on the merits of such charges is issued in favor of Executive, or if the felony conviction is overturned on appeal, then Executive's termination shall be treated as a Termination Other Than for Cause pursuant to Section 7(d).

(d) Termination Other Than for Cause. PNMAC or PFSI may terminate Executive's employment other than for Cause (including the expiration of Executive's Term pursuant to Section 1 above) or Executive may terminate his employment for Good Reason as that term is defined in this Section 7(d). If Executive's employment terminates pursuant to this Section 7(d), then Executive shall be entitled to (i) his base salary in effect as of the Termination Date through and including the Termination Date (as that term is defined in Section 7(g) herein); (ii) if not previously paid prior to the Termination

Date, incentive based compensation as described in Section 5(b) of this Agreement for the year prior to the Fiscal Year in which the Termination Date occurs; (iii) accrued but unused PTO through the Termination Date; (iv) reimbursement of any unreimbursed expenses incurred by Executive pursuant to Section 6 of this Agreement; (v) a prorated share of the incentive based compensation described in Section 5(b) for the Fiscal Year in which the Termination Date occurs, payable in accordance with such Section; and (vi) continuing medical benefits as set forth in Section 5(e) herein; (vii) an amount equal to two years of Executive's base salary (as described in Section 5(a) above) as of the Termination Date, payable in twenty-four monthly installments beginning on the first day of the first full month following the month in which the Termination Date occurs; and (viii) an amount equal to two years of Executive's cash incentive compensation (as described in Section 5(b) above), as calculated based on the average Bonus Executive received in the most recent two years in which Executive received a Bonus. In addition, in the event Executive's employment is terminated pursuant to this Section 7(d) (unless such termination is the result of the expiration of Executive's Term pursuant to Section 1 above), any Award (as that term is defined in the EIP) granted to Executive pursuant to the EIP, shall become immediately and fully vested. If such termination is the result of the expiration of Executive's Term pursuant to Section 1 above, any such Awards shall continue to vest, if applicable, in accordance with their terms, and the Termination Date of this Agreement shall be deemed to be the Retirement Date as defined in the related award document; *provided, however*, that if the related award document does not contain any reference to Retirement or a Retirement Date, then the affected Awards shall become immediately and fully vested.

For purposes of this Agreement, Executive will have "Good Reason" to terminate this Agreement if PFSI (or any resulting or surviving entity in the event of a Transaction as defined in Section 5(c) of this Agreement) or PNMAC (1) materially breaches this Agreement; (2) requires Executive to report to anyone other than the CEO; (3) requires that Executive be based anywhere more than fifteen (15) miles from the office where Executive is located as of Effective Date; (4) takes any other action which results in a material diminution or adverse change in Executive's status, title, position, compensation, or

responsibilities as set forth herein, other than an insubstantial action not taken in bad faith and remedied promptly after receipt of notice by Executive; or (5) fails to indemnify and advance all expenses to Executive in response to a proper request for indemnity and advancement by Executive, *provided, however*, Executive's resignation for Good Reason will only be effective if Executive provides written notice to PNMAC or PFSI of the events constituting the Good Reason within ninety (90) days after the occurrence of any such event, and PNMAC or PFSI does not cure said events within thirty (30) days after receipt of the notice.

(e) Termination Following a Change of Control. This Agreement and Executive's employment shall not automatically terminate upon a "Change of Control" as that term is defined in the EIP. In the event of a Change of Control, PNMAC and PFSI shall take all actions necessary to ensure that the surviving or resulting entity, if other than PNMAC or PFSI, is bound by and shall have the benefit of the provisions of this Agreement. However, in the event there is a Change of Control and Executive's employment or service to PFSI or its affiliates (or any successors thereto) is terminated as a result of or in connection with such Change of Control, Executive shall be entitled to all of the rights and benefits he would be entitled to if his employment were terminated other than for Cause as described in Section 7(d) above, including, without limitation, that any award (as that term is defined in the EIP) granted to Executive pursuant to the EIP shall become immediately and fully vested.

(f) Voluntary Resignation. Except as provided in Section 7(d), in the event that Executive resigns voluntarily during the Term of this Agreement, Executive shall be entitled to receive (a) his base salary for the entire period up to and including the date of Executive's Termination Date; (b) accrued but unused PTO through the Termination Date; and (c) reimbursement of any unreimbursed expenses incurred by Executive pursuant to Section 6 of this Agreement.

(g) Notice of Termination. Any purported termination by PNMAC or by Executive shall be communicated by a written notice of termination (the "Notice of Termination") to the other party hereto which indicates the specific termination provision in this Agreement, if any, relied upon and which

sets forth in reasonable detail the facts and circumstances, if any, claimed to provide a basis for termination of Executive's employment under the provision so indicated. For purposes of this Agreement, and except as expressly provided otherwise herein, no such purported termination shall be effective without such Notice of Termination. To the extent the Agreement is terminated prior to the Expiration Date, the "Termination Date" shall be the date specified in the Notice of Termination, which shall be not less than thirty (30) and not more than sixty (60) days from the date of the Notice of Termination.

(h) Consulting. Upon (i) expiration of the Term pursuant to Section 1 herein, Executive shall serve as a consultant to PNMAC and PFSI (or in the event of a Transaction, to the surviving entity or parent) for an eighteen-month period commencing on the Termination Date (the "Consulting Period"); *provided, however*, that if Executive remains employed with PNMAC following the expiration of the Term pursuant to Section 1 herein, then the Consulting Period shall commence on the first day after Executive ceases to be employed by PNMAC. During the Consulting Period, Executive shall make himself available for consulting services concerning PFSI's (or its successor's) general operations if and as may be reasonably requested by PNMAC or PFSI after taking into account Executive's then full-time, non-PNMAC-related employment opportunities, *provided that* (a) the consulting services shall be rendered at such location(s) as may be mutually agreed upon by Executive and PFSI and (b) the nature of and time required for the consulting services do not interfere with Executive's personal and professional activities. The consulting services shall be of an advisory nature and, in his role as a consultant, Executive shall have no power to bind PFSI. In consideration for the consulting services described in this Section 7(h), PNMAC shall pay to Executive a consulting fee of One Million Dollars (\$1,000,000), payable in monthly installments of Forty-One Thousand Six Hundred Sixty-Six Dollars (\$41,666) during the Consulting Period with a final payment of the remaining Two Hundred Fifty Thousand Dollars (\$250,000) upon the completion of such Consulting Period; *provided, however*, that the consulting relationship shall automatically terminate, and Executive shall not be entitled

to continue receiving monthly payments under this Section 7(h), if he, directly or indirectly, engages in, provides services to, works for, consults with, owns, invests in or operates, any business that competes with the business of PFSI (or in the event of a Transaction, of the surviving entity or parent). PNMAC or PFSI shall provide Executive written notice if it contends Executive has breached any provision in this Section 7(h), and Executive shall have thirty (30) days following receipt of such notice to cure any alleged breach.

(i) Disputes. In consideration of PNMAC and PFSI employing Executive, and the salary and benefits provided under this Agreement, Executive, PNMAC and PFSI agree that all claims arising out of or relating to this Agreement or the breach thereof, or Executive's employment, including its termination, and/or the enforceability and validity of the arbitration agreement set forth in this Agreement, shall be resolved by binding arbitration pursuant to Section 12(e) below. This Agreement expressly does not prohibit either party from filing an application for a provisional remedy to prevent actual or threatened irreparable harm in accordance with California law.

(j) Restriction on Timing of Distributions. The intent of the parties is that payments and benefits under this Agreement comply with Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder (collectively "Code Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. Notwithstanding the foregoing, PNMAC does not warrant to Executive that all amounts paid or delivered to him will be exempt from, or paid in compliance with, Code Section 409A. Accordingly, Executive understands and agrees that he bears the entire risk of any adverse federal, state or local tax consequences and penalty taxes which may result from payment under this Agreement and he acknowledges that he has been given the opportunity to consult with a tax advisor with respect to this Agreement. If Executive notifies PNMAC that Executive believes that any provision of this Agreement (or any award of compensation, including equity compensation or benefits) would cause him to incur any additional tax or interest under Code Section 409A and PNMAC concurs, or PNMAC independently makes such

determination, PNMAC shall use reasonable efforts to reform such provision to the extent possible to comply with Code Section 409A; *provided, that*, such modification shall, to the maximum extent practicable, maintain the original intent and economic benefit to the parties of the applicable provision without violating the provisions of Code Section 409A.

If and to the extent necessary to comply with Code Section 409A, for the purposes of determining when amounts otherwise payable on account of Executive's termination of employment under this Agreement will be paid, "terminate", "terminated" or "termination" or words of similar import relating to Executive's employment with PNMAC, as used in this Agreement, shall be construed as the date that Executive first incurs a "separation from service" within the meaning of Code Section 409A from PNMAC. In applying Code Section 409A to amounts paid pursuant to this Agreement, any right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments. Any taxable reimbursement of business or other expenses provided for under this Agreement shall be subject to the following conditions: (i) the expenses eligible for reimbursement in one taxable year shall not affect the expenses eligible for reimbursement in any other taxable year; (ii) the reimbursement of an eligible expense shall be made no later than the end of the year after the year in which such expense was incurred; and (iii) the right to reimbursement shall not be subject to liquidation or exchange for another benefit.

7. Indemnity, Advancement and Insurance. To the fullest extent permitted by applicable law, the PNMAC LLC Agreement, or any indemnity agreements entered into from time to time between PNMAC or PFSI and Executive, PNMAC or PFSI, as applicable, (or in the event of a Change of Control as described in Section 7(e), the surviving or resulting entity or transferee) shall indemnify Executive and hold him harmless for any acts or decisions made by him in good faith while performing services for PNMAC and/or PFSI, and shall advance to Executive all fees and costs associated with the defense of any action or proceeding for which he has tendered an appropriate indemnification demand. PNMAC further agrees that it will provide Executive with appropriate "directors' and officers' insurance" coverage (as

described in Section 6.4 of the PNMAC LLC Agreement) in each case in connection with the performance of his duties under this Agreement, but Executive's right to indemnity and advancement pursuant to this Section shall not be dependent or contingent upon the availability of insurance coverage.

8. Reimbursement for Legal Fees. Upon submission of appropriate invoices by Executive's counsel, PNMAC shall pay all reasonable legal fees and expenses incurred by Executive in connection with the preparation and negotiation of this Agreement.

9. No Obligation to Mitigate. Executive shall not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise and, except as otherwise expressly provided under this Agreement, no payment hereunder shall be offset or reduced by the amount of any compensation or benefits provided to Executive in any subsequent employment or business venture.

10. Non-Solicitation. During the Term of this Agreement, and for eighteen (18) months following the Termination Date, Executive shall not, directly or indirectly, either for or on behalf of himself or any other person or entity, solicit or induce or attempt to solicit or induce any employee, consultant, independent contractor, agent or representative of PFSI, or any parent, subsidiary or affiliate thereof, to discontinue employment or engagement with PFSI or any parent, subsidiary or affiliate thereof; or otherwise interfere or attempt to interfere with the relationship between PFSI, or any parent, subsidiary or affiliate thereof, and their employees, consultants, independent contractors, agents or representatives.

11. Miscellaneous.

(a) Succession; Assignment. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective executors, administrators, successors and assigns. The parties agree that the obligations and duties of Executive are personal and are not assignable.

(b) Notice. Any notice, request, demand or other communication required or permitted hereunder shall be deemed to be properly given when personally served in writing or by facsimile, when deposited in the United States mail, postage prepaid, or when communicated to a public telegraph

company for transmittal, addressed to the party at the address appearing at the beginning of this Agreement. Either party may change its address by written notice in accordance with this Section 12(b).

(c) Entire Agreement; Modification. Except as otherwise provided herein, this Agreement contains the entire agreement of the parties with respect to the subject matter herein, and supersedes any and all other prior or contemporaneous agreements, either oral or in writing, between the parties hereto with respect to the employment of Executive by PNMAC. This Agreement may not be modified or amended by oral agreement, but only by an agreement in writing executed by PNMAC, PFSI and Executive.

(d) Waiver. Any waiver of a breach of any provision hereof shall not operate as or be construed as a waiver of any subsequent breach of the same provision or any other provision of this Agreement.

(e) Governing Law, Venue Selection, and Arbitration. This Agreement is to be governed by and construed in accordance with the laws of the State of California without regard to its choice of law provisions. The parties hereto agree that this Agreement was negotiated and executed in California. Any controversy, dispute or claim arising out of or relating to this Agreement, the breach thereof, Executive's employment, including the termination thereof, and/or the enforceability or validity of this arbitration agreement, shall first be settled through good faith negotiation. If the dispute cannot be settled through negotiation, the parties agree to binding arbitration administered by JAMS pursuant to its Employment Arbitration Rules & Procedures and subject to JAMS Policy on Employment Arbitration Minimum Standards of Procedural Fairness. Executive acknowledges that he has been provided a copy of the JAMS rules contemporaneously herewith. The parties agree that any such arbitration will be heard in Los Angeles, California, and that judgment on any arbitration award may be entered in any court having jurisdiction. PNMAC shall pay the arbitration administrative costs and the arbitrator's fees in accordance with California law and the JAMS rules. Each party will bear its/his own attorneys' fees and legal costs, *provided, however*, (i) if any party prevails on a statutory claim which affords the prevailing party

attorneys' fees or legal costs, the arbitrator may award reasonable attorneys' fees and/or legal costs to the prevailing party to the extent permitted by applicable law, or (ii) if any party prevails on a non-statutory claim, the arbitrator shall award reasonable attorneys' fees and/or legal costs to the prevailing party to the extent permitted by applicable law. The parties agree to file any demand for arbitration within the time limit established by the applicable statute of limitations for the asserted claims. Failure to demand arbitration within the prescribed time period shall result in waiver of said claims. EXECUTIVE UNDERSTANDS AND AGREES THAT HE IS WAIVING HIS RIGHTS TO BRING SUCH CLAIMS TO COURT, INCLUDING THE RIGHT TO A JURY TRIAL.

(f) Confidential Information. Executive agrees that he will not use, divulge or otherwise disclose, directly or indirectly, any trade secret, business process, or other confidential information concerning the business or policies of PFSI or any of its subsidiaries which he may have learned, obtained, accessed or developed during the course of his employment with PNMAC, including prior to the Effective Date of this Agreement, except to the extent such use or disclosure is: (i) necessary or appropriate to the performance of this Agreement and in furtherance of the best interests of PFSI and its subsidiaries; (ii) required by applicable law; (iii) lawfully obtainable from other sources; or (iv) authorized by PNMAC or PFSI. The provisions of this subsection shall survive the expiration or termination of this Agreement for any reason.

(g) Severability. Should any provision of this Agreement for any reason be declared invalid, void, or unenforceable by a court of competent jurisdiction, the validity and binding effect of any remaining provisions shall not be affected, and the remaining provisions of this Agreement shall remain in full force and effect as if this Agreement had been executed without the inclusion of said provision.

(h) Interpretation. If any claim is made by any party hereto relating to any conflict, omission or ambiguity of this Agreement, no presumption or burden of proof or persuasion shall be implied by reason of the fact that this Agreement was prepared by or at the request of any particular party

hereto or such party's counsel. Executive acknowledges that he has been represented by counsel of his choice throughout the negotiation and drafting of this Agreement.

(i) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of December 28, 2018.

**PRIVATE NATIONAL MORTGAGE  
ACCEPTANCE COMPANY, LLC:**

By: /s/ Derek W. Stark  
Name: Derek W. Stark  
Title: Senior Managing Director and  
Chief Legal Officer and Secretary

**PENNYMAC FINANCIAL SERVICES, INC.:**

By: /s/ Matt Botein  
Name: Matt Botein  
Title: Chairman of the Compensation  
Committee

**EXECUTIVE:**

/s/ Doug Jones  
Doug Jones