
Section 1: SC 13D/A (SC 13D/A)

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

SCHEDULE 13D

**Under the Securities Exchange Act of 1934
(Amendment No. 3)***

PENNYMAC FINANCIAL SERVICES, INC.
(formerly known as New PennyMac Financial Services, Inc.)

(Name of Issuer)

Common Stock, par value \$0.0001 per share
(Title of Class of Securities)

70932M107
(CUSIP Number)

**Daniel R. Waltcher
Managing Director
BlackRock, Inc.
55 East 52nd Street
New York, NY 10055
(212) 810-5300**

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

February 11, 2020
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of §240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box:

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

| | |
|--|---|
| 1 | NAMES OF REPORTING PERSONS BLACKROCK, INC. (TIN: 23-0174431) |
| 2 | CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/> |
| 3 | SEC USE ONLY |
| 4 | SOURCE OF FUNDS (See Instructions) AF |
| 5 | CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(D) OR 2(E) <input checked="" type="checkbox"/> |
| 6 | CITIZENSHIP OR PLACE OF ORGANIZATION Delaware |
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7 SOLE VOTING POWER 8,242,288 |
| | 8 SHARED VOTING POWER 0 |
| | 9 SOLE DISPOSITIVE POWER 8,246,597 |
| | 10 SHARED DISPOSITIVE POWER 0 |
| 11 | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 8,246,597 |
| 12 | CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions) <input type="checkbox"/> |
| 13 | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 10.5% |
| 14 | TYPE OF REPORTING PERSON (See Instructions) HC |

EXPLANATORY NOTE:

This Amendment No. 3 (this "Amendment") amends and supplements the Schedule 13D (as amended, the "Schedule 13D") filed with the Securities and Exchange Commission (the "SEC") on February 28, 2014 (the "Original Schedule 13D"), as amended by Amendment No. 1 filed on August 6, 2018 ("Amendment No. 1"), as amended by Amendment No. 2 filed on November 6, 2018 ("Amendment No. 2"), by and on behalf of BlackRock, Inc. (the "Reporting Person"), relating to the common stock, par value \$0.0001 per share (the "Common Stock"), of PennyMac Financial Services, Inc., a Delaware corporation (the "Issuer").

Information in the Schedule 13D remains in effect except to the extent that it is amended or superseded by subsequently filed information, including information in this Amendment No. 3.

Item 1. Security and Issuer

This Schedule 13D relates to the Common Stock of the Issuer. The principal executive offices of the Issuer are located at 3043 Townsgate Road, Westlake Village, California, 91361.

Item 2. Identity and Background.

Item 2 of the Schedule 13D is hereby amended and supplemented as follows:

The information set forth in Schedule A is annexed hereto and incorporated herein by reference.

Item 4. Purpose of Transaction

Item 4 of the Schedule 13D is hereby amended and supplemented as follows:

On February 11, 2020, the Reporting Person donated: (a) 7,780,324 shares of Common Stock to the Fidelity Charitable Gift Fund, and 7,780,323 shares of Common Stock to KLB Corp. (d/b/a The BlackRock Foundation) (the "Foundation"). The Reporting Person may be deemed to have voting and dispositive power over the shares held by the Foundation, and therefore, may be deemed to beneficially own such shares.

As of the date hereof, no employee of the Reporting Person serves on the Issuer's board of directors (the "Board"). On February 12, 2020, BlackRock Mortgage Ventures, LLC, an indirect wholly owned subsidiary of the Reporting Person ("BLK MV"), and the Issuer entered into a Second Amended and Restated Stockholder Agreement (the "Amended Stockholder Agreement"). The Amended Stockholder Agreement amends and restates the Stockholder Agreement (as defined and described in the Original Schedule 13D) and provides, among other things, that BLK MV no longer has the right to nominate directors to the Board.

On February 12, 2020, the Foundation entered into a Lock-up Letter Agreement (the "Lock-up Agreement") with Barclays Capital Inc. ("Barclays"), pursuant to which, subject to certain exceptions, the Foundation agreed not to, directly or indirectly, offer, sell, pledge, or otherwise dispose of any shares of Common Stock or securities convertible into or exercisable or exchangeable for shares of Common Stock, for 60 days after February 12, 2020, without the prior written consent of Barclays.

The above descriptions are qualified in their entirety by reference to the Amended Stockholder Agreement and Lock-up Agreement, which are, respectively, incorporated herein by reference to Exhibits 10.3 and 10.4 hereto, respectively.

Item 5. Interest in Securities of the Issuer

Items 5(a) and (b) of the Schedule 13D are hereby amended and restated as follows:

The Reporting Person may be deemed to beneficially own 8,246,597 shares of Common Stock. Of these, 466,274 shares are held by the Reporting Person in its role as an investment adviser for certain client accounts (the "Client Securities") and 7,780,323 shares may be deemed to be held indirectly through the Foundation (the "Foundation Securities").

The Foundation Securities and the Client Securities represent, in the aggregate, 10.5% of the total number of outstanding shares of Common Stock. The ownership percentage set forth above is based on 78,532,937 shares of the Common Stock outstanding as of February 6, 2020, based on information provided by the Issuer.

The Reporting Person has the sole power to vote and dispose of the shares of Common Stock that it beneficially owns other than 4,309 shares held for clients who have retained sole voting power over such shares.

Items 5(c) of the Schedule 13D is hereby amended as follows:

On February 11, 2020, the Reporting Person donated the 15,560,647 shares of Common Stock described in Item 4 above.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Item 6 of the Schedule 13D is hereby amended and supplemented as follows:

On February 12, 2020, BLK MV entered into the Amended Stockholder Agreement and the Foundation entered into the Lock-up Agreement. See Item 4.

Except as set forth in this Schedule 13D, there are no contracts, arrangements, understandings or relationships between the Reporting Person and any other person with respect to any securities of the Issuer or among the investment advisory subsidiaries of the Reporting Person, including but not limited to transfer or voting of any securities of the Issuer, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies (other than the transfer of voting rights with respect to shares of Common Stock that are loaned out in the ordinary course of the Reporting Person's and its subsidiaries' securities lending programs).

Item 7. Material to be Filed as Exhibits.

Item 7 of the Schedule 13D is hereby amended by adding the following:

| <u>Exhibit</u> | <u>Description</u> |
|----------------|--|
| 10.3 | Second Amended and Restated Stockholder Agreement, dated as of February 12, 2020, by and among PennyMac Financial Services, Inc. and BlackRock Mortgage Ventures, LLC. |
| 10.4 | Lock-up Letter Agreement, dated February 12, 2020, by KLB Corp. |

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: February 13, 2020

BLACKROCK, INC.

By: /s/ Daniel R. Waltcher
Name: Daniel R. Waltcher
Title: Attorney-In-Fact

Schedule A

The following is a list of the executive officers and directors of the Reporting Person, setting forth the present principal occupation or employment and the name, principal business and address of any corporation or other organization in which such employment is conducted and citizenship for each such person.

Executive Officers

| Name | Principal Occupation or Employment | Business Address | Citizenship |
|----------------------|--|---|--------------------|
| Laurence D. Fink | Chairman and Chief Executive Officer | BlackRock, Inc. 55 East 52nd Street New York, NY 10055 | U.S. |
| Robert S. Kapito | President | BlackRock, Inc. 55 East 52nd Street New York, NY 10055 | U.S. |
| Gary S. Shedlin | Senior Managing Director and Chief Financial Officer | BlackRock, Inc. 55 East 52nd Street New York, NY 10055 | U.S. |
| Robert L. Goldstein | Senior Managing Director, Chief Operating Officer & Global Head of BlackRock Solutions | BlackRock, Inc. 55 East 52nd Street New York, NY 10055 | U.S. |
| Rachel Lord | Senior Managing Director and Head of Europe, Middle East and Africa | BlackRock, Inc. Drapers Gardens 12 Throgmorton Avenue London EC2N 2DL United Kingdom | United Kingdom |
| J. Richard Kushel | Senior Managing Director and Head of Multi-Asset Strategies and Global Fixed Income | BlackRock, Inc. 55 East 52nd Street New York, NY 10055 | U.S. |
| Mark S. McCombe | Senior Managing Director and Chief Client Officer | BlackRock, Inc. 55 East 52nd Street New York, NY 10055 | U.S. |
| Christopher J. Meade | Senior Managing Director, Chief Legal Officer and General Counsel | BlackRock, Inc. 55 East 52nd Street New York, NY 10055 | U.S. |
| Geraldine Buckingham | Senior Managing Director and Chair of BlackRock Asia Pacific | BlackRock, Inc. 16/F Champion Tower 3 Garden Road Central, Hong Kong | Australia |
| Mark Wiedman | Senior Managing Director, Head of International and Corporate Strategy | BlackRock, Inc. 55 East 52nd Street New York, NY 10055 | U.S. |
| Manish Mehta | Senior Managing Director, Global Head of Human Resources | BlackRock, Inc. 400 Howard Street San Francisco, CA 94105 | U.S. |

Directors

| Name | Principal Occupation or Employment | Business Address | Citizenship |
|----------------------|--|---|--------------------|
| Laurence D. Fink | Chairman and Chief Executive Officer | BlackRock, Inc. 55 East 52nd Street New York, NY 10055 | U.S. |
| Robert S. Kapito | President | BlackRock, Inc. 55 East 52nd Street New York, NY 10055 | U.S. |
| Bader M. Alsaad | Kuwait Investment Authority – Former Managing Director | BlackRock, Inc. 55 East 52nd Street New York, NY 10055 | Kuwait |
| Mathis Cabiallavetta | UBS – Former Chairman | BlackRock, Inc. 55 East 52nd Street New York, NY 10055 | Switzerland |
| Pamela Daley | General Electric Company - Former Senior Vice President of Corporate Business Development | BlackRock, Inc. 55 East 52nd Street New York, NY 10055 | U.S. |
| William S. Demchak | The PNC Financial Services Group, Inc. - President, Chairman and Chief Executive Officer | The PNC Financial Services Group, Inc. One PNC Plaza Avenue Pittsburgh, PA 15222 | U.S. |
| Jessica Einhorn | Paul H. Nitze School of Advanced International Studies at Johns Hopkins University - Former Dean | BlackRock, Inc. 55 East 52nd Street New York, NY 10055 | U.S. |
| William E. Ford | General Atlantic – Chief Executive Officer | General Atlantic Park Avenue Plaza 55 East 52nd Street, 33rd Fl New York, NY 10055 | U.S. |
| Fabrizio Freda | The Estée Lauder Companies Inc. - President and Chief Executive Officer | Estée Lauder Companies 767 Fifth Avenue, 40th Fl New York, NY 10153 | Italy & U.S. |
| Murry S. Gerber | EQT Corporation - Former Executive Chairman, Chairman, President and CEO | BlackRock, Inc. 55 East 52nd Street New York, NY 10055 | U.S. |

| | | | |
|--------------------------|--|--|-------------|
| Margaret L. Johnson | Microsoft Corporation – Executive Vice President of Business Development | Microsoft One Microsoft Way Redmond, WA 98052 | U.S. |
| Cheryl D. Mills | BlackIvy Group LLC - Chief Executive Officer | BlackIvy Group LLC 2300 N Street NW Suite 630 Washington DC 20037 | U.S. |
| Gordon M. Nixon | Royal Bank of Canada - Former President, CEO and Board Member | BlackRock, Inc. 55 East 52nd Street New York, NY 10055 | Canada |
| Charles H. Robbins | Cisco Systems, Inc. - Chief Executive Officer and Board Member | Cisco Systems, Inc. 170 West Tasman Drive San Jose, CA 95134 | U.S. |
| Ivan G. Seidenberg | Verizon Communications Inc. - Former Chairman and CEO | BlackRock, Inc. 55 East 52nd Street New York, NY 10055 | U.S. |
| Marco Antonio Slim Domit | Grupo Financiero Inbursa, S.A.B. de C.V. - Chairman | Grupo Financiero Inbursa Av. Paseo de las Palmas, #736 Floor 1 Colonia Lomas de Chapultepec C.P. 11000, México D.F. | Mexico |
| Susan L. Wagner | BlackRock - Former Vice Chairman | BlackRock, Inc. 55 East 52nd Street New York, NY 10055 | U.S. |
| Mark Wilson | Aviva plc - Former CEO | BlackRock, Inc. 55 East 52nd Street New York, NY 10055 | New Zealand |

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Section 2: EX-10.3 (EX-10.3)

EXHIBIT 10.3

SECOND AMENDED AND RESTATED STOCKHOLDER AGREEMENT

This **SECOND AMENDED AND RESTATED STOCKHOLDER AGREEMENT** (this “Agreement”), dated as of February 12, 2020, is by and between PennyMac Financial Services, Inc., a Delaware corporation (formerly known as New PennyMac Financial Services, Inc.) (the “Company”) and BlackRock Mortgage Ventures, LLC, a Delaware limited liability company (“BlackRock”).

WHEREAS, the Company, BlackRock and PNMAC Holdings, LLC (formerly known as PennyMac Financial Services, Inc.) are parties to that certain Amended and Restated Stockholder Agreement, dated as of November 1, 2018 (the “Prior Agreement”);

WHEREAS, Section 11 of the Prior Agreement provides that no amendment of the Prior Agreement may be made unless such amendment is approved in writing by the party against whom such amendment is to be enforced (the “Required Parties”);

WHEREAS, the Required Parties have agreed that the Prior Agreement be amended to reflect certain agreed upon revisions to the terms of the Prior Agreement;

WHEREAS, the parties hereto wish to set forth their relative rights and obligations with regard to certain rights of BlackRock;

NOW, THEREFORE, the parties to this Agreement hereby agree that the Prior Agreement is amended and restated as follows:

§1. DEFINITIONS. For all purposes of this Agreement, the following terms shall have the meanings set forth below:

“Affiliate” means, with respect to BlackRock, (i) any person or entity directly or indirectly controlling, controlled by or under direct or indirect common control with BlackRock, and (ii) each BlackRock Charitable Entity. For purposes of this definition, “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under direct or indirect common control with”), as applied to any entity, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that entity, whether through the ownership of voting securities, by contract or otherwise.

“BlackRock Charitable Entity” means each tax-exempt private foundation or public charity created by BlackRock or any of its Affiliates, or with respect to which BlackRock or any of its Affiliates is a disqualified person, and each sponsoring organization which maintains a donor advised fund which is separately identified by reference to contributions of BlackRock or any of its Affiliates (as such terms are defined in the Internal Revenue Code of 1986, as amended).

“Shares” means shares of Common Stock of the Company held by BlackRock or its Affiliates.

“Voting Power” means the voting power of all of the then-outstanding shares of Common Stock of the Company with respect to matters on which stockholders generally are entitled to vote.

§2. GOVERNING DOCUMENTS.

2.1 Charter Amendments. The Certificate of Incorporation of the Company, as amended from time to time in accordance with this Agreement (the “Charter”) shall not be amended in any manner that is adverse to BlackRock or its Affiliates without the prior written consent of BlackRock if BlackRock and its Affiliates hold, at the time of such amendment or repeal, Shares constituting 5% or more of the Voting Power. Article IX of the Charter shall not be amended or repealed, and no provision that is inconsistent with such Article IX shall be adopted, in any manner without the prior written consent of BlackRock if BlackRock and its Affiliates hold any Shares at such time.

2.2 By-law Amendments. The by-laws of the Company shall not be amended or repealed in any manner that is adverse to BlackRock or its Affiliates without the prior written consent of BlackRock if BlackRock and its Affiliates hold, at the time of such amendment or repeal, Shares constituting 5% or more of the Voting Power.

2.3 Certificate of Incorporation and Bylaws Consistent. The Company shall use its best efforts to take or cause to be taken all lawful action necessary or appropriate to ensure that at all times neither the Certificate of Incorporation nor the Bylaws of the Company, nor any of the corresponding constituent documents of the Company's subsidiaries contain any provisions inconsistent with the terms of this Agreement (including, without limitation, this Section 2) or which would in any way nullify or impair the terms of this Agreement or the rights of BlackRock hereunder. The Company shall not take or cause to be taken any action inconsistent with the terms of this Agreement (including without limitation this Section 2) or the rights of BlackRock hereunder.

§3. CONSENT RIGHTS. Each party hereto acknowledges that the Company has entered into a separate amended and restated stockholder agreement (the "HCP Agreement") with HC Partners LLC, a Delaware limited liability company ("HCP"), which provides HCP with essentially the same rights (other than nominating rights) as those provided to BlackRock hereunder. Without the prior written consent of BlackRock, the Company shall not amend the HCP Agreement, or enter into any other agreement with HCP with respect to the subject matter of the HCP Agreement, if such amendment or other agreement would provide HCP rights (other than nominating rights) that are more favorable than those provided to BlackRock hereunder or are otherwise materially adverse to BlackRock. Without limiting the foregoing, in the event that the Company enters into or amends, modifies or waives (as distinct from a consent or approval provided for therein) any provision of a stockholder agreement between the Company and any other stockholder that involves the grant of rights to a stockholder that are superior, taking into account the impact of differences in levels of stockholding, regulatory status, noncompetition provisions and other similar matters (the "Contractual Superior Rights"), to those belonging to BlackRock under this Agreement, the Company shall offer BlackRock the opportunity to obtain such Contractual Superior Rights. The Company shall notify BlackRock prior to the time such rights become effective and shall afford it the opportunity for at least 20 days to determine whether or not it wishes to obtain such Contractual Superior Rights.

§4. RESERVED.

§5. AGGREGATION OF AFFILIATES. Notwithstanding anything in this Agreement to the contrary, if voting power of shares of stock of the Company is held by BlackRock and one or more of its Affiliates, or by more than one Affiliate of BlackRock, then all nominations, consents and actions required or permitted to be given, made or taken by BlackRock pursuant to this Agreement shall be given, made or taken by the parties holding a majority of such voting power held by BlackRock and its Affiliates (other than the BlackRock Charitable Fund). The Company and its officers shall be entitled to rely on any notice, consent, waiver or instructions executed by such parties holding a majority of such voting power.

§6. SEVERABILITY. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

§7. ENTIRE AGREEMENT. Except as otherwise expressly set forth herein, this document embodies the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and thereof and supersedes and preempts any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

§8. SUCCESSORS AND ASSIGNS. This Agreement will bind and inure to the benefit of and be enforceable by the Company and BlackRock and their respective successors and permitted assigns.

§9. COUNTERPARTS. This Agreement may be executed in separate counterparts each of which will be an original and all of which taken together will constitute one and the same agreement.

§10. NOTICES. Any notice provided for in this Agreement will be in writing and will be deemed properly delivered if either personally delivered or sent by overnight courier or mailed certified or registered mail, return receipt requested, postage prepaid to the recipient (a) if to BlackRock, at 40 East 52nd Street, New York, NY 10022, Attention: David Maryles, or at any other address provided by BlackRock and (b) if to the Company, at 3043 Townsgate Road, Westlake Village, California 91361, Attention: Derek W. Stark, with a copy to Goodwin Procter LLP, 601 Marshall Street, Redwood City, California 94063, Attention: Bradley C. Weber. Any such notice shall be effective (i) if delivered personally, when received, (ii) if sent by overnight courier, when receipted for, and (iii) if mailed, 3 days after being mailed as described above.

§11. AMENDMENT AND WAIVER. No modification, amendment or waiver of any provision of this Agreement will be effective against the Company or BlackRock unless such modification, amendment or waiver is approved in writing by the party against whom such modification, amendment or waiver is to be enforced. The failure of any party to enforce any of the provisions of this Agreement will in no way be construed as a waiver of such provisions and will not affect the right of such party thereafter to enforce each and every provision of this Agreement in accordance with its terms.

§12. TERMINATION. This Agreement will terminate at such time as BlackRock, together with its Affiliates, first fails to beneficially hold any equity securities of the Company.

§13. GOVERNING LAW. ALL QUESTIONS CONCERNING THE CONSTRUCTION, VALIDITY AND INTERPRETATION OF THIS AGREEMENT WILL BE GOVERNED BY THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

§14. DESCRIPTIVE HEADINGS. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

§15. CONSTRUCTION. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied against any party.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Stockholder Agreement on the day and year first above written.

PENNYMAC FINANCIAL SERVICES, INC. (f/k/a New PennyMac Financial Services, Inc.)

By: /s/ Andrew S. Chang
Name: Andrew S. Chang
Title: Senior Managing Director and Chief Financial Officer

BLACKROCK MORTGAGE VENTURES, LLC

By: /s/ Daniel Waltcher
Name: Daniel Waltcher
Title: Managing Director

ACKNOWLEDGED AND AGREED:

PNMAC HOLDINGS, LLC (f/k/a PennyMac Financial Services, Inc.)

By: /s/ Andrew S. Chang
Name: Andrew S. Chang
Title: Senior Managing Director and Chief Financial Officer

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Section 3: EX-10.4 (EX-10.4)

EXHIBIT 10.4

LOCK-UP LETTER AGREEMENT

Dated: February 12, 2020

BARCLAYS CAPITAL INC.
745 Seventh Avenue
New York, New York 10019

Ladies and Gentlemen:

KLB Corp. (the “undersigned”) hereby irrevocably agrees that, without the prior written consent of Barclays Capital Inc., the undersigned will not, directly or indirectly, (1) offer for sale, sell, pledge, or otherwise dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any shares of PennyMac Financial Services, Inc.’s (the “*Company*”) common stock (the “*Common Stock*”) (including, without limitation, shares of Common Stock that may be deemed to be beneficially owned by the undersigned in accordance with the rules and regulations of the Securities and Exchange Commission and shares of Common Stock that may be issued upon exercise of any options or warrants) or securities convertible into or exercisable or exchangeable for Common Stock, (2) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of shares of Common Stock,

whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or other securities, in cash or otherwise, or (3) publicly disclose the intention to do any of the foregoing (provided that the filing of or amendment to a registration statement registering the shares of Common Stock held by the undersigned shall not constitute a violation of this clause (3)), in each case, for a period commencing on the date hereof through and including the 60th day after the date hereof (the "*Lock-Up Period*").

Notwithstanding anything herein to the contrary, the restrictions contained in this letter agreement (this "Lock-Up Letter Agreement") shall not apply to any of the following:

- (i) transfers to any direct or indirect affiliate (as defined in Rule 405 promulgated under the Securities Act of 1933, as amended) of the undersigned; provided that such affiliate agrees to be bound in writing by the terms of this Lock-Up Agreement prior to such transfer; or
- (ii) transfers or distributions in connection with a bona fide third-party tender offer made to all holders of the Company's common stock or a merger, consolidation or sale of all or substantially all of the voting securities or assets of the Company, regardless of how such a transaction is structured (it being further understood that this

agreement shall not restrict the undersigned from entering into any agreement or arrangement in connection therewith, including an agreement to vote in favor of, or tender Common Stock or other securities of the Company in, any such transaction or taking any other action in connection with any such transaction), provided that the restrictions set forth herein shall continue to apply should the completion of the transaction not occur.

In furtherance of the foregoing, the Company and its transfer agent are hereby authorized to decline to make any transfer of securities if such transfer would constitute a violation or breach of this Lock-Up Letter Agreement.

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this Lock-Up Letter Agreement and that, upon request, the undersigned will execute any additional documents necessary in connection with the enforcement hereof. Any obligations of the undersigned shall be binding upon the heirs and executors (in the case of individuals), personal representatives, successors and assigns of the undersigned.

Very truly yours,

[Signature page follows]

KLB Corp.

By: /s/ Deborah Winshel

Name: Deborah Winshel

Title: Chair and President

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