



IMPAC MORTGAGE HOLDINGS, INC. DISCLOSES CREDIT AGREEMENT CONSENT & WAIVER; PAYOFF OF CONVERTIBLE NOTES; EXECUTION OF EXECUTIVE EMPLOYMENT AGREEMENTS

Newport Beach, CA, December 27, 2024 – Impac Mortgage Holdings, Inc. [OTC Pink Limited: IMPM] (the “Company”) recently requested, and received on December 20, 2024, a limited consent and waiver under its revolving credit facility with respect to (i) a new deposit account for the Company and (ii) the intercompany transfer of funds between a Company subsidiary and the Company.

In connection with the above, the Company also entered into a letter agreement, dated December 23, 2024, with the holders of its outstanding Convertible Promissory Notes (as defined below), regarding the payoff such Convertible Promissory Notes in the full principal amount of \$5,000,000, plus accrued interest through the payoff date. In connection with the early payoff, the holders of the Convertible Promissory Notes (i) waived all rights to receive the Prepayment Premium (as defined in the Convertible Promissory Notes) and (ii) agreed, along with their affiliates, to not sell any of the Company’s Common Stock until at least December 1, 2025. The Company expects to make the payoff of the Convertible Promissory Notes on or before December 31, 2024.

“Convertible Promissory Notes” means those certain Fourth Amended and Restated Convertible Promissory Notes Due 2025, Nos. 1 and No. 2, dated May 6, 2024, issued by the Company pursuant to that certain Note Purchase Agreement among the Company and the purchasers thereto, dated as of May 8, 2015, and which were to mature on May 9, 2025.

Also on December 20, 2024, the Company and George A. Mangiaracina, the Company’s current Chairman and Chief Executive Officer, executed an Employment Agreement (the “GM Agreement”), which has a term effective as of January 1, 2025 and ending on December 31, 2026. Similarly, on December 20, 2024, the Company and Joe Joffrion, the Company’s current SVP, General Counsel and Secretary, executed an Employment Agreement (the “JJ Agreement”), which has a term effective as of January 1, 2025 and ending on December 31, 2026. Executed copies of the GM Agreement and the JJ Agreement are attached to this disclosure statement.

Forward-Looking Statements

This disclosure contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements, some of which are based on various assumptions and events that are beyond our control, may be identified by reference to a future period or periods or by the use of forward-looking terminology, such as “may,” “capable,” “will,” “intends,” “believe,” “expect,” “likely,” “potentially,” “appear,” “should,” “could,” “seem to,” “anticipate,” “expectations,” “plan,” “ensure,” “desire,” or similar terms or variations on those terms or the negative of those terms. The forward-looking statements are based on current management expectations. Actual results may differ materially as a result of several factors, including, but not limited to the following: our continued ability to reach satisfactory resolution with our debt holders with respect to any default under our debt instruments; any adverse impact or disruption to the Company’s operations; changes in general economic and financial conditions (including federal monetary policy, interest rate changes, and inflation); increase in interest rates, inflation, and margin compression; ability to successfully implement and maintain a broker model; successful development, marketing, sale and financing of new and existing financial products; volatility in the mortgage industry; performance of third-party sub-servicers; our ability to manage personnel expenses, operational and technology support, and reduced marketing needs; increased competition in the mortgage lending and broker industry by larger or more efficient companies; issues and system risks related to our technology; ability to successfully create cost and product efficiencies through new technology including cyber risk and data security risk; more than expected increases in default rates or loss severities and mortgage related losses; ability to utilize existing financing and/or obtain additional financing through lending



facilities, debt or equity funding, strategic relationships or otherwise; the terms of any financing, whether debt or equity, that we do obtain and our expected use of proceeds from any financing; increase in loan repurchase requests and ability to adequately settle repurchase obligations; the outcome of any claims we are subject to, including any settlements of litigation or regulatory actions pending against us or other legal contingencies; and compliance with applicable local, state and federal laws and regulations.

This document speaks only as of its date and we do not undertake, and expressly disclaim any obligation, to release publicly the results of any revisions that may be made to any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements except as required by law.



ATTACHMENT 1

Employment Agreement – George A. Mangiaracina

KEY EXECUTIVE EMPLOYMENT AGREEMENT

This Key Executive Employment Agreement (“Agreement”), dated December 20, 2024, is effective January 1, 2025, between Impac Mortgage Holdings, Inc. (“IMH”), a Maryland corporation, (“Employer”) and George A. Mangiaracina (“Employee” and referred to with IMH as the “Parties”, or each being a “Party”) on the following terms and conditions.

WHEREAS, Employer currently engages in the business of providing residential mortgage broker services to individuals;

WHEREAS, Employee currently serves as Chief Executive Officer (“CEO”) of Employer as well as being an officer of each of Employer’s subsidiaries;

WHEREAS, Employee and Employer were parties to an original Key Executive Employment Agreement, dated March 18, 2018, and all subsequent modifications thereto (the “Original Agreement”);

WHEREAS, the Parties intend that this Agreement shall, pursuant to Section 17 below, supersede the Original Agreement; and

WHEREAS, Employer desires to continue to employ Employee in order to obtain his specialized experience, abilities, and knowledge and is therefore willing to agree to the terms and conditions of his continued employment as set forth below.

NOW, THEREFORE, in consideration of the above recitals and of the mutual promises and conditions in this Agreement and for other valuable consideration, receipt of which is hereby acknowledged, it is agreed as follows:

1. Term of Employment. The term of Employee under this Agreement shall begin on the Effective Date and end on December 31, 2026 (the “Term”) and does not extend automatically.
2. Place of Employment. Unless the parties agree otherwise in writing, during the Term, Employee shall perform the services he is required to perform under this Agreement at Employer’s offices, located in Orange County, California; provided, however, that Employer may from time to time require Employee to travel temporarily to other locations on Employer’s business.
3. Duties.
 - a. Employer shall employ Employee as the CEO of Employer and its related subsidiaries, and Employee shall perform such duties as are customarily required of such position and as set forth in the Employer’s by-laws.
 - b. The employment relationship between the parties shall be governed by the general employment policies and practices of Employer, as they may be amended from time to time, including but not limited to those relating to protecting confidential information and assignment of inventions and those pertaining to legal compliance and business ethics;

provided, however, that when the terms of this Agreement differ from or conflict with Employer's general employment policies or practices, this Agreement shall control.

4. Outside Business Activities. During the Term, Employee (a) shall devote his full-time and best efforts to performing his duties to Employer's business and affairs, (b) shall devote such time, interest, and effort to the performance of this Agreement as may, in the view of Employer, be fairly and reasonably necessary and (c) shall not, directly or indirectly, whether as partner, employee, creditor, shareholder, or otherwise, promote, participate, or engage in any activity or other business competitive with Employer's business.

5. Base Salary. Employee shall receive for services rendered an annual base salary of \$750,000 ("Base Salary") payable on a semi-monthly basis in accordance with Employer's normal payroll practices, subject to all applicable tax withholdings and other authorized deductions.

6. Bonus Compensation. In addition to the base salary, Employer will be eligible to receive the following Bonus Compensation, subject to all applicable tax withholdings and other authorized deductions:

a. *Discretionary Annual Bonus*. Employee will be eligible for a discretionary annual bonus ("Discretionary Annual Bonus"). The amount of each Discretionary Annual Bonus, if any, will be in the complete and sole discretion of the Board of Directors ("Board") of Employer, but shall have a target amount equal to 100% of Employee's Base Salary. The Board shall determine the Discretionary Annual Bonus amount and communicate such amount to Employee no later than December 31 of the calendar year upon which it is based. Any such Discretionary Annual Bonus amount shall be paid no later than the second pay period of January in the following calendar year; provided, however, that in the event this Agreement is not extended past December 31, 2026, then any Discretionary Annual Bonus for calendar year 2026 shall be determined by the Board, communicated, and paid no later than December 22, 2026. In order to be eligible for a Discretionary Annual Bonus the Employee must be actively employed by Employer on December 31 of the year for which such Discretionary Annual Bonus is declared.

b. *Restructuring Success Bonus*. In the event that the Employer reorganizes under the United States Bankruptcy Code pursuant to a confirmed plan that is approved by the Court and goes into effect prior to December 1, 2025, and Employee remains actively employed by Employer through the effective date of such plan, Employee shall be entitled to receive a payment in the amount of \$750,000, which shall be paid on the first pay period following the effective date of the plan.

7. Additional Benefits. During the Term, Employee shall be entitled to receive all other benefits of employment generally available to Employer's other employees, including, medical, dental, life, and disability insurance benefits (the "Benefits"). Employer reserves the right to modify, suspend, or discontinue any and all of the above benefit plans, policies, and practices at any time without notice to or recourse by Employee, as long as such action is taken generally with respect to other similarly situated persons and does not single out Employee.

8. Expense Reimbursement. During the Term, Employer shall reimburse Employee promptly for reasonable and necessary business expenses made and substantiated in accordance with applicable law and the policies and procedures established from time to time by Employer with respect to Employer's other employees.

9. Termination of Employment; Termination Date. The date on which Employee's employment by Employer is deemed to have ceased, as defined in the provisions below (or upon the Term of this Agreement being reached), is referred to as the "Termination Date."

10. Termination Without Cause With Severance Payment.

a. Employer may terminate Employee without Cause (as defined herein) by providing Employee with written notice thereof.

b. If Employee's employment is terminated under this Section 10, Employer shall (1) make a severance payment to Employee in the gross amount of \$750,000 ("Severance Payment"), (2) pay to Employee any unpaid amounts for all accrued Base Salary and Benefits under benefit plans of Employer through the Termination Date, which for purposes of this Section shall be the date specified in the notice from Employer, and (3) pay the COBRA premiums for the group health, dental and/or vision insurance coverage that was in effect for Employee and his family immediately prior to the Termination Date until the earlier of six (6) months after the Termination Date or the date such COBRA coverage expires. To receive the benefits under this Section (other than accrued Base Salary and Benefits through the Termination Date), Employee must execute a general release in favor of Employer in a form acceptable to Employer no later than sixty (60) days after the Termination Date.

c. Except as otherwise provided in this Section, after the Termination Date, Employer shall not pay to Employee any other compensation or payment of any kind. Additionally, except as otherwise provided in this Section, all other benefits provided by Employer to Employee under this Agreement or otherwise shall cease as of the Termination Date.

d. The payments to be paid under clauses (1) and (3) of Section 10.b. shall be paid, with respect to the Severance Payment, in a lump sum within fourteen (14) days after the general release becomes final, binding and irrevocable. Any COBRA payments previously made by Employer shall be reimbursed to Employee following the payment of the Severance Payment, and Employer shall thereafter make any other additional required COBRA payments in accordance with clause 3. If the general release does not become final, binding and irrevocable within sixty-four (64) days after the Termination Date, Employee shall not be entitled to receive any payment pursuant to Section 10.b (other than accrued Base Salary and Benefits through the Termination Date).

11. Termination for Cause by Employer.

a. *Termination; Payment of Accrued Salary and Benefits.* Employer may terminate Employee's employment with Employer at any time for Cause (as defined below); provided, however, that except with respect to a termination of employment due to Employee's death or Disability (as defined in Section 12.b.vi. below) (1) Employer shall give written notice specifying the circumstances upon which a determination of Cause has been made, and (2) Employee shall have a 30-day period to cure such circumstances, if they are curable. The Board may proceed with a termination pursuant to this Section in the event the Employee does not cure the specified circumstances within the 30-day period. In that event, Employee shall not be entitled to the benefits described in Section 10.b., and Employee shall only receive payment for all accrued salary and benefits under Employer's benefit plans through the Termination Date, which for purposes of this Section shall be the date on which notice of termination is given. Employer shall have no further obligation to pay any compensation of any kind (including, without limitation, any incentive compensation or portion of incentive compensation that otherwise may have become due and payable to Employee with respect to the year in which such Termination Date occurs, which for purposes of this Agreement shall be the date specified in Employer's notice) or severance payment of any kind or to make any payment in lieu of notice except as specified in Section 11.c. herein. All benefits provided by Employer to Employee under this Agreement or otherwise shall cease on the Termination Date.

b. *Definition of Cause.* "Cause" means the occurrence or existence of any of the following with respect to Employee, as determined by an affirmative majority vote of Employer's Board (with Employee recusing themselves if Employee is also a member of the Board):

i. Employee is convicted of (or pleads nolo contendere to (A) a crime of dishonesty or breach of trust, including such a crime involving either the property of Employer (or any affiliate, subsidiary, or related entity of Employer) or, the property entrusted to Employer (or any affiliate, subsidiary, or related entity of Employer) by its clients, including fraud, or embezzlement or other misappropriation of funds belonging to Employer (or any affiliate, subsidiary, or related entity of Employer) or any of their respective clients, or (B) a felony leading to incarceration of more than ninety (90) days or the payment of a penalty or fine of \$100,000 or more;

ii. Employee materially and substantially fails to perform Employee's job duties properly assigned to Employee after being provided thirty (30) days prior written notification by the Board of Employer setting forth those duties that are not being performed by Employee; provided that Employee shall have a reasonable time to correct any such failures to the extent that such failures are correctable and Employer may not terminate Employee for "cause" on the basis of any such failure that is cured with a reasonable time;

iii. Employee has engaged in willful misconduct or gross negligence in connection with his service to Employer (or any affiliate, subsidiary, or related entity of Employer) that has caused or is causing material harm to Employer (or any affiliate, subsidiary, or related entity of Employer);

iv. Employee's material breach of any of the terms of this Agreement or any other obligation that Employee owes to Employer (or any affiliate, subsidiary, or related entity of Employer), including a material breach of trust or fiduciary duty or material breach of any proprietary right and inventions or confidentiality agreement between Employer and Employee (or between Employee and any affiliate, subsidiary, or related entity of Employer) (as such agreements may be adopted or amended from time to time by Employer and Employee);

v. the death of Employee;

vi. Employee is declared legally incompetent or has a mental or physical condition that can reasonably be expected to prevent Employee from carrying out his essential duties and obligations under this Agreement with reasonable accommodation to the extent requirement by law for a period of greater than ninety (90 days) ("Disability").

c. If Employee's Termination is due to his death or Disability as set forth in 11.b., Employee, or his estate, shall be entitled to, in addition to whatever rights and benefits he has hereunder, any earned but unpaid Discretionary Annual Bonus.

12. Termination on Resignation. Employee may voluntarily terminate his employment with Employer at any time on thirty (30) days' prior written notice. If Employee provides such notice, Employer, at its discretion, may accelerate the termination of Employee's employment to any date after receipt of such notice from Employee and before the date of the termination specified in such notice from Employee. Any acceleration of the termination of Employee's employment shall be effective on written notice being delivered to Employee by Employer. On any such acceleration by Employer, Employee shall not be entitled to any payment in lieu of notice. If Employee's employment is terminated under this Section 12, Employee shall receive payment for all accrued salary and benefits under Employer's benefit plans through the Termination Date, which for purposes of this Section shall be the earlier of (a) the date on which the thirty (30) days referred to above expires, (b) the date to which Employer elects to accelerate the termination of Employee's employment, or (c) the date on which Employee ceases performing duties under this Agreement. Employer shall have no further obligation to pay compensation of any kind (including without limitation any incentive compensation or portion of incentive compensation that may otherwise have become due and payable to Employee with respect to the year in which the Termination Date occurs, which for these purposes shall be the date specified in Employer's notice) or severance payment of any kind or to make any payment in lieu of notice. All benefits provided by Employer to Employee under this Agreement or otherwise shall cease on the Termination Date.

13. Employer's Right to Assign Agreement. In the event of a merger in which Employer is not the surviving entity, or of a sale of all or substantially all of Employer's assets, Employer may, at its sole option, assign this Agreement and all rights and obligations under it to any business entity that succeeds to all or substantially all of the Employer's business through that merger or sale of assets except that Employee may exercise his right to terminate this Agreement as provided for herein for Cause.

14. Rights and Obligation After Notice of Termination. If Employee gives notice of termination of this Agreement under Sections 11 or 13, above, or if it becomes known that this Agreement will otherwise terminate in accordance with its provisions, Employer may, in its sole discretion and subject to its other obligations under this Agreement, relieve Employee of his duties under this Agreement.

15. Duty of Cooperation After Termination. Employee agrees to cooperate with Employer, during the term of this Agreement and 180 days thereafter (including following Employee's termination of employment for any reason), by being reasonably available to testify at the request of Employer or any subsidiary or affiliate in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and to assist Employer, or any subsidiary or affiliate, in any such action, suit, or proceeding by providing information and meeting and consulting with Employer, or representatives of or counsel to Employer, or any subsidiary or affiliate, as reasonably requested. Employer agrees to reimburse Employee for all expenses actually incurred in connection with Employee's provision of testimony or assistance (including attorney fees incurred in connection therewith) on submission of appropriate documentation to Employer.

16. Dispute Resolution and Binding Arbitration.

a. Employee and Employer agree that any dispute that arises out of or relates to Employee's employment relationship with Employer, the termination of that employment relationship, or the validity, enforceability, or breach of this Agreement (including this Section 17) shall be submitted to binding arbitration in accordance with the Federal Arbitration Act. For the purposes of this Section 17, "Employer" includes any of its affiliates, successors, subsidiaries, or parent companies and any present or former officer, director, employee, agent, attorney, or insurer of Employer. Nothing in this Section 17 shall prevent Employee from filing or maintaining a claim for workers' compensation, state disability insurance, or unemployment insurance benefits, and nothing in this Section 17 shall be construed to prevent or excuse Employee or Employer from, using existing internal procedures for the resolution of complaints. Employee may bring claims before administrative agencies when the law permits the agency to adjudicate those claims, even when there is an agreement to arbitrate, such as a claim with the United States Equal Employment Opportunity Commission (or comparable state agency). Nothing in this Section 17 shall require arbitration of disputes that are excluded from coverage by this Section 17 or by law.

b. Employer and Employee agree that any dispute in arbitration will be brought on an individual basis only, and not on a class, collective, or representative basis on behalf of others.

c. The parties each expressly waive the right to a jury trial and agree that the arbitrator's award shall be final and binding on the parties. The arbitrator shall have discretion to award monetary and other damages, or to award no damages, and to fashion any other relief that the arbitrator considers appropriate, but only to the extent consistent with applicable law. The parties expressly agree that the arbitrator shall have discretion to award the prevailing party reasonable costs and attorney fees incurred in bringing or defending an action under this Section 17, to the fullest extent allowed by applicable law at the time the arbitration commences. Judgment may be entered on the arbitrator's decision in any court having jurisdiction.

d. Employer agrees to pay all costs and expenses unique to arbitration, including the arbitrator's fees.

17. Integration. This Agreement contains the entire agreement between the parties and supersedes all prior or contemporaneous oral and written agreements, understandings, commitments, and practices between them, including all prior employment agreements, whether or not fully performed by Employee before the date of this Agreement. Without limiting the generality of the foregoing, except as provided in this Agreement, all understandings and agreements, written or oral, relating to Employee's employment by Employer or Employer's payment of any compensation or provision of any benefit in connection therewith or otherwise are hereby terminated and shall be of no future force or effect. Employee represents and warrants that Employee is not relying on any representations made before or outside of this Agreement. No oral modifications, express or implied, may alter or vary the terms of this Agreement. No amendments to this Agreement may be made except by a writing signed by an Officer of Employer and Employee, following Board approval. No employee is authorized to alter or vary the terms of this Agreement except by written agreement by the Officer of Employer, following Board approval. Any representations contrary to this Agreement, express or implied, written or oral, made after the date of this Agreement are hereby disclaimed.

18. Choice of Law. This agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of California, without giving effect to the conflict of laws provisions thereof, with the exception of any claims that may be governed by federal law, such as claims governed by the Federal Arbitration Act or the Employee Retirement Income Security Act.

19. Notices. Any notice to Employer required or permitted under this Agreement shall be given in writing to Employer, either by personal delivery (including personal delivery by e-mail) or by registered or certified mail, postage prepaid, addressed to the General Counsel at Employer's then principal place of business. Any such notice to Employee shall be given in a like manner and, if mailed, shall be addressed to Employee at his home address then shown in Employer's files. For the purpose of determining compliance with any time limit in this Agreement, a notice shall be deemed to have been duly given (a) on the date of delivery, if delivered personally to the party to whom notice is to be given (including personal delivery by e-mail), or (b) on the third business day after mailing, if mailed to the party to whom the notice is to be given in the manner provided in this Section 28.

20. Severability. If any provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall nevertheless remain in full force and effect. If any provision is held invalid or unenforceable with respect to particular circumstances, it shall nevertheless remain in full force and effect in all other circumstances.

21. Employee's Representations. Employee represents and warrants that he is not restricted, contractually or otherwise, from entering into this Agreement. Employee also warrants that he will not use or disclose any of his former employers' trade secrets, confidential information or proprietary information in the course of his employment by Employer.

22. Counterparts. This Agreement may be executed on separate copies, any one of which need not contain signatures of more than one party but all of which taken together shall constitute one and the same Agreement.

23. Successors and Assigns. This Agreement is intended to bind and inure to the benefit of and be enforceable by Employee and Employer and their respective successors and assigns, except that Employee may not assign any of his rights or duties under this Agreement without Employer's prior written consent.

24. Attorney Fees. If any legal proceeding is necessary to enforce or interpret the terms of this Agreement or to recover damages for breach of this Agreement, the prevailing party shall be entitled to reasonable attorney fees as well as reasonable costs and disbursements (including expert witness fees), in addition to any other relief to which the prevailing party may be entitled.


25. Amendments. No amendments or other modifications to this Agreement may be made except by a writing signed by both parties.

26. No Third-Party Rights Conferred. Except for Employee's estate as set forth above, and any successor of Employer as set forth above, nothing in this Agreement, express or implied, is intended to confer on any third person any rights or remedies under or because of this Agreement. There are no third-party beneficiaries of this Agreement.

27. Non-Disparagement. During and after Employee's employment Employee shall make no disparaging comments, oral or written, directly, indirectly or by innuendo about the business or operations of the Company.

Executed by the parties on the date first above written.

EMPLOYEE:



George A. Mangiaracina

EMPLOYER:

Impac Mortgage Holdings, Inc.
a Maryland corporation

By: 

Name: Joe Joffrion
Its: SVP, General Counsel & Secretary



ATTACHMENT 2

Employment Agreement – Joe Joffrion

KEY EXECUTIVE EMPLOYMENT AGREEMENT

This Key Executive Employment Agreement (“Agreement”), dated December 20, 2024, is effective January 1, 2025, between Impac Mortgage Holdings, Inc. (“IMH”), a Maryland corporation, (“Employer”) and Joe Joffrion (“Employee” and referred to with IMH as the “Parties”, or each being a “Party”) on the following terms and conditions.

WHEREAS, Employer currently engages in the business of providing residential mortgage broker services to individuals;

WHEREAS, Employee currently serves as SVP, General Counsel and Secretary of Employer as well as being an officer of each of Employer’s subsidiaries;

WHEREAS, Employee and Employer are parties to an original offer letter and side memorandum (dated October 7, 2020) (“Original Agreement”);

WHEREAS, the Parties intend that this Agreement shall, pursuant to Section 17 below, supersede the Original Agreement; and

WHEREAS, Employer desires to continue to employ Employee in order to obtain his specialized experience, abilities, and knowledge and is therefore willing to agree to the terms and conditions of his continued employment as set forth below.

NOW, THEREFORE, in consideration of the above recitals and of the mutual promises and conditions in this Agreement and for other valuable consideration, receipt of which is hereby acknowledged, it is agreed as follows:

1. Term of Employment. The term of Employee under this Agreement shall begin on the Effective Date and end on December 31, 2026 (the “Term”) and does not extend automatically.

2. Place of Employment. Unless the parties agree otherwise in writing, during the Term, Employee shall perform the services he is required to perform under this Agreement at Employer’s offices, located in Orange County, California; provided, however, that Employer may from time to time require Employee to travel temporarily to other locations on Employer’s business.

3. Duties.

a. Employer shall employ Employee as the SVP, General Counsel and Secretary of Employer and its related subsidiaries, and Employee shall perform such duties as are customarily required of such position and as set forth in the Employer’s by-laws.

b. The employment relationship between the parties shall be governed by the general employment policies and practices of Employer, as they may be amended from time to time, including but not limited to those relating to protecting confidential information and assignment of inventions and those pertaining to legal compliance and business ethics; provided, however, that when the terms of this Agreement differ from or conflict with Employer’s general employment policies or practices, this Agreement shall control.

4. Outside Business Activities. During the Term, Employee (a) shall devote his full-time and best efforts to performing his duties to Employer's business and affairs, (b) shall devote such time, interest, and effort to the performance of this Agreement as may, in the view of Employer, be fairly and reasonably necessary and (c) shall not, directly or indirectly, whether as partner, employee, creditor, shareholder, or otherwise, promote, participate, or engage in any activity or other business competitive with Employer's business.

5. Base Salary. Employee shall receive for services rendered an annual base salary of \$360,000 ("Base Salary") payable on a semi-monthly basis in accordance with Employer's normal payroll practices, subject to all applicable tax withholdings and other authorized deductions.

6. Bonus Compensation. In addition to the base salary, Employee will be eligible to receive the following Bonus Compensation, subject to all applicable tax withholdings and other authorized deductions:

a. *Discretionary Annual Bonus.* Employee will be eligible for a discretionary annual bonus ("Discretionary Annual Bonus"). The amount of each Discretionary Annual Bonus, if any, will be in the complete and sole discretion of the Board of Directors ("Board") of Employer, but shall have a target amount equal to 100% of Employee's Base Salary. The Board shall determine the Discretionary Annual Bonus amount and communicate such amount to Employee no later than December 31 of the calendar year upon which it is based. Any such Discretionary Annual Bonus amount shall be paid no later than the second pay period of January in the following calendar year; provided, however, that in the event this Agreement is not extended past December 31, 2026, then any Discretionary Annual Bonus for calendar year 2026 shall be determined by the Board, communicated, and paid no later than December 22, 2026. In order to be eligible for a Discretionary Annual Bonus the Employee must be actively employed by Employer on December 31 of the year for which such Discretionary Annual Bonus is declared.

b. *Restructuring Success Bonus.* In the event that the Employer reorganizes under the United States Bankruptcy Code pursuant to a confirmed plan that is approved by the Court and goes into effect prior to December 1, 2025, and Employee remains actively employed by Employer through the effective date of such plan, Employee shall be entitled to receive a payment in the amount of \$360,000, which shall be paid on the first pay period following the effective date of the plan.

7. Additional Benefits. During the Term, Employee shall be entitled to receive all other benefits of employment generally available to Employer's other employees, including, medical, dental, life, and disability insurance benefits (the "Benefits"). Employer reserves the right to modify, suspend, or discontinue any and all of the above benefit plans, policies, and practices at any time without notice to or recourse by Employee, as long as such action is taken generally with respect to other similarly situated persons and does not single out Employee.

8. Expense Reimbursement. During the Term, Employer shall reimburse Employee promptly for reasonable and necessary business expenses made and substantiated in accordance with applicable law and the policies and procedures established from time to time by Employer with respect to Employer's other employees.

9. Termination of Employment; Termination Date. The date on which Employee's employment by Employer is deemed to have ceased, as defined in the provisions below (or upon the Term of this Agreement being reached), is referred to as the "Termination Date."

10. Termination Without Cause With Severance Payment.

a. Employer may terminate Employee without Cause (as defined herein) by providing Employee with written notice thereof.

b. If Employee's employment is terminated under this Section 10, Employer shall (1) make a severance payment to Employee in the gross amount of \$360,000 ("Severance Payment"), (2) pay to Employee any unpaid amounts for all accrued Base Salary and Benefits under benefit plans of Employer through the Termination Date, which for purposes of this Section shall be the date specified in the notice from Employer, and (3) pay the COBRA premiums for the group health, dental and/or vision insurance coverage that was in effect for Employee and his family immediately prior to the Termination Date until the earlier of six (6) months after the Termination Date or the date such COBRA coverage expires. To receive the benefits under this Section (other than accrued Base Salary and Benefits through the Termination Date), Employee must execute a general release in favor of Employer in a form acceptable to Employer no later than sixty (60) days after the Termination Date.

c. Except as otherwise provided in this Section, after the Termination Date, Employer shall not pay to Employee any other compensation or payment of any kind. Additionally, except as otherwise provided in this Section, all other benefits provided by Employer to Employee under this Agreement or otherwise shall cease as of the Termination Date.

d. The payments to be paid under clauses (1) and (3) of Section 10.b. shall be paid, with respect to the Severance Payment, in a lump sum within fourteen (14) days after the general release becomes final, binding and irrevocable. Any COBRA payments previously made by Employee shall be reimbursed to Employee following the payment of the Severance Payment, and Employer shall thereafter make any other additional required COBRA payments in accordance with clause 3. If the general release does not become final, binding and irrevocable within sixty-four (64) days after the Termination Date, Employee shall not be entitled to receive any payment pursuant to Section 10.b (other than accrued Base Salary and Benefits through the Termination Date).

11. Termination for Cause by Employer.

a. *Termination; Payment of Accrued Salary and Benefits.* Employer may terminate Employee's employment with Employer at any time for Cause (as defined below);

provided, however, that except with respect to a termination of employment due to Employee's death or Disability (as defined in Section 12.b.vi. below) (1) Employer shall give written notice specifying the circumstances upon which a determination of Cause has been made, and (2) Employee shall have a 30-day period to cure such circumstances, if they are curable. The Board may proceed with a termination pursuant to this Section in the event the Employee does not cure the specified circumstances within the 30-day period. In that event, Employee shall not be entitled to the benefits described in Section 10.b., and Employee shall only receive payment for all accrued salary and benefits under Employer's benefit plans through the Termination Date, which for purposes of this Section shall be the date on which notice of termination is given. Employer shall have no further obligation to pay any compensation of any kind (including, without limitation, any incentive compensation or portion of incentive compensation that otherwise may have become due and payable to Employee with respect to the year in which such Termination Date occurs, which for purposes of this Agreement shall be the date specified in Employer's notice) or severance payment of any kind or to make any payment in lieu of notice except as specified in Section 11.c. herein. All benefits provided by Employer to Employee under this Agreement or otherwise shall cease on the Termination Date.

b. *Definition of Cause.* "Cause" means the occurrence or existence of any of the following with respect to Employee, as determined by an affirmative majority vote of Employer's Board (with Employee recusing themselves if Employee is also a member of the Board):

i. Employee is convicted of (or pleads nolo contendere to (A) a crime of dishonesty or breach of trust, including such a crime involving either the property of Employer (or any affiliate, subsidiary, or related entity of Employer) or, the property entrusted to Employer (or any affiliate, subsidiary, or related entity of Employer) by its clients, including fraud, or embezzlement or other misappropriation of funds belonging to Employer (or any affiliate, subsidiary, or related entity of Employer) or any of their respective clients, or (B) a felony leading to incarceration of more than ninety (90) days or the payment of a penalty or fine of \$100,000 or more;

ii. Employee materially and substantially fails to perform Employee's job duties properly assigned to Employee after being provided thirty (30) days prior written notification by the Board of Employer setting forth those duties that are not being performed by Employee; provided that Employee shall have a reasonable time to correct any such failures to the extent that such failures are correctable and Employer may not terminate Employee for "cause" on the basis of any such failure that is cured with a reasonable time;

iii. Employee has engaged in willful misconduct or gross negligence in connection with his service to Employer (or any affiliate, subsidiary, or related entity of Employer) that has caused or is causing material harm to Employer (or any affiliate, subsidiary, or related entity of Employer);

iv. Employee's material breach of any of the terms of this Agreement or any other obligation that Employee owes to Employer (or any affiliate, subsidiary, or related entity of Employer), including a material breach of trust or fiduciary duty or material breach of any proprietary right and inventions or confidentiality agreement between Employer and Employee (or between Employee and any affiliate, subsidiary, or related entity of Employer) (as such agreements may be adopted or amended from time to time by Employer and Employee);

v. the death of Employee;

vi. Employee is declared legally incompetent or has a mental or physical condition that can reasonably be expected to prevent Employee from carrying out his essential duties and obligations under this Agreement with reasonable accommodation to the extent requirement by law for a period of greater than ninety (90 days) ("Disability").

c. If Employee's Termination is due to his death or Disability as set forth in 11.b., Employee, or his estate, shall be entitled to, in addition to whatever rights and benefits he has hereunder, any earned but unpaid Discretionary Annual Bonus.

12. Termination on Resignation. Employee may voluntarily terminate his employment with Employer at any time on thirty (30) days' prior written notice. If Employee provides such notice, Employer, at its discretion, may accelerate the termination of Employee's employment to any date after receipt of such notice from Employee and before the date of the termination specified in such notice from Employee. Any acceleration of the termination of Employee's employment shall be effective on written notice being delivered to Employee by Employer. On any such acceleration by Employer, Employee shall not be entitled to any payment in lieu of notice. If Employee's employment is terminated under this Section 12, Employee shall receive payment for all accrued salary and benefits under Employer's benefit plans through the Termination Date, which for purposes of this Section shall be the earlier of (a) the date on which the thirty (30) days referred to above expires, (b) the date to which Employer elects to accelerate the termination of Employee's employment, or (c) the date on which Employee ceases performing duties under this Agreement. Employer shall have no further obligation to pay compensation of any kind (including without limitation any incentive compensation or portion of incentive compensation that may otherwise have become due and payable to Employee with respect to the year in which the Termination Date occurs, which for these purposes shall be the date specified in Employer's notice) or severance payment of any kind or to make any payment in lieu of notice. All benefits provided by Employer to Employee under this Agreement or otherwise shall cease on the Termination Date.

13. Employer's Right to Assign Agreement. In the event of a merger in which Employer is not the surviving entity, or of a sale of all or substantially all of Employer's assets, Employer may, at its sole option, assign this Agreement and all rights and obligations under it to any business entity that succeeds to all or substantially all of the Employer's business through that merger or sale of assets except that Employee may exercise his right to terminate this Agreement as provided for herein for Cause.

14. Rights and Obligation After Notice of Termination. If Employee gives notice of termination of this Agreement under Sections 11 or 13, above, or if it becomes known that this Agreement will otherwise terminate in accordance with its provisions, Employer may, in its sole discretion and subject to its other obligations under this Agreement, relieve Employee of his duties under this Agreement.

15. Duty of Cooperation After Termination. Employee agrees to cooperate with Employer, during the term of this Agreement and 180 days thereafter (including following Employee's termination of employment for any reason), by being reasonably available to testify at the request of Employer or any subsidiary or affiliate in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and to assist Employer, or any subsidiary or affiliate, in any such action, suit, or proceeding by providing information and meeting and consulting with Employer, or representatives of or counsel to Employer, or any subsidiary or affiliate, as reasonably requested. Employer agrees to reimburse Employee for all expenses actually incurred in connection with Employee's provision of testimony or assistance (including attorney fees incurred in connection therewith) on submission of appropriate documentation to Employer.

16. Dispute Resolution and Binding Arbitration.

a. Employee and Employer agree that any dispute that arises out of or relates to Employee's employment relationship with Employer, the termination of that employment relationship, or the validity, enforceability, or breach of this Agreement (including this Section 17) shall be submitted to binding arbitration in accordance with the Federal Arbitration Act. For the purposes of this Section 17, "Employer" includes any of its affiliates, successors, subsidiaries, or parent companies and any present or former officer, director, employee, agent, attorney, or insurer of Employer. Nothing in this Section 17 shall prevent Employee from filing or maintaining a claim for workers' compensation, state disability insurance, or unemployment insurance benefits, and nothing in this Section 17 shall be construed to prevent or excuse Employee or Employer from, using existing internal procedures for the resolution of complaints. Employee may bring claims before administrative agencies when the law permits the agency to adjudicate those claims, even when there is an agreement to arbitrate, such as a claim with the United States Equal Employment Opportunity Commission (or comparable state agency). Nothing in this Section 17 shall require arbitration of disputes that are excluded from coverage by this Section 17 or by law.

b. Employer and Employee agree that any dispute in arbitration will be brought on an individual basis only, and not on a class, collective, or representative basis on behalf of others.

c. The parties each expressly waive the right to a jury trial and agree that the arbitrator's award shall be final and binding on the parties. The arbitrator shall have discretion to award monetary and other damages, or to award no damages, and to fashion any other relief that the arbitrator considers appropriate, but only to the extent consistent

with applicable law. The parties expressly agree that the arbitrator shall have discretion to award the prevailing party reasonable costs and attorney fees incurred in bringing or defending an action under this Section 17, to the fullest extent allowed by applicable law at the time the arbitration commences. Judgment may be entered on the arbitrator's decision in any court having jurisdiction.

d. Employer agrees to pay all costs and expenses unique to arbitration, including the arbitrator's fees.

17. Integration. This Agreement contains the entire agreement between the parties and supersedes all prior or contemporaneous oral and written agreements, understandings, commitments, and practices between them, including all prior employment agreements, whether or not fully performed by Employee before the date of this Agreement. Without limiting the generality of the foregoing, except as provided in this Agreement, all understandings and agreements, written or oral, relating to Employee's employment by Employer or Employer's payment of any compensation or provision of any benefit in connection therewith or otherwise are hereby terminated and shall be of no future force or effect. Employee represents and warrants that Employee is not relying on any representations made before or outside of this Agreement. No oral modifications, express or implied, may alter or vary the terms of this Agreement. No amendments to this Agreement may be made except by a writing signed by an Officer of Employer and Employee, following Board approval. No employee is authorized to alter or vary the terms of this Agreement except by written agreement by the Officer of Employer, following Board approval. Any representations contrary to this Agreement, express or implied, written or oral, made after the date of this Agreement are hereby disclaimed.

18. Choice of Law. This agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of California, without giving effect to the conflict of laws provisions thereof, with the exception of any claims that may be governed by federal law, such as claims governed by the Federal Arbitration Act or the Employee Retirement Income Security Act.

19. Notices. Any notice to Employer required or permitted under this Agreement shall be given in writing to Employer, either by personal delivery (including personal delivery by e-mail) or by registered or certified mail, postage prepaid, addressed to the General Counsel at Employer's then principal place of business. Any such notice to Employee shall be given in a like manner and, if mailed, shall be addressed to Employee at his home address then shown in Employer's files. For the purpose of determining compliance with any time limit in this Agreement, a notice shall be deemed to have been duly given (a) on the date of delivery, if delivered personally to the party to whom notice is to be given (including personal delivery by e-mail), or (b) on the third business day after mailing, if mailed to the party to whom the notice is to be given in the manner provided in this Section 28.

20. Severability. If any provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall nevertheless remain in full force and effect. If any provision is held invalid or unenforceable with respect to particular circumstances, it shall nevertheless remain in full force and effect in all other circumstances.

21. Employee's Representations. Employee represents and warrants that he is not restricted, contractually or otherwise, from entering into this Agreement. Employee also warrants that he will not use or disclose any of his former employers' trade secrets, confidential information or proprietary information in the course of his employment by Employer.

22. Counterparts. This Agreement may be executed on separate copies, any one of which need not contain signatures of more than one party but all of which taken together shall constitute one and the same Agreement.

23. Successors and Assigns. This Agreement is intended to bind and inure to the benefit of and be enforceable by Employee and Employer and their respective successors and assigns, except that Employee may not assign any of his rights or duties under this Agreement without Employer's prior written consent.

24. Attorney Fees. If any legal proceeding is necessary to enforce or interpret the terms of this Agreement or to recover damages for breach of this Agreement, the prevailing party shall be entitled to reasonable attorney fees as well as reasonable costs and disbursements (including expert witness fees), in addition to any other relief to which the prevailing party may be entitled.

25. Amendments. No amendments or other modifications to this Agreement may be made except by a writing signed by both parties.

26. No Third-Party Rights Conferred. Except for Employee's estate as set forth above, and any successor of Employer as set forth above, nothing in this Agreement, express or implied, is intended to confer on any third person any rights or remedies under or because of this Agreement. There are no third-party beneficiaries of this Agreement.

27. Non-Disparagement. During and after Employee's employment Employee shall make no disparaging comments, oral or written, directly, indirectly or by innuendo about the business or operations of the Company.

Executed by the parties on the date first above written.

EMPLOYEE:



Joe Joffrion

EMPLOYER:

Impac Mortgage Holdings, Inc.
a Maryland corporation

By: 

Name: George A. Mangiaracina
Its: Chief Executive Officer