

**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): **November 29, 2017**

Farmer Bros. Co.

(Exact Name of Registrant as Specified in Charter)

Delaware

(State or Other Jurisdiction
of Incorporation)

001-34249

(Commission File Number)

95-0725980

(I.R.S. Employer
Identification No.)

1912 Farmer Brothers Drive, Northlake, Texas 76262

(Address of Principal Executive Offices)

(888) 998-2468

(Registrant's Telephone Number, Including Area Code)

None

(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. ☐

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

On November 29, 2017, the Compensation Committee of the Board of Directors of Farmer Bros. Co., a Delaware corporation (the “Company”), approved the following forms of award agreements to be used in connection with various awards under the Farmer Bros. Co. 2017 Long-Term Incentive Plan, which forms are filed herewith as Exhibits 10.1, 10.2, 10.3 and 10.4, respectively, and incorporated herein by reference:

- Form of Stock Option Award Agreement;
- Form of Restricted Stock Unit Award Agreement;
- Form of Restricted Stock Grant Agreement (Directors); and
- Form of Restricted Stock Grant Agreement (Employees).

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
10.1	<u>Form of Farmer Bros. Co. 2017 Long-Term Incentive Plan Stock Option Award Agreement.</u>
10.2	<u>Form of Farmer Bros. Co. 2017 Long-Term Incentive Plan Restricted Stock Unit Award Agreement.</u>
10.3	<u>Form of Farmer Bros. Co. 2017 Long-Term Incentive Plan Restricted Stock Grant Agreement (Directors).</u>
10.4	<u>Form of Farmer Bros. Co. 2017 Long-Term Incentive Plan Restricted Stock Grant Agreement (Employees).</u>

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.

Dated: **December 4, 2017**

FARMER BROS. CO.

By: /s/ David G. Robson

David G. Robson

Treasurer and Chief Financial Officer

EXHIBIT INDEX

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10.1	<u>Form of Farmer Bros. Co. 2017 Long-Term Incentive Plan Stock Option Award Agreement.</u>
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10.3	<u>Form of Farmer Bros. Co. 2017 Long-Term Incentive Plan Restricted Stock Grant Agreement (Directors).</u>
10.4	<u>Form of Farmer Bros. Co. 2017 Long-Term Incentive Plan Restricted Stock Grant Agreement (Employees).</u>

**FORM OF
FARMER BROS. CO.
2017 LONG-TERM INCENTIVE PLAN
STOCK OPTION AWARD AGREEMENT**

Farmer Bros. Co. (the “**Company**”) has granted to the participant listed below (“**Participant**”) the stock option (the “**Option**”) described in this Stock Option Award Agreement (this “**Agreement**”), subject to the terms and conditions of this Agreement and the Farmer Bros. Co. 2017 Long-Term Incentive Plan (as amended from time to time, the “**Plan**”), which is incorporated into this Agreement by reference. For purposes of this Agreement, references to the “**Company**” shall include any Subsidiary employer, as applicable. To the extent not defined herein, terms used in this Agreement which are defined in the Plan shall have the same meanings as set forth in the Plan.

Participant:

Grant Date:

Exercise Price per Share:

Shares Subject to the Option:

Final Expiration Date:

Type of Option:

Vesting Schedule:

Subject to and conditioned upon Participant’s continued employment with the Company through the applicable Vesting Date, and further subject to the terms and conditions of this Agreement and the Plan, the Option shall vest and become exercisable as follows:

Vesting Date	Percentage of Shares Subject to the Option Becoming Vested and Exercisable
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Notwithstanding the foregoing, the Option shall be subject to accelerated vesting in certain circumstances as provided in this Agreement.

In no event shall the Option vest and become exercisable for any additional Shares following Participant’s Termination of Service.

ELECTRONIC ACCEPTANCE OF AWARD:

By clicking on the “**ACCEPT**” box on the “**Accept Grant**” page, you agree to be bound by the terms and conditions of this Agreement and the Plan. You acknowledge that you have reviewed and fully understand all of the provisions of this Agreement and the Plan, and have had the opportunity to obtain advice of counsel prior to accepting the grant of the Option pursuant to this Agreement. You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan or relating to the Option.

ARTICLE I.
PERIOD OF EXERCISABILITY; VESTING; FORFEITURE

1.1 Commencement of Exercisability. The Option will vest and become exercisable according to the vesting schedule set forth above (the “**Vesting Schedule**”), except that any fraction of a Share as to which the Option would be vested or exercisable will be accumulated and will vest and become exercisable only when a whole Share has accumulated. Except as provided in Section 1.2 of this Agreement, or as otherwise provided for in the Plan or by the Administrator, the Option will immediately expire and be forfeited as to any portion that is not vested and exercisable as of Participant’s Termination of Service.

1.2 Termination of Service; Change in Control.

(a) Notwithstanding anything herein to the contrary, if Participant’s Termination of Service occurs by reason of death or Participant’s Disability, in each case, at any time prior to the final Vesting Date, subject to and conditioned upon Participant’s (or Participant’s guardian or estate, as applicable) timely execution of an effective release in a form prescribed by the Administrator, the Option shall vest and become fully exercisable as of the date of Participant’s Termination of Service.

(b) Effect of Change in Control. Notwithstanding anything to the contrary herein, in the event of a Change in Control, the following provisions shall apply:

(i) In the event of Participant’s Termination of Service by the Company without Cause (other than due to death or Disability) or by Participant for Good Reason, in either case, within twenty-four (24) months following a Change in Control, subject to and conditioned upon Participant’s timely execution of an effective release in a form prescribed by the Administrator, the Option shall become fully vested and exercisable as of the date of such Termination of Service and shall expire on the first to occur of (x) the Final Expiration Date and (y) the date that is six (6) months following such Termination of Service. For purposes of this Agreement, “**Good Reason**” shall have the meaning ascribed to it in Participant’s employment, services or similar agreement with the Company, and if no such agreement exists or such agreement does not contain a definition of “Good Reason”, then “**Good Reason**” shall mean the occurrence of any one or more of the following conditions without Participant’s consent: (i) a material diminution of Participant’s base salary, (ii) a material diminution in Participant’s authority, duties or responsibilities, or (iii) the requirement by the Company that Participant’s principal place of employment be based more than fifty (50) miles from Participant’s primary office location; provided, further, that, a termination for Good Reason will not have occurred unless Participant gives written notice to the Company of Participant’s intention to terminate employment within thirty (30) days after the occurrence of the event constituting Good Reason, specifying in reasonable detail the circumstances constituting Good Reason, and the Company has failed within thirty (30) days after receipt of such notice to cure the circumstances constituting Good Reason, and Participant terminates employment within sixty (60) days after the end of such thirty (30) day period.

(ii) In the event that the Option is not continued, converted, assumed, or replaced by the successor corporation or a parent or subsidiary of the successor corporation in a Change in Control, the Option shall become fully vested and exercisable immediately prior to the consummation of such Change in Control and shall remain outstanding until the Change in Control. The Administrator may condition such accelerated vesting upon Participant’s timely execution of an effective release and/or other transaction-related documents in a form or forms prescribed by the Company.

1.3 Duration of Exercisability. The vesting schedule is cumulative. Any portion of the Option which vests and becomes exercisable will remain vested and exercisable until the termination of the Option. The Option will be forfeited immediately upon its termination.

1.4 Termination of Option. The Option may not be exercised to any extent by anyone after, and will terminate and cease to be exercisable on, the first of the following to occur:

(a) The Final Expiration Date set forth in this Agreement;

(b) The expiration of ninety (90) days following the date of Participant's Termination of Service, unless Participant's Termination of Service is for Cause or by reason of Participant's death or Disability or Retirement;

(c) The expiration of one year following the date of Participant's death (whether such death occurs before or after Participant's Termination of Service) or Disability or Retirement. For purposes of this Agreement, "**Retirement**" shall mean a voluntary resignation by the Participant when the Participant meets or exceeds the following requirements: (i) the Participant has attained at least 55 years of age and (ii) the Participant has been an employee of the Company for at least ten years of consecutive service; or

(d) The date of Participant's Termination of Service for Cause.

ARTICLE II. EXERCISE OF OPTION

2.1 Person Eligible to Exercise. During the life of Participant, only Participant or a permitted transferee may exercise the Option. References to Participant, to the extent relevant in the context, will include references to any such transferee approved by the Administrator pursuant to the Plan. After Participant's death, any exercisable portion of the Option may, prior to the time the Option expires, be exercised by Participant's Designated Beneficiary to the extent permitted by the Company in accordance with the terms of the Plan.

2.2 Exercise. Any exercisable portion of the Option or the entire Option, if then wholly exercisable, may be exercised, in whole or in part, according to the procedures in the Plan at any time prior to the time the Option or portion thereof expires, except that the Option may only be exercised for whole Shares.

2.3 Payment of Exercise Price. Payment of the exercise price shall be by any of the following, or a combination thereof:

(a) By cash, check or wire transfer of immediately available funds; provided that the Company may limit the use of one of the foregoing methods if one or more of the methods below is permitted;

(b) Unless the Administrator otherwise determines, (i) delivery (including telephonically to the extent permitted by the Company) of a notice that the Participant has placed a market sell order with a broker acceptable to the Company with respect to Shares then issuable upon exercise of the Option and that the broker has been directed to deliver promptly to the Company funds sufficient to pay the exercise price, or (ii) the Participant's delivery to the Company of a copy of irrevocable and unconditional instructions to a broker acceptable to the Company to deliver promptly to the Company an amount sufficient to pay the exercise price by cash, check or wire transfer of immediately available funds; provided, that such amount is paid to the Company at such time as may be required by the Company;

(c) To the extent permitted by the Administrator, delivery (either by actual delivery or attestation) of Shares owned by the Participant valued at their Fair Market Value on the date of delivery (or such other date determined by the Administrator); or

(d) To the extent permitted by the Administrator, surrendering Shares then issuable upon the Option's exercise valued at their Fair Market Value on the exercise date.

2.4 Responsibility for Taxes.

(a) Participant acknowledges that, regardless of any action taken by the Company, the ultimate liability for all income tax, social insurance, payroll tax, employment tax, fringe benefit tax, payment on account or other tax-related items related to Participant's participation in the Plan and legally applicable to Participant or deemed by the Company in its discretion to be an appropriate charge to Participant even if legally applicable to the Company ("***Tax-Related Items***") is and remains Participant's responsibility and may exceed the amount actually withheld by the Company. Participant further acknowledges that the Company (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option, including, but not limited to, the grant, vesting or exercise of the Option, the subsequent sale of Shares acquired upon exercise, and the receipt of any dividends; and (ii) does not commit to and is under no obligation to structure the terms of the grant or any aspect of the Option to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant is subject to Tax-Related Items in more than one jurisdiction, Participant acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Prior to the relevant taxable or tax withholding event, as applicable, Participant agrees to cooperate with the Company in satisfying any applicable withholding obligations for Tax-Related Items. In this regard, the Company, or its agents, at their discretion, may satisfy, or allow Participant to satisfy, the withholding obligation with regard to all Tax-Related Items by any of the following, or a combination thereof:

(i) By delivery of cash, check or wire transfer of immediately available funds by Participant to the Company; provided that the Administrator may limit the use of one of the foregoing methods if one or more of the methods below is permitted;

(ii) Unless the Administrator otherwise determines, (A) delivery (including telephonically to the extent permitted by the Administrator) of a notice to the Company that the Participant has placed a market sell order with a broker acceptable to the Administrator with respect to Shares then issuable and that the broker has been directed to deliver promptly to the Company funds sufficient to satisfy the tax obligations, or (B) the Participant's delivery to the Company of a copy of irrevocable and unconditional instructions to a broker acceptable to the Administrator to deliver promptly to the Company an amount sufficient to satisfy the tax withholding by cash, check or wire transfer of immediately available funds; provided, that such amount is paid to the Company at such time as may be required by the Administrator; or

(iii) To the extent permitted by the Administrator, delivery to the Company of Shares, including Shares delivered by attestation and Shares then issuable upon the Options' exercise, valued at their Fair Market Value on the date of delivery (or such other date determined by the Administrator).

(c) The Company has the right and option, but not the obligation, to treat Participant's failure to provide timely payment of any tax withholding with regard to all Tax-Related Items as Participant's election to satisfy all or a portion of the tax withholding pursuant to Section 2.4(b)(iii) above.

(d) Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case Participant may receive a refund of any over-withheld amount in cash through the Company's normal payroll processes and will have no entitlement to the Common Stock equivalent.

(e) Finally, Participant agrees to pay to the Company any amount of Tax-Related Items that the Company may be required to withhold or account for as a result of Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to honor the exercise of the Option and/or refuse to issue or deliver the Shares or the proceeds from the sale of the Shares if Participant fails to comply with Participant's obligations in connection with the Tax-Related Items.

ARTICLE III. OTHER PROVISIONS

3.1 Nature of Grant. In accepting the Option, Participant understands, acknowledges, and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time in accordance with its terms;

(b) the grant of the Option is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options, even if options have been granted in the past;

(c) all decisions with respect to future option or other grants, if any, will be at the sole discretion of the Administrator;

(d) the Option grant and participation in the Plan shall not create a right to employment or service or be interpreted as forming or amending an employment or service contract with the Company or any other Subsidiary and shall not interfere with the ability of the Company or any other Subsidiary, as applicable, to terminate Participant's employment or service relationship (if any) at any time with or without cause;

(e) Participant is voluntarily participating in the Plan;

(f) the Option and any Shares acquired under the Plan, and the income and value of same, are not intended to replace any pension rights or compensation (if any);

(g) the Option and any Shares acquired under the Plan, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement benefits, welfare benefits or other similar payments (if any);

(h) the future value of the Shares underlying the Option is unknown, indeterminable and cannot be predicted with certainty;

(i) if the underlying Shares do not increase in value, the Option will have no intrinsic value;

(j) if Participant exercises the Option and acquires Shares, the value of such Shares may increase or decrease in value, even below the exercise price;

(k) no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from Participant's Termination of Service (for any reason whatsoever, whether or not later found to be invalid or in breach of Applicable Laws or the terms of Participant's employment or service agreement, if any);

(l) unless otherwise agreed with the Company, the Option and the Shares subject to the Option, and the income and value of same, are not granted as consideration for, or in connection with, any services Participant may provide as a director of a Subsidiary; and

(m) unless otherwise provided in the Plan or by the Administrator, the Option and the benefits evidenced by this Agreement do not create any entitlement to have the Option or any such benefits transferred to, or

assumed by, another company, nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Common Stock.

3.2 No Advice Regarding Grant. Neither the Company nor any Subsidiary is providing any tax, legal or financial advice, nor is any such party making recommendations regarding participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant understands and agrees that Participant should consult with Participant's own personal tax, legal and financial advisors regarding participation in the Plan before taking any action related to his or her awards under the Plan.

3.3 Transferability.

3.4 Adjustments. Participant acknowledges that the Option is subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan.

3.5 Defined Terms; Titles. Capitalized terms not defined in this Agreement have the meanings given to them in the Plan. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

3.6 Conformity to Applicable Laws. Participant acknowledges that the Plan and this Agreement are intended to conform to the extent necessary with all Applicable Laws and, to the extent Applicable Laws permit, will be deemed amended as necessary to conform to Applicable Laws.

3.7 Successors and Assigns; Third-Party Beneficiaries. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the transfer provisions set forth in the Plan, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto. Each Subsidiary is an intended third-party beneficiary of any rights or entitlements conferred on any such party hereunder, and shall be entitled to enforce such rights and entitlements hereunder as if such entity was a signatory to this Agreement.

3.8 Entire Agreement and Imposition of Other Terms. The Plan and this Agreement (including all exhibits and appendices hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company (or between any other Subsidiary) and Participant with respect to the subject matter hereof. Nonetheless, the Company reserves the right to impose other requirements on Participant's participation in the Plan, on the Option and on any Shares acquired under the Plan, to the extent the Administrator determines it is necessary or advisable for legal or administrative reasons, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan will control.

3.9 Severability. In the event that any provision of this Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of this Agreement.

3.10 Waiver. Participant acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by Participant or any other person.

3.11 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates a contractual arrangement between the Company and Participant only (except as expressly provided above with respect to third-party rights of Subsidiaries) and shall not be construed as

creating a trust for the benefit of Participant. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the Option, and rights no greater than the right to receive the Shares as a general unsecured creditor with respect to the Option, as and when exercised pursuant to the terms hereof.

3.12 Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

3.13 Notices. Any notice to be given under the terms of this Agreement to the Company must be in writing and addressed to the Company in care of the Company's Secretary at the Company's principal office or the Secretary's then-current email address or facsimile number. Any notice to be given under the terms of this Agreement to Participant must be in writing and addressed to Participant at Participant's last known mailing address, email address or facsimile number in the Company's personnel files. By a notice given pursuant to this Section, either party may designate a different address for notices to be given to that party. Any notice will be deemed duly given when actually received, when sent by email, when sent by certified mail (return receipt requested) and deposited with postage prepaid in a post office or branch post office regularly maintained by the United States Postal Service, when delivered by a nationally recognized express shipping company or upon receipt of a facsimile transmission confirmation.

3.14 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, this Agreement and the Option will be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent Applicable Laws permit, this Agreement will be deemed amended as necessary to conform to such applicable exemptive rule.

3.15 Insider Trading Restrictions/Market Abuse Laws. Participant acknowledges that Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect Participant's ability to acquire or sell Shares or rights to Shares under the Plan during such times when Participant is considered to have "inside information" regarding the Company (as defined by Applicable Laws). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Company. Participant acknowledges that Participant is responsible for ensuring compliance with any applicable restrictions and should consult Participant's personal legal advisor on these matters.

3.16 Clawback Provisions. In consideration of the grant of this Option, Participant agrees that this Option (including the gross amount of any proceeds, gains or other economic benefit Participant actually or constructively receives upon receipt of this Option or the receipt or resale of any Shares underlying this Option) will be subject to recoupment by the Company to the extent required to comply with Applicable Laws or any policy of the Company providing for the reimbursement of incentive compensation (including any policy adopted after the Grant Date).

3.17 Governing Law. This Agreement and the Option will be governed by and interpreted in accordance with the laws of the State of Delaware, disregarding the choice-of-law principles of the State of Delaware and any other state requiring the application of a jurisdiction's laws other than the State of Delaware.

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**FORM OF
FARMER BROS. CO.
2017 LONG-TERM INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT**

Farmer Bros. Co. (the “**Company**”) has granted to the participant listed below (“**Participant**”) the restricted stock units (the “**RSUs**”) described in this Restricted Stock Unit Award Agreement (this “**Agreement**”), subject to the terms and conditions of this Agreement and the Farmer Bros. Co. 2017 Long-Term Incentive Plan (as amended from time to time, the “**Plan**”), which is incorporated into this Agreement by reference. For purposes of this Agreement, references to the “Company” shall include any Subsidiary employer, as applicable. To the extent not defined herein, terms used in this Agreement which are defined in the Plan shall have the same meanings as set forth in the Plan.

Participant:

Grant Date:

Target Number of RSUs Granted:

Maximum Number of RSUs Granted:

Performance Period

Vesting Schedule:

Subject to and conditioned upon Participant’s continued employment with the Company through the last day of the Performance Period, the RSUs shall vest and shall be earned (or not) based on achievement relative to the Performance Goal set forth in this Agreement. Notwithstanding the foregoing, the RSUs shall be subject to accelerated vesting in certain circumstances as provided in this Agreement.

ELECTRONIC ACCEPTANCE OF AWARD:

By clicking on the “**ACCEPT**” box on the “**Accept Grant**” page, you agree to be bound by the terms and conditions of this Agreement and the Plan. You acknowledge that you have reviewed and fully understand all of the provisions of this Agreement and the Plan, and have had the opportunity to obtain advice of counsel prior to accepting the grant of the RSUs pursuant to this Agreement. You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan or relating to the RSUs.

ARTICLE I.

AWARD; VESTING; FORFEITURE AND SETTLEMENT

1.1 RSUs and Dividend Equivalents.

(a) Each RSU represents the right to receive one Share on the terms, and subject to the conditions, set forth in this Agreement. Participant will have no right to the distribution of any Shares until such time (if ever) as the RSUs have vested and been earned hereunder.

(b) The Company hereby grants to Participant, with respect to each RSU, a Dividend Equivalent right that shall, to the extent that any dividend becomes payable on Common Stock while such Dividend Equivalent right remains outstanding, and subject to the terms set forth below, entitle Participant to a cash payment in the amount of any such dividend paid by the Company in respect of a share of Common Stock. The Dividend Equivalent right shall remain outstanding from the Grant Date through the earlier to occur of (i) the termination or forfeiture for any reason of the RSU to which such Dividend Equivalent right corresponds, or (ii) the delivery to the Participant of the share of Common Stock in respect of the RSU to which such Dividend Equivalent right corresponds (in any case, the “**RSU Termination Date**”). For clarity, each Dividend Equivalent right will entitle Participant to a cash payment in the amount of any dividend(s) paid by the Company in respect of a share of Common Stock to the extent that such dividend(s) are declared and have *ex dividend* date(s), in each case, that occur on or after the applicable Grant Date and on or prior to the applicable RSU Termination Date, payable upon the settlement date in respect of the RSU to which such Dividend Equivalent right corresponds as provided in Section 1.4 of this Agreement; provided, that with respect to any dividends meeting such criteria that are paid after the RSU Termination Date, the applicable Dividend Equivalent payment will be paid if and when the Company pays the underlying dividend (but in no event later than March 15th of the year following the year in which the applicable *ex dividend* date occurs). For the avoidance of doubt, (x) if an RSU does not ultimately vest hereunder, no Dividend Equivalent payments shall be made with respect to such unvested RSU, and (y) in no event shall a Dividend Equivalent payment be made that would result in Participant receiving both the Dividend Equivalent payment (in respect of a dividend) and the actual dividend with respect to the same RSU and corresponding share of Common Stock. Dividend Equivalent rights and any amounts that may become distributable in respect thereof shall be treated separately from the RSUs and the rights arising in connection therewith for purposes of the designation of time and form of payments required by Section 409A.

1.2 Determination of Number of Vested and Earned RSUs; Forfeiture

(a) The number of RSUs subject to this Award that vest and are earned, if any, for the Performance Period shall be determined as set forth on Exhibit A attached hereto (the “Performance Goal”).

After the end of the Performance Period (but in no event later than December 31st of the year in which the Performance Period ends), the Committee shall determine and certify performance with respect to the Performance Goal for the Performance Period (such date of determination, the “Determination Date”). Subject to Participant’s continued employment through the last day of the Performance Period (except as otherwise provided herein), as of the Determination Date, a number of RSUs shall be earned (or not) based on the Committee’s determination and certification of performance with respect to the Performance Goal; provided that in determining and certifying performance, the Committee shall have the discretion to adjust downward the number of RSUs that vest and are earned. In no event shall a number of RSUs vest or be earned in excess of the Maximum Number of RSUs Granted, as indicated above. All RSUs that are not earned as of the Determination Date shall be forfeited.

(b) Unless the Administrator otherwise determines or as otherwise provided for in the Plan or this Agreement with respect to Participant's Termination of Service, the RSUs will immediately and automatically be cancelled and forfeited as to any portion that is not vested and earned as of Participant's Termination of Service during the Performance Period. In addition, the RSUs will immediately and automatically be cancelled and forfeited (including any portion that is then vested) upon Participant's Termination of Service for Cause prior to the Determination Date. Dividend Equivalents (including any Dividend Equivalent Account balance) will vest or be forfeited, as applicable, upon the vesting or forfeiture of the RSU with respect to which the Dividend Equivalent (including the Dividend Equivalent Account) relates.

1.3 Termination of Service; Change in Control.

(a) Notwithstanding anything to the contrary in Section 1.2, if Participant's Termination of Service occurs by reason of death or Disability prior to the end of the Performance Period, subject to and conditioned upon Participant's (or Participant's guardian or estate, as applicable) timely execution of an effective release in a form prescribed by the Administrator, the RSUs shall remain outstanding following Participant's Termination of Service and Participant shall be eligible to earn the number of RSUs that would have been earned based on actual performance through the end of the Performance Period, as determined and certified by the Committee on the Determination Date, had no Termination of Service occurred, with such number of earned RSUs (if any) pro-rated based on the number of days elapsed in the Performance Period through the Termination of Service over the total number of days in the Performance Period.

(b) Effect of Change in Control. Notwithstanding anything to the contrary herein, in the event of a Change in Control, the following provisions shall apply:

(i) In the event of Participant's Termination of Service by the Company without Cause (other than due to death or Disability) or by Participant for Good Reason, in either case, within twenty-four (24) months following a Change in Control, subject to and conditioned upon Participant's timely execution of an effective release in a form prescribed by the Administrator, the Target Number of RSUs Granted, as indicated above, shall become fully vested and shall be deemed earned as of the date of such Termination of Service. All RSUs granted hereunder in excess of the Target Number of RSUs Granted shall be forfeited. For purposes of this Agreement, "**Good Reason**" shall have the meaning ascribed to it in Participant's employment, services or similar agreement with the Company, and if no such agreement exists or such agreement does not contain a definition of "Good Reason", then "**Good Reason**" shall mean the occurrence of any one or more of the following conditions without Participant's consent: (i) a material diminution of Participant's base salary, (ii) a material diminution in Participant's authority, duties or responsibilities, or (iii) the requirement by the Company that Participant's principal place of employment be based more than fifty (50) miles from Participant's primary office location; provided, further, that, a termination for Good Reason will not have occurred unless Participant gives written notice to the Company of Participant's intention to terminate employment within thirty (30) days after the occurrence of the event constituting Good Reason, specifying in reasonable detail the circumstances constituting Good Reason, and the Company has failed within thirty (30) days after receipt of such notice to cure the circumstances constituting Good Reason, and Participant terminates employment within sixty (60) days after the end of such thirty (30) day period.

(ii) In the event that the RSUs are not continued, converted, assumed, or replaced by the successor corporation or a parent or subsidiary of the successor corporation in a Change in Control, a number of RSUs shall vest and shall be deemed earned immediately prior to the consummation of such Change in Control equal to the Target Number of RSUs Granted, as indicated above, pro-rated based on the number of days elapsed in the Performance Period through the Change in Control over the total number of days in the Performance Period, and all RSUs granted

hereunder in excess of such number of RSUs shall be forfeited. The Administrator may condition such accelerated vesting upon Participant's timely execution of an effective release and/or other transaction-related documents in a form or forms reasonably prescribed by the Company.

1.4 Settlement.

(a) All of Participant's RSUs which are then vested pursuant to Sections 1.2 or 1.3 will be paid in Shares, and any related Dividend Equivalents (including any Dividend Equivalent Account balance) will be paid in cash, in each case, during the thirty (30)-day period beginning with the earliest to occur of the following events:

(i) the Determination Date; or

(ii) subject to Section 1.4(b), Participant's Termination of Service by the Company without Cause (other than due to death or Disability) or by Participant for Good Reason, in either case, following a Change in Control. Notwithstanding anything to the contrary in this Agreement or the Plan, no RSUs or Dividend Equivalents shall be distributed to Participant pursuant to this Section 1.4(a)(ii) during the six-month period following Participant's Separation from Service if the Company determines that distributing such RSUs and Dividend Equivalents at the time or times indicated in this Agreement would be a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code. If the distribution of any of Participant's RSUs and Dividend Equivalents is delayed as a result of the previous sentence, then such RSUs and Dividend Equivalents (including any Dividend Equivalent Account balance) shall be paid to Participant during the thirty (30)-day period beginning on the first business day following the end of such six-month period (or such earlier date upon which such RSUs and Dividend Equivalents can be distributed under Section 409A without resulting in a prohibited distribution, including as a result of Participant's death).

(b) Notwithstanding anything to the contrary in Section 1.4(a), in the event that the vesting of the RSUs accelerates pursuant to Section 1.3(b)(ii), Shares shall be distributed to Participant in settlement of such RSUs, and any related Dividend Equivalents (including any Dividend Equivalent Account balance) shall be paid to Participant, in each case, immediately prior to the consummation of such Change in Control.

ARTICLE II.

TAXATION AND TAX WITHHOLDING

2.1 Responsibility for Taxes.

(a) Participant acknowledges that, regardless of any action taken by the Company, the ultimate liability for all income tax, social insurance, payroll tax, employment tax, fringe benefit tax, payment on account or other tax-related items related to Participant's participation in the Plan and legally applicable to Participant or deemed by the Company in its discretion to be an appropriate charge to Participant even if legally applicable to the Company ("**Tax-Related Items**") is and remains Participant's responsibility and may exceed the amount actually withheld by the Company. Participant further acknowledges that the Company (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including, but not limited to, the grant or vesting of the RSUs or any related Dividend Equivalents, the subsequent sale of Shares acquired upon vesting, and the receipt of any dividends; and (ii) does not commit to and is under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant is subject to Tax-Related Items in more than one jurisdiction, Participant

acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Prior to the relevant taxable or tax withholding event, as applicable, Participant agrees to cooperate with the Company in satisfying any applicable withholding obligations for Tax-Related Items. In this regard, the Company or its agents, at their discretion, may satisfy, or allow Participant to satisfy, the withholding obligation with regard to all Tax-Related Items by any of the following, or a combination thereof:

(i) By delivery of cash, check or wire transfer of immediately available funds by Participant to the Company; provided that the Administrator may limit the use of one of the foregoing methods if one or more of the methods below is permitted;

(ii) Unless the Administrator otherwise determines, (A) delivery (including telephonically to the extent permitted by the Administrator) of a notice to the Company that the Participant has placed a market sell order with a broker acceptable to the Administrator with respect to Shares then issuable and that the broker has been directed to deliver promptly to the Company funds sufficient to satisfy the tax obligations, or (B) the Participant's delivery to the Company of a copy of irrevocable and unconditional instructions to a broker acceptable to the Administrator to deliver promptly to the Company an amount sufficient to satisfy the tax withholding by cash, check or wire transfer of immediately available funds; provided, that such amount is paid to the Company at such time as may be required by the Administrator; or

(iii) To the extent permitted by the Administrator, delivery to the Company of Shares, including Shares delivered by attestation and Shares then issuable in settlement of the RSUs, valued at their Fair Market Value on the date of delivery (or such other date determined by the Administrator).

(c) The Company has the right and option, but not the obligation, to treat Participant's failure to provide timely payment of any tax withholding with regard to all Tax-Related Items as Participant's election to satisfy all or a portion of the tax withholding pursuant to Section 2.1(b)(iii) above.

(d) Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case Participant may receive a refund of any over-withheld amount in cash through the Company's normal payroll processes and will have no entitlement to the Common Stock equivalent.

(e) Finally, Participant agrees to pay to the Company any amount of Tax-Related Items that the Company may be required to withhold or account for as a result of Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to honor the vesting of the RSUs and/or refuse to issue or deliver the Shares or the proceeds from the sale of the Shares if Participant fails to comply with Participant's obligations in connection with the Tax-Related Items.

Article III. OTHER PROVISIONS

3.1 Nature of Grant. In accepting the RSUs, Participant understands, acknowledges, and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time in accordance with its terms;

(b) the grant of the RSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted in the past;

(c) all decisions with respect to future RSU or other grants, if any, will be at the sole discretion of the Administrator;

(d) the RSU grant and participation in the Plan shall not create a right to employment or service or be interpreted as forming or amending an employment or service contract with the Company or any other Subsidiary and shall not interfere with the ability of the Company or any other Subsidiary, as applicable, to terminate Participant's employment or service relationship (if any) at any time with or without cause;

(e) Participant is voluntarily participating in the Plan;

(f) the RSUs and any Shares acquired under the Plan, and the income and value of same, are not intended to replace any pension rights or compensation (if any);

(g) the RSUs and any Shares acquired under the Plan, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement benefits, welfare benefits or other similar payments (if any);

(h) the future value of the Shares underlying the RSUs is unknown, indeterminable and cannot be predicted with certainty;

(i) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from Participant's Termination of Service (for any reason whatsoever, whether or not later found to be invalid or in breach of Applicable Laws or the terms of Participant's employment or service agreement, if any);

(j) unless otherwise agreed with the Company, the RSUs and the Shares underlying the RSUs, and the income and value of same, are not granted as consideration for, or in connection with, any services Participant may provide as a director of a Subsidiary; and

(k) unless otherwise provided in the Plan or by the Administrator, the RSUs and the benefits evidenced by this Agreement do not create any entitlement to have the RSUs or any such benefits transferred to, or assumed by, another company, nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Common Stock.

3.2 No Advice Regarding Grant. Neither the Company nor any Subsidiary is providing any tax, legal or financial advice, nor is any such party making recommendations regarding participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant understands and agrees that Participant should consult with Participant's own personal tax, legal and financial advisors regarding participation in the Plan before taking any action related to his or her Awards under the Plan.

3.3 Transferability. The RSUs are not transferable, except by will or the laws of descent and distribution or as permitted by the Administrator in accordance with the terms of the Plan. Any permitted transfer of an Award hereunder shall be without consideration, except as required by Applicable Law.

3.4 Adjustments. Participant acknowledges that the RSUs, the Shares subject to the RSUs and the Dividend Equivalents are subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan.

3.5 Defined Terms; Titles. Capitalized terms not defined in this Agreement have the meanings given to them in the Plan. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

3.6 Conformity to Applicable Laws. Participant acknowledges that the Plan and this Agreement are intended to conform to the extent necessary with all Applicable Laws and, to the extent Applicable Laws permit, will be deemed amended as necessary to conform to Applicable Laws.

3.7 Successors and Assigns; Third-Party Beneficiaries. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the transfer provisions set forth in the Plan, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto. Each Subsidiary is an intended third-party beneficiary of any rights or entitlements conferred on any such party hereunder, and shall be entitled to enforce such rights and entitlements hereunder as if such entity was a signatory to this Agreement.

3.8 Entire Agreement and Imposition of Other Terms. The Plan and this Agreement (including all exhibits and appendices hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company (or between any other Subsidiary) and Participant with respect to the subject matter hereof. Nonetheless, the Company reserves the right to impose other requirements on Participant's participation in the Plan, on the RSUs and on any Shares acquired under the Plan, to the extent the Administrator determines it is necessary or advisable for legal or administrative reasons, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan will control.

3.9 Severability. In the event that any provision of this Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of this Agreement.

3.10 Waiver. Participant acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by Participant or any other person.

3.11 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates a contractual arrangement between the Company and Participant only (except as expressly provided above with respect to third-party rights of Subsidiaries) and shall not be construed as creating a trust for the benefit of Participant. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the RSUs and Dividend Equivalents, and rights no greater than the right to receive the Shares or cash as a general unsecured creditor with respect to the RSUs and Dividend Equivalents, as and when settled pursuant to the terms hereof.

3.12 Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. Participant hereby consents to

receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

3.13 Notices. Any notice to be given under the terms of this Agreement to the Company must be in writing and addressed to the Company in care of the Company's Secretary at the Company's principal office or the Secretary's then-current email address or facsimile number. Any notice to be given under the terms of this Agreement to Participant must be in writing and addressed to Participant at Participant's last known mailing address, email address or facsimile number in the Company's personnel files. By a notice given pursuant to this Section, either party may designate a different address for notices to be given to that party. Any notice will be deemed duly given when actually received, when sent by email, when sent by certified mail (return receipt requested) and deposited with postage prepaid in a post office or branch post office regularly maintained by the United States Postal Service, when delivered by a nationally recognized express shipping company or upon receipt of a facsimile transmission confirmation.

3.14 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, this Agreement and the RSUs will be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent Applicable Laws permit, this Agreement will be deemed amended as necessary to conform to such applicable exemptive rule.

3.15 Insider Trading Restrictions/Market Abuse Laws. Participant acknowledges that Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect Participant's ability to acquire or sell Shares or rights to Shares under the Plan during such times when Participant is considered to have "inside information" regarding the Company (as defined by Applicable Laws). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Company. Participant acknowledges that Participant is responsible for ensuring compliance with any applicable restrictions and should consult Participant's personal legal advisor on these matters.

3.16 Section 409A. The intent of the parties is that the payments and benefits under this Agreement comply with or be exempt from Section 409A and the regulations and guidance promulgated thereunder and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. For purposes of Section 409A, each payment that Participant may be eligible to receive under this Agreement shall be treated as a separate and distinct payment.

3.17 Clawback Provisions. In consideration of the grant of this Award, Participant agrees that this Award (including the gross amount of any proceeds, gains or other economic benefit Participant actually or constructively receives upon receipt of this Award or the receipt or resale of any Shares underlying this Award) will be subject to recoupment by the Company to the extent required to comply with Applicable Laws or any policy of the Company providing for the reimbursement of incentive compensation (including any policy adopted after the Grant Date).

3.18 Governing Law. This Agreement and the RSUs and the Dividend Equivalents will be governed by and interpreted in accordance with the laws of the State of Delaware, disregarding the choice-of-law principles of the State of Delaware and any other state requiring the application of a jurisdiction's laws other than the State of Delaware.

Exhibit A

Performance Goal

**FORM OF
FARMER BROS. CO.
2017 LONG-TERM INCENTIVE PLAN
RESTRICTED STOCK GRANT AGREEMENT (DIRECTORS)**

Farmer Bros. Co. (the “*Company*”) has granted to the participant listed below (“*Participant*”) the restricted stock award (the “*Award*” or the “*Restricted Stock*”) described in this Restricted Stock Grant Agreement (this “*Agreement*”), subject to the terms and conditions of this Agreement and the Farmer Bros. Co. 2017 Long-Term Incentive Plan (as amended from time to time, the “*Plan*”), which is incorporated into this Agreement by reference. To the extent not defined herein, terms used in this Agreement which are defined in the Plan shall have the same meanings as set forth in the Plan.

Participant:

Grant Date:

Number of shares of Restricted Stock:

Vesting Schedule

Subject to and conditioned upon Participant’s continued service as a Director of the Company through the earlier of (i) the ____ year anniversary of the Grant Date or (ii) the date of the ____ annual meeting of the Company’s stockholders immediately following the Grant Date (as applicable, the “*Vesting Date*”), and further subject to the terms and conditions of this Agreement and the Plan, ____% of the Restricted Stock shall vest on the Vesting Date. Notwithstanding the foregoing, the Restricted Stock shall be subject to accelerated vesting in certain circumstances as provided in this Agreement.

In no event shall any additional shares of Restricted Stock vest following Participant’s Termination of Service.

ELECTRONIC ACCEPTANCE OF AWARD:

By clicking on the “**ACCEPT**” box on the “**Accept Grant**” page, you agree to be bound by the terms and conditions of this Agreement and the Plan. You acknowledge that you have reviewed and fully understand all of the provisions of this Agreement and the Plan, and have had the opportunity to obtain advice of counsel prior to accepting the grant of the Restricted Stock pursuant to this Agreement. You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan or relating to the Restricted Stock.

ARTICLE I.

AWARD; VESTING; FORFEITURE AND ESCROW

1.1 Restricted Stock. The Company hereby issues the Restricted Stock to Participant effective as of the Grant Date set forth above pursuant to either (a) a stock certificate or certificates representing the Restricted Stock registered in Participant's name or (b) the Restricted Stock entered and held in book-entry form, as determined by the Company. If a stock certificate is issued, the certificate will be delivered to, and held in accordance with this Agreement by, the Company or its authorized representatives and will bear the restrictive legends required by this Agreement. If the shares of Restricted Stock are held in book-entry form, then the book-entry will indicate that the shares of Restricted Stock are subject to the restrictions contained in this Agreement.

1.2 Vesting. Except as otherwise provided in Section 1.3 of this Agreement, the Restricted Stock will become vested and nonforfeitable ("**Vested Shares**") according to the vesting schedule set forth above.

1.3 Termination of Service; Change in Control.

(a) In the event of Participant's Termination of Service for any reason, Participant will immediately and automatically forfeit to the Company any shares of Restricted Stock that are not Vested Shares (the "**Unvested Shares**") at the time of Participant's Termination of Service, except as otherwise provided for in this Agreement. Upon forfeiture of Unvested Shares, the Company will become the legal and beneficial owner of the Unvested Shares and all related interests and Participant will have no further rights with respect to the Unvested Shares.

(b) Notwithstanding anything to the contrary herein, if Participant's Termination of Service occurs by reason of Participant's death or Disability, in each case, prior to the Vesting Date, subject to and conditioned upon Participant's (or Participant's guardian or estate as applicable) timely execution of an effective release in a form prescribed by the Administrator, a pro-rata portion of the shares of Restricted Stock equal to the number of shares of Restricted Stock subject to this Award multiplied by a fraction, the numerator of which is the number of days elapsed between the Grant Date and the date of Participant's Termination of Service and the denominator of which is three hundred sixty-five (365) (rounded up to the next whole Share), shall become fully vested and non-forfeitable as of the date of such Termination of Service and any remaining Unvested Shares shall immediately and automatically be forfeited effective as of such Termination of Service.

(c) Notwithstanding anything to the contrary herein, in the event of a Change in Control any then Unvested Shares shall become fully vested and non-forfeitable as of immediately prior to such Change in Control. The Administrator may condition such accelerated vesting upon Participant's timely execution of an effective release and/or other transaction-related documents in a form or forms prescribed by the Company.

1.4 Escrow.

(a) Unvested Shares will be held by the Company or its authorized representatives until (i) they are forfeited, or (ii) they become Vested Shares. By accepting the Restricted Stock, Participant appoints the Company and its authorized representatives as Participant's attorney(s)-in-fact to take all actions necessary to effect any transfer of forfeited Unvested Shares to the Company as may be required pursuant to the Plan or this Agreement and to execute such representations or other documents or assurances as the Company or such representatives deem necessary or advisable in connection with any such transfer. The Company, or its authorized representative, will not be liable for any good faith act or omission with respect to the holding in escrow or transfer of the Restricted Stock.

(b) As soon as reasonably practicable following the date on which an Unvested Share becomes a Vested Share, the Company will cause the certificate (or a new certificate without the legend required by this Agreement, if Participant so requests) representing the Share to be delivered to Participant or, if the Share is held in book-entry form, cause the notations indicating the Share is subject to the restrictions of this Agreement to be removed.

1.5 Rights as Stockholder. Except as otherwise provided in this Agreement or the Plan, upon issuance of the Restricted Stock by the Company, Participant will have all the voting rights of a stockholder of Common Stock with respect to the Restricted Stock. Any dividends declared on the Common Stock with respect to Unvested Shares shall not be paid to Participant on a current basis, but shall instead accumulate and be paid to Participant in a lump sum as soon as administratively practicable following the time that, and only to the extent that, the underlying Unvested Shares become Vested Shares. Participant's right to any unpaid dividends with respect to Unvested Shares that are forfeited, cancelled or otherwise terminate without having vested shall be forfeited, cancelled and shall terminate upon the forfeiture, cancellation or termination of the underlying Unvested Shares. Any amounts that may become distributable in respect of dividends declared or paid on the Restricted Stock shall be treated separately from the Restricted Stock and the rights arising in connection therewith for purposes of Section 409A (including for purposes of the designation of time and form of payments required by Section 409A).

ARTICLE II.

TAXATION AND TAX WITHHOLDING

2.1 Section 83(b) Election. If Participant makes an election under Section 83(b) of the Code to be taxed with respect to the Restricted Stock as of the date of transfer of the Restricted Stock rather than as of the date or dates upon which Participant would otherwise be taxable under Section 83(a) of the Code, Participant hereby agrees to deliver a copy of such election to the Company promptly after filing such election with the Internal Revenue Service along with proof reasonably satisfactory to the Administrator of timely filing thereof with the Internal Revenue Service.

2.2. Responsibility for Taxes. The Company has the authority to deduct or withhold, or require Participant to remit to the Company, an amount sufficient to satisfy applicable federal, state, local and foreign taxes required by Applicable Law to be withheld with respect to any taxable event arising pursuant to this Agreement. Participant is ultimately liable and responsible for all taxes owed in connection with the Award, regardless of any action the Company takes with respect to any tax withholding obligations that arise in connection with the Award. The Company makes no representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or sale of the shares of Restricted Stock subject to the Award. The Company does not commit and is under no obligation to structure the Award to reduce or eliminate Participant's tax liability.

ARTICLE III.

RESTRICTIVE LEGENDS

3.1 Legends. Any certificate representing a Share of Restricted Stock will bear the following legend until the Share of Restricted Stock becomes a Vested Share:

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO FORFEITURE IN FAVOR OF THE COMPANY AND MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF A RESTRICTED STOCK

ARTICLE IV.

OTHER PROVISIONS

4.1 Nature of Grant. In accepting the Award, Participant understands, acknowledges, and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time in accordance with its terms;

(b) the grant of the Award is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of awards, or benefits in lieu of awards, even if awards have been granted in the past;

(c) all decisions with respect to future restricted stock or other grants, if any, will be at the sole discretion of the Administrator;

(d) the Restricted Stock grant and participation in the Plan shall not create a right to employment or continued service or be interpreted as forming or amending an employment or service contract with the Company or any other Subsidiary and shall not interfere with the ability of the Company or any other Subsidiary, as applicable, to terminate Participant's service relationship (if any) at any time with or without cause;

(e) Participant is voluntarily participating in the Plan;

(f) the Award and any Shares acquired under the Plan, and the income and value of same, are not intended to replace any pension rights or compensation (if any);

(g) the Award and any Shares acquired under the Plan, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement benefits, welfare benefits or other similar payments (if any);

(h) the future value of the Shares underlying the Award is unknown, indeterminable and cannot be predicted with certainty;

(i) no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from Participant's Termination of Service (for any reason whatsoever, whether or not later found to be invalid or in breach of Applicable Laws or the terms of Participant's employment or service agreement, if any);

(j) unless otherwise agreed with the Company, the Award and the Shares subject thereto, and the income and value of same, are not granted as consideration for, or in connection with, any services Participant may provide as a director of a Subsidiary;

(k) unless otherwise provided in the Plan or by the Administrator, the Award and the benefits evidenced by this Agreement do not create any entitlement to have the Award or any such benefits transferred to, or assumed by, another company, nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Common Stock; and

4.2 No Advice Regarding Grant. Neither the Company nor any Subsidiary is providing any tax, legal or financial advice, nor is any such party making recommendations regarding participation in the Plan, or Participant's acquisition or sale of the underlying shares of Restricted Stock. Participant understands and agrees that Participant

should consult with Participant's own personal tax, legal and financial advisors regarding participation in the Plan before taking any action related to his or her Awards under the Plan.

4.3 Transferability. The Award is not transferable, except by will or the laws of descent and distribution or as permitted by the Administrator in accordance with the terms of the Plan. Any permitted transfer of an Award hereunder shall be without consideration, except as required by Applicable Law.

4.4 Adjustments. Participant acknowledges that the Award is subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan.

4.5 Defined Terms; Titles. Capitalized terms not defined in this Agreement have the meanings given to them in the Plan. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

4.6 Conformity to Applicable Laws. Participant acknowledges that the Plan and this Agreement are intended to conform to the extent necessary with all Applicable Laws and, to the extent Applicable Laws permit, will be deemed amended as necessary to conform to Applicable Laws.

4.7 Successors and Assigns; Third-Party Beneficiaries. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the transfer provisions set forth in the Plan, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto. Each Subsidiary is an intended third-party beneficiary of any rights or entitlements conferred on any such party hereunder, and shall be entitled to enforce such rights and entitlements hereunder as if such entity was a signatory to this Agreement.

4.8 Entire Agreement and Imposition of Other Terms. The Plan and this Agreement (including all exhibits and appendices hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company (or between any other Subsidiary) and Participant with respect to the subject matter hereof. Nonetheless, the Company reserves the right to impose other requirements on Participant's participation in the Plan, on the Award and on any Shares acquired under the Plan, to the extent the Administrator determines it is necessary or advisable for legal or administrative reasons, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan will control.

4.9 Severability. In the event that any provision of this Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of this Agreement.

4.10 Waiver. Participant acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by Participant or any other person.

4.11 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates a contractual arrangement between the Company and Participant only (except as expressly provided above with respect to third-party rights of Subsidiaries) and shall not be construed as creating a trust for the benefit of Participant. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts

credited and benefits payable, if any, with respect to the Award, and rights no greater than the right to receive the shares as a general unsecured creditor with respect to the Restricted Stock.

4.12 Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

4.13 Notices. Any notice to be given under the terms of this Agreement to the Company must be in writing and addressed to the Company in care of the Company's Secretary at the Company's principal office or the Secretary's then-current email address or facsimile number. Any notice to be given under the terms of this Agreement to Participant must be in writing and addressed to Participant at Participant's last known mailing address, email address or facsimile number in the Company's personnel files. By a notice given pursuant to this Section, either party may designate a different address for notices to be given to that party. Any notice will be deemed duly given when actually received, when sent by email, when sent by certified mail (return receipt requested) and deposited with postage prepaid in a post office or branch post office regularly maintained by the United States Postal Service, when delivered by a nationally recognized express shipping company or upon receipt of a facsimile transmission confirmation.

4.14 Limitations Applicable to Section 16 Persons

4.15 Insider Trading Restrictions/Market Abuse Laws. Participant acknowledges that Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect Participant's ability to acquire or sell Shares or rights to Shares under the Plan during such times when Participant is considered to have "inside information" regarding the Company (as defined by Applicable Laws). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Company. Participant acknowledges that Participant is responsible for ensuring compliance with any applicable restrictions and should consult Participant's personal legal advisor on these matters.

4.16 Clawback Provisions. In consideration of the grant of this Award, Participant agrees that this Award (including the gross amount of any proceeds, gains or other economic benefit Participant actually or constructively receives upon receipt of this Award or the receipt or resale of any Shares underlying this Award) will be subject to recoupment by the Company to the extent required to comply with Applicable Laws or any policy of the Company providing for the reimbursement of incentive compensation (including any policy adopted after the Grant Date).

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**FORM OF
FARMER BROS. CO.
2017 LONG-TERM INCENTIVE PLAN
RESTRICTED STOCK GRANT AGREEMENT (EMPLOYEES)**

Farmer Bros. Co. (the “**Company**”) has granted to the participant listed below (“**Participant**”) the restricted stock award (the “**Award**” or the “**Restricted Stock**”) described in this Restricted Stock Grant Agreement (this “**Agreement**”), subject to the terms and conditions of this Agreement and the Farmer Bros. Co. 2017 Long-Term Incentive Plan (as amended from time to time, the “**Plan**”), which is incorporated into this Agreement by reference. For purposes of this Agreement, references to the “Company” shall include any Subsidiary employer, as applicable. To the extent not defined herein, terms used in this Agreement which are defined in the Plan shall have the same meanings as set forth in the Plan.

Participant:

Grant Date:

Number of shares of Restricted Stock:

Vesting Schedule

Subject to and conditioned upon Participant’s continued employment with the Company through the ____ anniversary of the Grant Date (such ____ anniversary, the “**Vesting Date**”), and further subject to the terms and conditions of this Agreement and the Plan, __ % of the Restricted Stock shall vest on the Vesting Date. Notwithstanding the foregoing, the Restricted Stock shall be subject to accelerated vesting in certain circumstances as provided in this Agreement.

In no event shall any additional shares of Restricted Stock vest following Participant’s Termination of Service.

ELECTRONIC ACCEPTANCE OF AWARD:

By clicking on the “**ACCEPT**” box on the “**Accept Grant**” page, you agree to be bound by the terms and conditions of this Agreement and the Plan. You acknowledge that you have reviewed and fully understand all of the provisions of this Agreement and the Plan, and have had the opportunity to obtain advice of counsel prior to accepting the grant of the Restricted Stock pursuant to this Agreement. You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan or relating to the Restricted Stock.

ARTICLE I.

AWARD; VESTING; FORFEITURE AND ESCROW

1.1 **Restricted Stock.** The Company hereby issues the Restricted Stock to Participant effective as of the Grant Date set forth above pursuant to either (a) a stock certificate or certificates representing the Restricted Stock registered in Participant's name or (b) the Restricted Stock entered and held in book-entry form, as determined by the Company. If a stock certificate is issued, the certificate will be delivered to, and held in accordance with this Agreement by, the Company or its authorized representatives and will bear the restrictive legends required by this Agreement. If the shares of Restricted Stock are held in book-entry form, then the book-entry will indicate that the shares of Restricted Stock are subject to the restrictions contained in this Agreement.

1.2 **Vesting.** Except as otherwise provided in Section 1.3 of this Agreement, the Restricted Stock will become vested and nonforfeitable ("**Vested Shares**") according to the vesting schedule set forth above.

1.3 **Termination of Service; Change in Control.**

(a) In the event of Participant's Termination of Service for any reason, Participant will immediately and automatically forfeit to the Company any shares of Restricted Stock that are not Vested Shares (the "**Unvested Shares**") at the time of Participant's Termination of Service, except as otherwise provided for in this Agreement. Upon forfeiture of Unvested Shares, the Company will become the legal and beneficial owner of the Unvested Shares and all related interests and Participant will have no further rights with respect to the Unvested Shares.

(b) Notwithstanding anything to the contrary herein, if Participant's Termination of Service occurs by reason of Participant's death or Disability, in each case, prior to the Vesting Date, subject to and conditioned upon Participant's (or Participant's guardian or estate as applicable) timely execution of an effective release in a form prescribed by the Administrator, a pro-rata portion of the shares of Restricted Stock equal to the number of shares of Restricted Stock subject to this Award multiplied by a fraction, the numerator of which is the number of days elapsed between the Grant Date and the date of Participant's Termination of Service and the denominator of which is one thousand ninety-six (1,096) days (rounded up to the next whole Share), shall become fully vested and non-forfeitable as of the date of such Termination of Service and any remaining Unvested Shares shall immediately and automatically be forfeited effective as of such Termination of Service.

(c) Notwithstanding anything to the contrary herein, in the event of a Change in Control, the following provisions shall apply:

(i) In the event that the Award is not continued, converted, assumed, or replaced by the successor corporation or a parent or subsidiary of the successor corporation in a Change in Control, in any case, as determined by the Administrator, any then-Unvested Shares shall become fully vested and non-forfeitable as of immediately prior to such Change in Control. The Administrator may condition such accelerated vesting upon Participant's timely execution of an effective release and/or other transaction-related documents in a form or forms prescribed by the Company.

(ii) In the event of Participant's Termination of Service by the Company without Cause or by Participant for Good Reason, in either case, within twenty-four (24) months following a Change in Control, subject to and conditioned upon Participant's timely execution of an effective release in a form prescribed by the Administrator, any then-Unvested Shares shall become fully vested and non-forfeitable as of the date of such Termination of Service. [For purposes of this Agreement, "**Good Reason**" shall have the meaning ascribed to it in Participant's employment, services or similar agreement with the Company, and if no such agreement exists or such agreement does

not contain a definition of “Good Reason”, then “**Good Reason**” shall mean the occurrence of any one or more of the following conditions without Participant’s consent: (i) a material diminution of Participant’s base salary, (ii) a material diminution in Participant’s authority, duties or responsibilities, or (iii) the requirement by the Company that Participant’s principal place of employment be based more than fifty (50) miles from Participant’s primary office location; provided, further, that, a termination for Good Reason will not have occurred unless Participant gives written notice to the Company of Participant’s intention to terminate employment within thirty (30) days after the occurrence of the event constituting Good Reason, specifying in reasonable detail the circumstances constituting Good Reason, and the Company has failed within thirty (30) days after receipt of such notice to cure the circumstances constituting Good Reason, and Participant terminates employment within sixty (60) days after the end of such thirty (30) day period.

1.4 Escrow.

(a) Unvested Shares will be held by the Company or its authorized representatives until (i) they are forfeited, or (ii) they become Vested Shares. By accepting the Restricted Stock, Participant appoints the Company and its authorized representatives as Participant’s attorney(s)-in-fact to take all actions necessary to effect any transfer of forfeited Unvested Shares to the Company as may be required pursuant to the Plan or this Agreement and to execute such representations or other documents or assurances as the Company or such representatives deem necessary or advisable in connection with any such transfer. The Company, or its authorized representative, will not be liable for any good faith act or omission with respect to the holding in escrow or transfer of the Restricted Stock.

(b) As soon as reasonably practicable following the date on which an Unvested Share becomes a Vested Share, the Company will cause the certificate (or a new certificate without the legend required by this Agreement, if Participant so requests) representing the Share to be delivered to Participant or, if the Share is held in book-entry form, cause the notations indicating the Share is subject to the restrictions of this Agreement to be removed.

1.5 Rights as Stockholder. Except as otherwise provided in this Agreement or the Plan, upon issuance of the Restricted Stock by the Company, Participant will have all the voting rights of a stockholder of Common Stock with respect to the Restricted Stock. Any dividends declared on the Common Stock with respect to Unvested Shares shall not be paid to Participant on a current basis, but shall instead accumulate and be paid to Participant in a lump sum as soon as administratively practicable following the time that, and only to the extent that, the underlying Unvested Shares become Vested Shares. Participant’s right to any unpaid dividends with respect to Unvested Shares that are forfeited, cancelled or otherwise terminate without having vested shall be forfeited, cancelled and shall terminate upon the forfeiture, cancellation or termination of the underlying Unvested Shares. Any amounts that may become distributable in respect of dividends declared or paid on the Restricted Stock shall be treated separately from the Restricted Stock and the rights arising in connection therewith for purposes of Section 409A (including for purposes of the designation of time and form of payments required by Section 409A).

ARTICLE II.

TAXATION AND TAX WITHHOLDING

2.1 Section 83(b) Election. If Participant makes an election under Section 83(b) of the Code to be taxed with respect to the Restricted Stock as of the date of transfer of the Restricted Stock rather than as of the date or dates upon which Participant would otherwise be taxable under Section 83(a) of the Code, Participant hereby agrees to deliver a copy of such election to the Company promptly after filing such election with the Internal Revenue Service along with proof reasonably satisfactory to the Administrator of timely filing thereof with the Internal Revenue Service.

2.2 Responsibility for Taxes.

(a) Participant acknowledges that, regardless of any action taken by the Company, the ultimate liability for all income tax, social insurance, payroll tax, employment tax, fringe benefit tax, payment on account or other tax-related items related to Participant's participation in the Plan and legally applicable to Participant or deemed by the Company in its discretion to be an appropriate charge to Participant even if legally applicable to the Company ("***Tax-Related Items***") is and remains Participant's responsibility and may exceed the amount actually withheld by the Company. Participant further acknowledges that the Company (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including, but not limited to, the grant or vesting of the Award, the subsequent sale of Shares and the receipt of any dividends; and (ii) does not commit to and is under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant is subject to Tax-Related Items in more than one jurisdiction, Participant acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Prior to the relevant taxable or tax withholding event, as applicable, Participant agrees to cooperate with the Company in satisfying any applicable withholding obligations for Tax-Related Items. In this regard, the Company, or its agents, at their discretion, may satisfy, or allow Participant to satisfy, the withholding obligation with regard to all Tax-Related Items by any of the following, or a combination thereof:

(i) By delivery of cash, check or wire transfer of immediately available funds by Participant to the Company; provided that the Administrator may limit the use of one of the foregoing methods if one or more of the methods below is permitted;

(ii) Unless the Administrator otherwise determines, (A) delivery (including telephonically to the extent permitted by the Administrator) of a notice to the Company that the Participant has placed a market sell order with a broker acceptable to the Administrator with respect to Shares then issuable and that the broker has been directed to deliver promptly to the Company funds sufficient to satisfy the tax obligations, or (B) the Participant's delivery to the Company of a copy of irrevocable and unconditional instructions to a broker acceptable to the Administrator to deliver promptly to the Company an amount sufficient to satisfy the tax withholding by cash, check or wire transfer of immediately available funds; provided, that such amount is paid to the Company at such time as may be required by the Administrator; or

(iii) To the extent permitted by the Administrator, delivery to the Company of Shares vesting hereunder in satisfaction of any applicable withholding tax obligations. The number of Shares which may be so surrendered shall be limited to the number of Shares which have a Fair Market Value on the date of withholding no greater than the aggregate amount of such liabilities based on the maximum individual statutory withholding rates in Participant's applicable jurisdictions for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such taxable income.

(c) The Company has the right and option, but not the obligation, to treat Participant's failure to provide timely payment of any tax withholding with regard to all Tax-Related Items as Participant's election to satisfy all or a portion of the tax withholding pursuant to Section 2.2(b)(iii) above.

(d) Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case Participant may receive a refund of any over-withheld amount in cash through Company's normal payroll processes and will have no entitlement to the Common Stock equivalent.

(e) Finally, Participant agrees to pay to the Company any amount of Tax-Related Items that the Company may be required to withhold or account for as a result of Participant's participation in the Plan that cannot be satisfied by the means previously described.

ARTICLE III.

RESTRICTIVE LEGENDS

3.1 Legends. Any certificate representing a Share of Restricted Stock will bear the following legend until the Share of Restricted Stock becomes a Vested Share:

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO FORFEITURE IN FAVOR OF THE COMPANY AND MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF A RESTRICTED STOCK AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

ARTICLE IV.

OTHER PROVISIONS

4.1 Nature of Grant. In accepting the Award, Participant understands, acknowledges, and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time in accordance with its terms;

(b) the grant of the Award is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of awards, or benefits in lieu of awards, even if awards have been granted in the past;

(c) all decisions with respect to future restricted stock or other grants, if any, will be at the sole discretion of the Administrator;

(d) the Restricted Stock grant and participation in the Plan shall not create a right to employment or service or be interpreted as forming or amending an employment or service contract with the Company or any other Subsidiary and shall not interfere with the ability of the Company or any other Subsidiary, as applicable, to terminate Participant's employment or service relationship (if any) at any time with or without cause;

(e) Participant is voluntarily participating in the Plan;

(f) the Award and any Shares acquired under the Plan, and the income and value of same, are not intended to replace any pension rights or compensation (if any);

(g) the Award and any Shares acquired under the Plan, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement benefits, welfare benefits or other similar payments (if any);

(h) the future value of the Shares underlying the Award is unknown, indeterminable and cannot be predicted with certainty;

(i) no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from Participant's Termination of Service (for any reason whatsoever, whether or not later found to be invalid or in breach of Applicable Laws or the terms of Participant's employment or service agreement, if any);

(j) unless otherwise agreed with the Company, the Award and the Shares subject thereto, and the income and value of same, are not granted as consideration for, or in connection with, any services Participant may provide as a director of a Subsidiary;

(k) unless otherwise provided in the Plan or by the Administrator, the Award and the benefits evidenced by this Agreement do not create any entitlement to have the Award or any such benefits transferred to, or assumed by, another company, nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Common Stock; and

4.2 No Advice Regarding Grant. Neither the Company nor any Subsidiary is providing any tax, legal or financial advice, nor is any such party making recommendations regarding participation in the Plan, or Participant's acquisition or sale of the underlying shares of Restricted Stock. Participant understands and agrees that Participant should consult with Participant's own personal tax, legal and financial advisors regarding participation in the Plan before taking any action related to his or her Awards under the Plan.

4.3 Transferability. The Award is not transferable, except by will or the laws of descent and distribution or as permitted by the Administrator in accordance with the terms of the Plan. Any permitted transfer of an Award hereunder shall be without consideration, except as required by Applicable Law.

4.4 Adjustments. Participant acknowledges that the Award is subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan.

4.5 Defined Terms; Titles. Capitalized terms not defined in this Agreement have the meanings given to them in the Plan. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

4.6 Conformity to Applicable Laws. Participant acknowledges that the Plan and this Agreement are intended to conform to the extent necessary with all Applicable Laws and, to the extent Applicable Laws permit, will be deemed amended as necessary to conform to Applicable Laws.

4.7 Successors and Assigns; Third-Party Beneficiaries. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the transfer provisions set forth in the Plan, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto. Each Subsidiary is an intended third-party beneficiary of any rights or entitlements conferred on any such party hereunder, and shall be entitled to enforce such rights and entitlements hereunder as if such entity was a signatory to this Agreement.

4.8 Entire Agreement and Imposition of Other Terms. The Plan and this Agreement (including all exhibits and appendices hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company (or between any other Subsidiary) and Participant with respect to the subject matter hereof. Nonetheless, the Company reserves the right to impose other requirements on Participant's participation in the Plan, on the Award and on any Shares acquired under the Plan, to the extent the Administrator determines it is necessary or advisable for legal or administrative reasons, and to require Participant to sign any additional agreements or

undertakings that may be necessary to accomplish the foregoing. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan will control.

4.9 Severability. In the event that any provision of this Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of this Agreement.

4.10 Waiver. Participant acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by Participant or any other person.

4.11 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates a contractual arrangement between the Company and Participant only (except as expressly provided above with respect to third-party rights of Subsidiaries) and shall not be construed as creating a trust for the benefit of Participant. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the Award, and rights no greater than the right to receive the shares as a general unsecured creditor with respect to the Restricted Stock.

4.12 Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

4.13 Notices. Any notice to be given under the terms of this Agreement to the Company must be in writing and addressed to the Company in care of the Company's Secretary at the Company's principal office or the Secretary's then-current email address or facsimile number. Any notice to be given under the terms of this Agreement to Participant must be in writing and addressed to Participant at Participant's last known mailing address, email address or facsimile number in the Company's personnel files. By a notice given pursuant to this Section, either party may designate a different address for notices to be given to that party. Any notice will be deemed duly given when actually received, when sent by email, when sent by certified mail (return receipt requested) and deposited with postage prepaid in a post office or branch post office regularly maintained by the United States Postal Service, when delivered by a nationally recognized express shipping company or upon receipt of a facsimile transmission confirmation.

4.14 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, this Agreement and the Restricted Stock will be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent Applicable Laws permit, this Agreement will be deemed amended as necessary to conform to such applicable exemptive rule.

4.15 Insider Trading Restrictions/Market Abuse Laws. Participant acknowledges that Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect Participant's ability to acquire or sell Shares or rights to Shares under the Plan during such times when Participant is considered to have "inside information" regarding the Company (as defined by Applicable Laws). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Company. Participant acknowledges that Participant is responsible for ensuring compliance with any applicable restrictions and should consult Participant's personal legal advisor on these matters.

4.16 Clawback Provisions. In consideration of the grant of this Award, Participant agrees that this Award (including the gross amount of any proceeds, gains or other economic benefit Participant actually or constructively receives upon receipt of this Award or the receipt or resale of any Shares underlying this Award) will be subject to recoupment by the Company to the extent required to comply with Applicable Laws or any policy of the Company providing for the reimbursement of incentive compensation (including any policy adopted after the Grant Date).

4.17 Governing Law. This Agreement and the Award will be governed by and interpreted in accordance with the laws of the State of Delaware, disregarding the choice-of-law principles of the State of Delaware and any other state requiring the application of a jurisdiction's laws other than the State of Delaware.

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