

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 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): 9/9/2021

**NMI Holdings, Inc.**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware  
(State or Other Jurisdiction  
of Incorporation)**

001-36174  
(Commission  
File Number)

45-4914248  
(IRS Employer  
Identification No.)

2100 Powell Street, 12th Floor, Emeryville, CA  
(Address of Principal Executive Offices)

94608  
(Zip Code)

(855) 530-6642

(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

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

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.01	NMIH	Nasdaq

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 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 September 9, 2021, NMI Holdings, Inc. (the “Company”) announced that the Board of Directors (the “Board”) of the Company has appointed Adam Pollitzer, the Company’s current Executive Vice President and Chief Financial Officer, to become its President and Chief Executive Officer and a member of the Board, effective January 1, 2022. Claudia J. Merkle, the Company’s Chief Executive Officer and a member of the Board, will depart from both positions on December 31, 2021.

In connection with his appointment as President and Chief Executive Officer, on September 9, 2021, the Company entered into a letter agreement (the “Letter Agreement”) with Mr. Pollitzer that will become effective on January 1, 2022. The Letter Agreement provides that Mr. Pollitzer will receive an annual base salary of \$800,000 and a target annual bonus opportunity of 150% of his base salary. He will participate in the Company’s executive cash allowance program at a level of \$38,400 per year and will continue to participate in the Company’s Severance Benefit Plan at the level of “EVPs, President & CEO (without employment agreement)” in accordance with its terms (provided that he will also be eligible to receive benefits under such plan upon a termination by the Company without “cause” (as defined in the Letter Agreement)). In addition, Mr. Pollitzer’s existing participation agreement under the Company’s Amended and Restated Change in Control Severance Benefit Plan in accordance with its terms as previously disclosed will be amended to provide for a severance multiple of two times the sum of his annual base salary and target annual bonus and a lump sum cash payment equal to 24 months of COBRA premiums (less the active employee rate for such coverage).

On September 9, 2021, the Company also entered into a separation agreement with Ms. Merkle (the “Separation Agreement”). The Separation Agreement provides that, in addition to treating Ms. Merkle’s departure as a severance-qualifying termination of employment under the Company’s Severance Benefit Plan in accordance with its terms as previously disclosed, she will be eligible to receive (1) a short-term incentive program payment in respect of the 2021 fiscal year, based on the Company’s actual achievement of the applicable performance metrics for such year, (2) placement services, and (3) accelerated vesting of outstanding stock options and time-vesting restricted stock unit awards. Ms. Merkle’s outstanding performance-based restricted stock unit awards will also remain outstanding and eligible to vest based on actual achievement of the applicable performance metrics for the applicable performance periods. All benefits under the Separation Agreement are subject to Ms. Merkle’s compliance with the terms of the Separation Agreement (including certain restrictive covenants) and her (or her estate’s) execution and non-revocation of a release of claims against the Company.

Information with respect to Mr. Pollitzer required by Items 401(b) and 401(e) of Regulation S-K is contained in the Company’s Proxy Statement on Schedule 14A for its 2021 Annual Meeting of Shareholders, filed on March 30, 2021, and is incorporated by reference into this Current Report on Form 8-K. Mr. Pollitzer does not have any family relationships with any of the Company’s directors or executive officers and is not party to any transactions listed in Item 404(a) of Regulation S-K. Further, no arrangement or understanding exists between Mr. Pollitzer and any other person pursuant to which Mr. Pollitzer was selected to be a member of the Board.

The foregoing summary of the Letter Agreement and the Separation Agreement does not purport to be complete and is qualified in its entirety by reference to the Letter Agreement and the Separation Agreement, which are attached as Exhibits 10.1 and 10.2 and are incorporated by reference herein. A copy of the Company’s related press release is being furnished as Exhibit 99.1 to this Current Report on Form 8-K. Exhibit 99.1 has been “furnished” and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor shall it be deemed incorporated by reference in any filing or other document under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing or document.

**Item 9.01. Financial Statements and Exhibits.****(d) Exhibits.**

<b>Exhibit No.</b>	<b>Description</b>
<a href="#">10.1</a>	Letter Agreement, dated September 9, 2021, by and between Adam Pollitzer and the Company
<a href="#">10.2</a>	Separation Agreement, dated September 9, 2021, by and between Claudia J. Merkle and the Company
<a href="#">99.1</a>	NMI Holdings, Inc. Press Release, dated September 9, 2021
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

**SIGNATURES**

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.

**NMI Holdings, Inc.**  
(Registrant)

Date: September 9, 2021

By: /s/ William J. Leatherberry  
William J. Leatherberry  
EVP, General Counsel

September 9, 2021

Adam Pollitzer  
2100 Powell Street, 12<sup>th</sup> Floor  
Emeryville, CA 94608

Dear Adam:

We are pleased and excited to memorialize the terms of your continued employment with NMI Holdings, Inc. (the “**Company**”) on the terms and subject to the conditions set forth in this letter (this “**Letter**”).

**1. Terms of Employment**

*At-Will Employment.* This Letter is not a contract guaranteeing employment for any specific duration. Rather, your employment with the Company is, and will continue to be, on an at-will basis. As an at-will employee, both you and the Company have the right to terminate your employment at any time with or without cause.

*Transition Date; Title; Duties; Reporting.* Commencing as of January 1, 2022 (the “**Transition Date**”), your title will be President and Chief Executive Officer and you will report directly to the Board of Directors of the Company (the “**Board**”). As President and Chief Executive Officer, you will have authorities, powers, duties and responsibilities as are commensurate with your role and as are customarily exercised by a person in your role in a company of the size and nature of the Company, as set forth on Exhibit A hereto, or as otherwise directed by the Board. You will dedicate all of your business time to the business and affairs of the Company. You will be based in the Company’s Emeryville, CA office, subject to reasonable business travel at the Company’s request.

If your employment with the Company terminates for any reason before the Transition Date, this Letter will automatically terminate and be of no further force or effect, and neither of the parties will have any obligations hereunder; provided, however, in such event the terms and conditions of the offer letter dated February 1, 2017 by and between you and the Company will remain in full effect.

**2. Compensation and Benefits**

*Annual Base Salary.* Commencing on the Transition Date, during your employment, you will be entitled to be paid an annual base salary at the rate of \$800,000 per year (your “**Annual Base Salary**”), payable at times consistent with the Company’s general policies regarding compensation of employees, as in effect from time to time.

*Annual Discretionary Bonus.* Commencing on the Transition Date, during each fiscal year of your employment, you will be eligible to earn an annual discretionary bonus (your “**Annual Bonus**”), with a target Annual Bonus opportunity of 150% of your Annual Base Salary, payable in accordance with the Company’s customary practices with respect to the payment of discretionary bonuses, as in effect from time to time. Your Annual Bonus may be based upon the attainment of performance metrics determined by the Board or the Compensation Committee of the Board (the “**Committee**”). The amount of any Annual Bonus actually paid to you will be determined by the Committee in its sole discretion.

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Except as provided herein, you must be employed by the Company or one of its subsidiaries at the time of payment to receive your Annual Bonus.

*Discretionary Equity Compensation.* You will be eligible to receive a 2022 annual equity award under the Company's Amended and Restated 2014 Omnibus Incentive Plan, or any successor plan. Your 2022 annual equity award will have a target grant date fair value equal to \$3,000,000, 50% of which is expected to be in the form of time-vesting restricted stock units and the remaining 50% of which is expected to be in the form of performance-vesting restricted stock units. The terms and conditions of such awards, including the grant date, vesting schedules and applicable performance metrics, will be determined by the Committee and set forth in the applicable award agreements.

Commencing with the 2023 fiscal year, during your employment, you will continue to be eligible to receive equity-based compensation awards from the Company. The number and type of equity-based compensation awards granted to you, the frequency of the grant, and the terms of such equity-based awards will be established by the Board or the Committee.

*Employee Benefits.* During your employment, you will continue to be eligible to participate in any health, welfare and retirement benefit programs adopted and maintained by the Company for its employees, subject to the terms and limitations of the applicable plan and the Company's ability, in its sole discretion, at any time and from time to time, to change or terminate any of its employee benefit plans, programs or policies.

*Executive Cash Allowance.* During your employment, you will continue to be eligible to participate in the Company's Executive Cash Allowance program as in effect from time to time, subject to the terms and limitations of the Executive Cash Allowance program and the Company's ability, in its sole discretion, at any time and from time to time, to change or terminate the program. Under the terms of the Executive Cash Allowance program as in effect as of the date hereof, commencing on the Transition Date, you will be eligible to receive a fixed cash amount of \$38,400 per year in lieu of individualized prerequisites, payable at times consistent with the Company's payroll practices, as in effect from time to time.

*Paid Time Off.* During your employment, you will continue to receive 30 days of paid time off per year, pro-rated on a calendar year basis.

*Expense Reimbursement.* During your employment, the Company will continue to reimburse you for all reasonable expenses incurred in your performance of your duties in accordance with the Company's expense reimbursement policies applicable to similarly situated executives of the Company from time to time.

### **3. Severance Benefits**

During your employment with the Company, you will remain eligible to participate in the Company's Severance Benefit Plan (the "**Severance Plan**") at the level of "EVPs, President & CEO (without employment agreement)." In addition, if you are terminated without "Cause" (as defined below), not in connection with a change in control of the Company, such Severance Plan will apply to you under Section I.4 and you will be eligible for "Severance Pay" (as defined under the Severance Plan) in accordance with, and subject to the terms and conditions of the Severance Plan. "**Cause**", for purposes of this Letter, means: (i) your conviction of, or plea of guilty or nolo contendere by for committing a felony under federal law or the law of the state in which such action occurred, (ii) your willful and

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deliberate failure to perform your employment duties in any material respect, (iii) dishonesty in the course of fulfilling your employment duties, or (iv) a material violation of the Company's ethics and compliance program. You will also remain eligible to participate in the Company's Change in Control Severance Benefit Plan (the "**CIC Plan**"). On or as soon as reasonably practicable following the Transition Date, your participation letter under the CIC Plan, dated as of May 10, 2017, will be amended to provide that your Severance Multiple (as defined in the CIC Plan) will be 2x and your COBRA Period (as defined in the CIC Plan) will be 24 months.

#### 4. Restrictive Covenants

*Return of Company Property.* Upon a termination of your employment for any reason, you will promptly return to the Company any keys, credit cards, passes, equipment, computers, records, files, documents or material, or other property belonging to the Company, and you will also return all writings, files, records, correspondence, notebooks, notes and other documents and things (including any copies thereof) containing confidential information or relating to the business or proposed business of the Company or its affiliates or containing any trade secrets relating to the Company or its affiliates, in each case without retaining copies in any form, except you may retain any personal diaries, calendars, rolodexes or personal notes or correspondence. For purposes of the preceding sentence, the term "trade secrets" will have the meaning ascribed to it under the Uniform Trade Secrets Act. You agree to represent in writing to the Company upon termination of your employment that you have complied with this paragraph.

*Nondisparagement.* You agree that, following your termination of employment, you will not make any public statements which materially disparage the Company. The Company agrees to instruct its directors and executive officers not to make any public statements which materially disparage you. Notwithstanding the foregoing, nothing in this Letter will prohibit you, or is to be construed as precluding you, from making truthful statements when required by order of a court or other governmental or regulatory body having jurisdiction or to enforce any legal right including, without limitation, the terms of this Letter.

*Confidential Information.* You acknowledge that you will have knowledge of certain trade secrets of the Company and its business plans and prospects. You will hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company and its businesses or prospective businesses, including, without limitation, any trade secrets, research, secret data, business methods, operating procedures or programs which will have been obtained by you in connection with your services to the Company or any affiliates thereof and which will not be or become public knowledge (other than by acts by you in violation of this Letter) (collectively, the "**Trade Secrets and Confidential Information**"); provided, however, that you and the Company acknowledge and agree that you will be required to disclose Trade Secrets and Confidential Information to third parties in performing services for the Company under this Letter, which you may do only to the extent required, as determined within your reasonable discretion. After termination of your services with the Company for any reason, you will not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. You agree to promptly notify the Company's General Counsel via telephone and email as soon as you learn that you may be asked to divulge any Trade Secrets and Confidential Information in any legal proceeding so that the Company may take steps, if necessary, to protect its interests concerning the Trade Secrets and Confidential Information.

*Nonsolicitation.* You agree that, while you are employed by the Company and during the one-

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year period following the cessation of your employment for any reason, you will not directly or indirectly (i) solicit any individual who is, on the date of termination (or was, during the six-month period prior to the date of termination), employed by the Company or any of its affiliates to terminate or refrain from renewing or extending such employment or to become employed by or become a consultant to any other individual or entity other than the Company or its affiliates, or (ii) solicit any investor or prospective investor in the Company or any business contact introduced to you in connection with your employment by the Company hereunder to curtail or cease doing business with the Company or any of its affiliates.

*Severability; Blue Pencil.* You acknowledge and agree that you have had the opportunity to seek advice of counsel in connection with this Letter and the restrictive covenants contained herein are reasonable in geographical scope, temporal duration and in all other respects. If it is determined that this paragraph or any of the paragraphs titled “Nondisparagement,” “Confidential Information,” “Nonsolicitation,” or “Equitable Remedies” (such paragraphs, the “**Restrictive Covenants**”) is invalid or unenforceable, the remainder of the provisions of such paragraphs will not thereby be affected and will be given full effect, without regard to the invalid portions. If any court or other decision-maker of competent jurisdiction determines that any covenant or covenants in this Letter is unenforceable because of the duration or geographic scope of such provision, then after such determination becomes final and unappealable, the duration or scope of such provision, as the case may be, will be reduced so that such provision becomes enforceable, and in its reduced form, such provision will be enforced.

*Whistleblower Rights.* Notwithstanding the foregoing, nothing in this Letter limits your ability to exercise any legally protected whistleblower rights or communicate with any federal, state, or local governmental agency, commission or body, including the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, and the Securities and Exchange Commission (collectively, a “**Governmental Agency**”), or self-regulatory organization or otherwise participate in any investigation or proceeding that may be conducted by any Governmental Agency or self-regulatory organization, without notice to the Company or its General Counsel.

#### 5. Section 409A Compliance

Any amounts payable under this Letter are intended to be exempt or excluded from the application of Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (“**Section 409A**”), or are otherwise intended to avoid the incurrence of tax penalties under Section 409A, and, with respect to amounts payable under this Letter that are subject to Section 409A, this Letter will in all respects be administered in accordance with Section 409A.

#### 6. Miscellaneous.

*Governing Law.* This Letter will be governed, construed, and interpreted under the laws of the State of California, without giving effect to any conflict of laws provisions.

*Arbitration.* Any disputes concerning your employment, the terms of your employment, the termination of your employment, your relationship with the Company, or the interpretation and application of this offer will be resolved on an individual basis through binding arbitration in accordance with the Mutual Agreement to Arbitrate signed by you as a condition of employment, the terms of which are incorporated herein. Actions for temporary or preliminary injunctive relief (including claims for a temporary protective order), in aid of arbitration or to maintain the status quo pending arbitration, may be filed in a court with jurisdiction over the matter in accordance with applicable law.

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**EXHIBIT 10.1**

*Company Policies.* You agree to comply fully with all policies and procedures in effect for employees, including but not limited to, the Employee Handbook, the Business Conduct Policy and any other memoranda and communications applicable to you pertaining to policies, procedures, rules and regulations, in each case as currently in effect and as may be amended from time to time.

*Withholding.* All payments and benefits provided for in this Letter are subject to withholding for applicable income and payroll taxes or otherwise as required by law.

*Entire Agreement.* This Letter constitutes the entire agreement between you and the Company regarding your employment with the Company and, effective as of the Transition Date, supersedes any and all oral or written employment or compensation agreements between you and the Company or its affiliates regarding the subject matter of this Letter, including, without limitation, the offer letter between you and the Company dated February 1, 2017.

Please confirm acceptance of this offer by signing below and returning a signed copy of this Letter to me.

[Signature Page Follows]

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Sincerely,

/s/ Bradley M. Shuster  
Bradley M. Shuster  
Executive Chairman

Acknowledged and Agreed

/s/ Adam Pollitzer  
Adam Pollitzer

Exhibit A

**President and CEO**

- Sets strategic direction in conjunction with Board
- Responsible for strategy execution, operational and financial results

**Operational Responsibility:**

- Financial results of the company
- Strategic planning
- Leadership of Executive Committee
- Development of leadership team
- Leads company operations
- Officers and employees report to him or her
- Maintain a positive and safe work environment
- Regulatory compliance

**Board Interactions:**

- Serve as member of the Board
  - Coordinate with Executive Chairman in shaping board agendas
  - Prepare and communicate Board materials
  - Communicates with all directors on key issues outside of board meetings
  - Seek approval on major investments, M&A, etc.
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**SEPARATION AGREEMENT**

THIS SEPARATION AGREEMENT (this "Agreement") is made this 9<sup>th</sup> day of September, 2021, by and between Claudia J. Merkle (hereinafter referred to as "Executive"), and NMI Holdings, Inc. (hereinafter referred to as the "Company") (Executive and the Company shall collectively be referred to hereinafter as the "Parties"), in accordance with the Company's Severance Benefit Plan (the "Severance Plan").

**WHEREAS**, Executive currently serves as the Company's Chief Executive Officer and a member of the Company's Board of Directors (the "Board");

**WHEREAS**, the Parties have agreed that Executive's employment with the Company and Executive's service as a member of the Board shall in each case terminate effective December 31, 2021 (the "Separation Date"); and

**WHEREAS**, the Parties wish to enter into a mutually satisfactory arrangement concerning, among other things, Executive's eventual separation from service with the Company, in order to resolve and preclude any dispute between them arising from Executive's employment, Executive's separation, or any other matter involving the Company.

**NOW, THEREFORE**, in consideration of the promises made herein, the sufficiency and adequacy of which are acknowledged, the Parties hereby agree as follows:

1. **Separation from All Positions.** It is understood and agreed that Executive's employment with the company will terminate on the Separation Date, and effective as of such date, Executive hereby resigns from her position as Chief Executive Officer and as a member of the Board and as a member of any committees of the Board on which she may serve, and as a member of the board of directors of, and/or as an officer, manager or any other position with, any of the Company's affiliates. While the Parties agree that such resignations are intended to be self-effectuating, Executive further agrees to execute any documentation the Company determines necessary or appropriate to facilitate such resignation.

2. **Separation Payments and Benefits.** In consideration of Executive's service to the Company and Executive's agreement to comply with the terms of this Agreement, and subject to Executive's execution and non-revocation of the release of claims attached hereto as Exhibit A (the "Release") on or within the period following the Separation Date specified in the Release, the Company will provide the following separation pay and benefits (the "Severance Benefits") to Executive. Executive acknowledges and agrees that the Severance Benefits are to be provided in accordance with the terms of the Severance Plan and this Agreement, in each case as set forth herein, and exceed any sums or benefits to which Executive would otherwise be entitled under any applicable policy, plan and/or procedure of the Company or any previous agreement or understanding between Executive and the Company. The payments and benefits provided under this Section 2 shall be in full satisfaction of the obligations of the Company and its affiliates to Executive under this Agreement, the Severance Plan and/or any other plan, agreement, policy or arrangement of the Company and its affiliates upon his termination of employment, and in no event shall Executive be entitled to severance pay or benefits beyond those specified in this Section 2.

a. ***Severance Payment.*** Pursuant to the terms of the Severance Plan, the Company will pay Executive an amount equal to \$780,000 (12 months of Executive's annual rate of base salary),

less applicable withholdings, in one lump sum pursuant to the Company's regular payroll practices following the Separation Date, within 30 days following the date the Release becomes effective in accordance with its terms.

b. *COBRA Premiums.* Pursuant to the terms of the Severance Plan, the Company will pay the applicable monthly premium for continued health coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), including any coverage Executive may have for Executive's dependents, for 12 months following the Separation Date ("Benefits Paid Period"), so long as Executive timely elects COBRA coverage. It is understood that Executive shall be responsible to directly pay for the entirety of Executive's continued COBRA coverage after the Benefits Paid Period, should Executive choose to continue COBRA coverage. Detailed COBRA benefit information will be sent to Executive's home on or after the Separation Date, including the forms Executive will need to timely complete in order to elect COBRA coverage.

c. *2021 Short-Term Incentive Program Payment.* Notwithstanding any provision of the Company's short-term incentive plan requiring participants therein to remain employed through the date annual bonuses are paid, Executive will be eligible to receive a 2021 short-term incentive program payment based on the Company's actual achievement of the applicable performance metrics during such year, at the time when annual bonuses are paid to other senior executives of the Company in the first quarter of 2022.

d. *Outstanding Equity Awards.* Notwithstanding any provision providing for pro-rated vesting contained in the Company's 2012 Stock Incentive Plan, the Amended and Restated 2014 Omnibus Incentive Plan or the applicable award agreements: (i) Executive's outstanding unvested stock options and time-vesting restricted stock unit awards will accelerate and vest in full on the Separation Date and be eligible to be exercised (in the case of stock options) and settled (in the case of restricted stock units) in accordance with the applicable award agreement, and (ii) Executive's outstanding performance-based restricted stock unit awards will remain outstanding and eligible to vest and be settled based on the Company's actual achievement of the applicable performance metrics as of the end of the applicable performance period, as otherwise may be provided under the applicable award agreement(s). For clarity, Executive's stock options that are vested and outstanding on the Separation Date (including any options that become vested in accordance with this Agreement) will remain exercisable until the 90<sup>th</sup> day following the Separation Date. Executive agrees that Exhibit B hereto contains a complete and accurate record of all of Executive's outstanding equity awards.

e. *Placement Services.* The Company will provide Executive with certain placement services from JamesDruryPartners, provided that such placement services shall end no later than the first anniversary of the Separation Date.

3. **Non-Disparagement.** Executive agrees not to disparage the Company or any Company director, officer, employee, consultant, contractor or affiliate, or any of its products, processes, policies, practices, or standards of business conduct, including statements on or to any website, blog, social media site or app, or to any media source, including electronic or print news media, or other publications, or any publicly-available forums or any community organizations. The Company agrees to instruct its directors, and Executive Vice Presidents not to disparage, criticize or defame Executive, including statements on or to any website, blog, social media site or app, or to any media source, including electronic or print news media, or other publications, or any publicly-available forums or any community organizations. Except as otherwise permitted herein, Executive agrees not to assist any

attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against the Company or any Company director, officer, employee, consultant, contractor or affiliate. Both Executive and the Company agree that nothing in this Agreement is to be construed as precluding either party from providing truthful information in response to a court order or government inquiry or investigation.

4. **Confidentiality.** Executive understands and agrees that in the course of employment with the Company, Executive acquired confidential and proprietary information, including but not limited to information concerning operations, finances, business and marketing plans and strategies, budgets and unpublished financial information, prices and costs, and the skills and value to the Company of other employees, all of which information Executive understands and agrees could be damaging to the Company if disclosed or made available to any other person or entity (collectively "Confidential Information"). Confidential Information does not include any information that is or becomes generally known to the public or industry, other than because Executive or any other current or former employee fails to keep such information secret and confidential. Executive understands and agrees that such information was divulged to Executive in confidence as an employee of the Company and a member of the Board and Executive understands and agrees that such information shall be kept secret and confidential. Executive further understands and agrees that, at all times, Executive will not disclose or communicate any Confidential Information to any other person or in any way make such information available to others, or make use of such information on Executive's own behalf, or on behalf of any other person or entity, unless necessary to comply with a subpoena or other legal process. However, Executive agrees to promptly notify the Company's General Counsel via telephone and email as soon as Executive learns that Executive may be asked to divulge any Confidential Information in any legal proceeding so that the Company may take steps, if necessary, to protect its interests concerning the Confidential Information. Executive understands that nothing in this Agreement is intended to preclude Executive from communicating or cooperating in any way with the Securities and Exchange Commission, and Executive is not required to notify the Company or its General Counsel of any such communications or cooperation.

5. **Return of Property.** Executive agrees that Executive will, no later than the Separation Date, return all Company confidential and proprietary information, including all property authored by, concerning or belonging to the Company, or gathered, compiled or prepared in the course of Executive's work for the Company (other than Executive's personal copies of payroll and benefits records), including but not limited to keys and passes, credit cards, computer hardware and software, papers, manuals, records, drawings, emails and documents, without retaining copies in any form.

6. **Remedies and Injunctive Relief.** Executive acknowledges that a violation by Executive of any of the covenants contained in this Agreement would cause irreparable damage to the Company and its affiliates in an amount that would be material but not readily ascertainable, and that any remedy at law (including the payment of damages) would be inadequate. Accordingly, Executive agrees that, notwithstanding any provision of this Agreement to the contrary, in addition to any other damages it is able to show, the Company shall be entitled (without the necessity of showing economic loss or other actual damage) to (i) cease payment of the Severance Benefits and return of any portion of the Severance Benefits already paid and (ii) injunctive relief (including temporary restraining orders, preliminary injunctions and permanent injunctions), without posting a bond, in any court of competent jurisdiction for any actual or threatened breach of any of the covenants set forth in this Agreement in addition to any other legal or equitable remedies it may have. The preceding sentence shall not be

construed as a waiver of the rights that the Company may have for damages under this Agreement or otherwise, and all such rights shall be unrestricted.

7. **Effect of Certain Terminations.** If Executive's employment is terminated prior to the Separation Date (i) by the Company for "cause" (as defined in the Company's Amended and Restated 2014 Omnibus Incentive Plan or, with respect to Executive's outstanding stock options, as defined in the Company's 2012 Stock Incentive Plan) or (ii) by Executive for any reason, the payments and benefits to which Executive is entitled on account of such termination shall be determined pursuant to each such plan, agreement, policy or arrangement and without regard to Section 2 of this Agreement. If Executive's employment is terminated prior to the Separation Date on account of Executive's death or "disability" (as defined for purposes of Section 409A of the Internal Revenue Code), Executive will continue to remain eligible to receive the Severance Benefits as set forth in Section 2(a)-(d), subject to her (or, in the event of Executive's death, her estate's) execution and non-revocation of the Release and without regard to any conflicting or contrary provisions in any plan, agreement, policy or arrangement of the Company in which Executive participates or to which she is a party.

8. **Miscellaneous.**

a. This Agreement is entered into under and governed by the laws of the State of California, without giving effect to conflicts of laws. Any provision determined to be void or illegal for any reason shall be deemed severable, and all other provisions of this Agreement shall remain in full force and effect.

b. All notices, requests, demands or other communications under this Agreement shall be in writing and shall be deemed to have been duly given when delivered in person or deposited in the United States mail, postage prepaid, by registered or certified mail, return receipt requested, to the party to whom such notice is being given as follows:

If to Executive:	Executive's last address on the books and records of the Company
If to the Company:	NMI Holdings, Inc. 2100 Powell Street, 12 <sup>th</sup> Floor Emeryville, CA 94608 Attention: General Counsel

c. In order to be eligible to benefit from the Severance Benefits described in this Agreement, Executive is expected to comply fully with the provisions of this Agreement and the terms of the Severance Plan. Failure to do so may result in the withdrawal of the Agreement by the Company at any time, and refusal to provide or to continue providing the Severance Benefits provided in this Agreement.

d. The Company shall be entitled to withhold from the benefits and payments described herein all income and employment taxes required to be withheld by applicable law.

e. It is intended that payments and benefits made or provided under this Agreement shall comply with, or be exempt from, Section 409A of the Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder (collectively, "Section 409A"), and this Agreement shall be construed and interpreted in accordance with such intent. Each payment of compensation under this Agreement shall be treated as a separate payment for purposes of Section 409A. All payments to be made upon a termination of employment under this Agreement may only be

made upon a "separation from service" within the meaning of Section 409A. In no event may Executive, directly or indirectly, designate the calendar year of any payment under this Agreement. Notwithstanding anything to the contrary in this Agreement, all reimbursements and in-kind benefits provided under this Agreement that are subject to Section 409A shall be made in accordance with the requirements of Section 409A, including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during Executive's lifetime (or during a shorter period of time specified in this Agreement), (ii) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year, (iii) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit. Notwithstanding the foregoing, if Executive is a "specified employee" within the meaning of Section 409A (as determined in accordance with the methodology established by the Company as in effect on the Separation Date), any amounts and benefits provided under Section 2 that constitute "nonqualified deferred compensation" within the meaning of Section 409A that are to be paid or provided on account of Executive's separation from service and are otherwise due to Executive under this Agreement during the six-month period immediately following the Separation Date shall instead be paid or provided on the first business day of the seventh month following Executive's "separation from service" within the meaning of Section 409A.

f. This Agreement shall inure to the benefit of and be enforceable by Executive's legal representatives. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns. As used in this Agreement, the "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

g. No waiver of any obligation under this Agreement will be effective unless in writing, and will then be effective only for the specific instance of which such waiver was given.

h. Except with respect to any restrictive covenants to which Executive is already subject pursuant to that certain offer letter agreement with the Company dated December 28, 2018 or otherwise, this Agreement sets forth the entire agreement between the parties hereto, and fully supersedes any and all prior agreements or understandings between the parties hereto pertaining to the subject matter thereof. This Agreement may not be amended or modified otherwise than by a written agreement executed by the Parties or their respective successors and legal representatives.

*[Signature page follows]*



**IN WITNESS WHEREOF**, Executive has hereunto set her hand and the Board has caused this Agreement to be executed by its duly authorized representative, all as of the date first above written.

/s/ William J. Leatherberry  
NMI HOLDINGS, INC.  
By: William J. Leatherberry  
Title: Executive Vice President,  
General Counsel

/s/ Claudia J. Merkle  
Claudia J. Merkle

## **EXHIBIT A**

### **RELEASE OF CLAIMS**

This RELEASE OF CLAIMS (the "Release") is made as of the date set forth below, by and between NMI Holdings, Inc. and all of its subsidiaries and affiliates (collectively the "Company"), and Claudia J. Merkle ("Executive") (collectively, the "Parties").

**WHEREAS**, Executive and the Company have entered into Separation Agreement (the "Agreement"), dated as of September 9, 2021, pursuant to which Executive is entitled to receive certain additional compensation upon and following the Separation Date (capitalized terms used but not defined in this Release have the meanings ascribed to them in the Agreement);

**WHEREAS**, Executive's receipt of the additional compensation under the Agreement is conditioned upon Executive signing and not revoking this Release, which the Parties acknowledge is mutually agreeable; and

**WHEREAS**, Executive's employment with and services to the Company have been terminated as of the Separation Date.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed between the Parties as follows:

1. Executive agrees for herself, Executive's heirs, administrators, representatives, executors, successors, and assigns, to unconditionally and forever release and discharge the Company, its parents, divisions, predecessors, successors and joint ventures, and each and all of its and their respective past or present officers, directors, employees, shareholders, partners, contractors, trustees, administrators, insurers, agents, attorneys, representatives, fiduciaries, successors and assigns (collectively, "Releasees") of and from any and all debts, claims, liabilities, demands and causes of action of every kind, nature and description, whether known or unknown, including, but not limited to, any claim for wages, severance, benefits, bonuses, sabbatical benefits, and any other form of compensation, claims for personal injury, breach of contract, negligent or intentional misrepresentation, negligent or intentional infliction of emotional distress, defamation, wrongful termination, and any claims under federal, state or local law, including, but not limited to, Title VII of the Civil Rights Act of 1964, the Equal Pay Act, the Lilly Ledbetter Fair Pay Act, the Americans with Disabilities Act, the Age Discrimination in Employment Act ("ADEA") as amended by the Older Workers' Benefit Protection Act of 1990 (29 U.S.C. §§ 621, et seq.) ("OWBPA"), the California Fair Employment and Housing Act, the Occupational Safety and Health Act, and any other health/safety laws, statutes or regulations, the Employee Retirement Income Security Act of 1974, the Internal Revenue Code, the California Family Rights Act and the Federal Family and Medical Leave Act, the Fair Labor Standards Act and the California Labor Code, which Executive has or may have or could assert against the Releasees, or any of them, as of the date on which Executive signs this Release, including, but not limited to, any claims arising out of or connected with Executive's employment, or the termination of Executive's employment with the Company, or any and all claims arising out of execution of the Agreement, including without limitation, Executive's decision to execute the Agreement. This Release does not release claims that cannot be released as a matter of law, including, but not limited to, Executive's right to file a claim for unemployment insurance benefits, state disability compensation, vested benefits under any Company-sponsored benefit plan, or indemnification under California Labor Code § 2802, or any rights or claims that may arise after the date

of this Release. In addition, notwithstanding the foregoing, Executive does not waive rights or claims related to (i) the payments and benefits under Section 2 of the Agreement, (ii) unpaid Base Salary through the Separation Date, and (iii) vested and accrued benefits under the Company benefit plans in which Executive participated in accordance with their terms.

2. Executive understands that nothing in this Release or the Agreement limits Executive's right or ability to file a charge or complaint against Releasees with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission (the "SEC"), or any other local, state or federal administrative body or government agency. Executive further understands that this Release or the Agreement does not limit Executive's ability to communicate with any government agencies or otherwise participate in any investigation or proceeding that may be conducted by any government agency, including providing documents or other information, without notice to the Company.

3. If an administrative charge is filed by Executive or on Executive's behalf, or on an administrative agency's behalf, against Releasees, Executive understands and agrees that by signing this Release, Executive is waiving Executive's ability to recover a monetary award from such charge. Moreover, if Executive challenges the validity of this Release and seeks monetary damages based on any of the aforementioned claims, and if Executive prevails, any resulting monetary award shall be reduced, at a minimum, by the amount of consideration received for signing this waiver. Executive understands, however, that nothing in this Release or the Agreement is intended to limit Executive's right to seek, obtain and/or accept a whistleblower award from the SEC pursuant to Section 21F of the Securities Exchange Act. **Nothing in this Release or the Agreement prohibits or restricts Executive from initiating communications directly with, or responding to any inquiry from, or providing testimony before, the SEC, FINRA, any other self-regulatory organization or any other state or federal regulatory authority, regarding this agreement or its underlying facts or circumstances.** Nothing in this Agreement limits or affects Executive's right to challenge the validity of this Agreement under the ADEA or the OWBPA.

4. It is further understood and agreed that as part of the consideration and inducement for the execution of this Release, Executive specifically waives the provisions of section 1542 of the California Civil Code, which reads as follows:

**"A general release does not extend to claims which the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her, would have materially affected his or her settlement with the debtor or released party."**

5. To the extent not preempted by Federal law, this Release shall be governed by and construed in accordance with the governing law set forth in the Agreement, without giving effect to conflicts of laws.

6. Executive further understands, agrees and acknowledges that Executive:

a. Has had a full twenty-one (21) days following the Separation Date (the "Consideration Period") in which to consider and sign this Release and return it to Mary Lee Sharp, Senior Vice President, Human Resources. However, Executive may, at Executive's sole option, elect not to use the entire Consideration Period, and Executive may sign this Release any time after the Separation Date, so long as it is before the expiration of the Consideration Period. Executive hereby

acknowledges that any decision execute this Release prior to the expiration of the Consideration Period is knowing and voluntary, and such decision is not induced by or through fraud, misrepresentation, or a threat to withdraw or alter the provisions set forth in this Release in the event Executive elected to consider this Release for at least twenty-one (21) days prior to signing the Release. If Executive does not sign and return this Release by the expiration of the Consideration Period, this Release will become null and void and the Company shall have no obligation to pay or provide Executive with the Severance Benefits set forth in Section 2 of the Agreement. The Parties agree that changes, whether material or immaterial, do not restart the running of the Consideration Period.

b. Is, through this Release, releasing any and all claims Executive may have against Releasees through the date such Release is executed.

c. Has carefully read and fully understands all of the provisions of this Release.

d. Knowingly and voluntarily intends to be legally bound by the same.

e. Was advised and hereby is advised in writing to consider the terms of this Release and to consult with an attorney of Executive's choice prior to executing this Release.

f. Is signing this Release voluntarily and has not relied on any oral statements or explanations made by the Company or its representatives.

g. Has a full seven (7) days following the execution of this Release (the "Revocation Period") to revoke this Release by so notifying the Company in writing addressed to William J. Leatherberry, General Counsel, and understands that this Release shall not become effective or enforceable until the Revocation Period has expired. If not revoked by Executive, this Release will become effective on the eighth day following Executive's signing. If revoked by Executive, this Release will be null and void and the Company shall have no obligation to pay or provide Executive with the Severance Benefits set forth in Section 2 of the Agreement.

h. Understands that any rights or claims under the Age Discrimination in Employment Act of 1967 (29 U.S.C. § 621, et seq.) that may arise after the date this Separation Agreement is executed are not waived.

i. Understands this Release shall not be construed as an admission of wrongdoing or liability by either Party or any of the Company's directors, officers, or employees.

**PLEASE READ CAREFULLY. THIS AGREEMENT INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.**

**By signing this Release, Executive acknowledges that Executive has had twenty-one (21) days to review this Release carefully, and to consult with attorneys or advisors of Executive's choice. Executive understands the terms of this Release and the significance of the waivers that Executive has made, as well as the legal and binding effect of this Release, and Executive is signing this Release voluntarily and without coercion.**

**Date: September 9, 2021**

**/s/ Claudia J. Merkle**

**Claudia J. Merkle**

**EXHIBIT B**

**OUTSTANDING EQUITY AWARDS**

<b>Plan Name</b>	<b>Grant Date</b>	<b>Award Type</b>	<b>Exercise Price</b>	<b>Shares Subject to Award</b>
<b>2012 Stock Incentive Plan</b>	2/7/18	Stock Options	\$18.70	28,713
	2/13/19	Stock Options	\$22.19	40,950
<b>Amended and Restated 2014 Omnibus Incentive Plan</b>	2/13/19	Time vesting RSUs	N/A	16,331
	2/12/20	Time vesting RSUs	N/A	20,322
	2/10/21	Time vesting RSUs	N/A	50,347
	2/12/20	Performance vesting RSUs	N/A	33,870*
	2/10/21	Performance vesting RSUs	N/A	50,347*

\*Based on the target level of performance



**NMI Holdings, Inc. Announces CEO Succession;  
Adam Pollitzer Named President and CEO, Effective January 1, 2022**

EMERYVILLE, Calif., Sept. 9, 2021 – NMI Holdings, Inc. (Nasdaq: NMIH) announced today that Adam Pollitzer, currently the company’s Executive Vice President and Chief Financial Officer, has been appointed President and Chief Executive Officer, effective January 1, 2022. Mr. Pollitzer will also join the company’s Board of Directors upon assuming his new role. He succeeds Claudia Merkle, who will step down as Chief Executive Officer and as a member of the Board, effective December 31, 2021.

“This leadership transition comes at the right time for National MI and is the result of a deliberate and collaborative succession planning process,” said Bradley Shuster, Executive Chairman and Chairman of the Board. “The Board is grateful to Claudia for her leadership and dedication to National MI over her many years of service, and for the strong foundation she has established to support the company’s continued growth and success. Over her nearly decade-long tenure with National MI, Claudia has overseen the growth of National MI’s customer franchise and led the development of its underwriting and operational capabilities. Since her promotion to CEO in 2019, National MI has nearly doubled its insurance in-force from \$69 billion to \$137 billion, and the company was recognized on Fortune Magazine’s 100 Fastest-Growing Companies list for its combined revenue, net income and stock price performance.”

“The Board is confident that Adam is the right leader to guide National MI going forward. He is a talented and seasoned executive with deep knowledge of the mortgage insurance market, key experience and success as a senior leader of National MI, and a demonstrated commitment to our company, our customers and our people. Adam has been instrumental in shaping our corporate strategy and financial success, and we are confident in his ability to drive National MI’s continued growth and outperformance,” Mr. Shuster concluded.

Since joining the company as Executive Vice President and Chief Financial Officer in 2017, Mr. Pollitzer has led National MI’s finance function and has had responsibility for the company’s strategic planning and corporate development efforts. He has also managed the company’s funding profile and reinsurance program. Mr. Pollitzer serves on National MI’s Executive Committee and played a key role in leading the company through the COVID pandemic.

“I’ve been privileged to work with our Board of Directors and a talented, dedicated group of colleagues,” commented Ms. Merkle. “Our goal has always been to support our lender customers and their borrowers with a differentiated commitment and standard of service, while also driving responsible growth in our high-quality insured portfolio and strong risk-adjusted returns for our shareholders. I am grateful to our customers for their steadfast partnership and support, and proud of the success we have achieved together. National MI is well-positioned to grow and prosper, and there is no more qualified person than Adam to lead the company going forward. I look forward to watching the team’s continuing success.”

“I am honored to be appointed National MI’s next President and Chief Executive Officer, and deeply appreciative of the leadership and support Claudia has provided over the last several years,” said Mr.



Pollitzer. “This is an exciting time at National MI. We are leading with impact and helping a record number of deserving borrowers gain access to homeownership. Our core mortgage insurance products are in greater demand than ever before, and the increased digitization of the mortgage market has allowed us to expand our customer reach and accelerate our growth. We have a robust capital position and remain committed to building our business in a durable, risk-responsible manner. I’m looking forward to working with our talented executive management team, Brad, and the rest of the Board of Directors to continue to deliver results for our customers, our community, our employees and our shareholders.”

**About NMI Holdings, Inc.**

NMI Holdings, Inc. (NASDAQ: NMIH) is the parent company of National Mortgage Insurance Corporation, a U.S.-based, private mortgage insurance company enabling low down payment borrowers to realize home ownership while protecting lenders and investors against losses related to a borrower's default. To learn more, please visit [www.nationalmi.com](http://www.nationalmi.com).

**Cautionary Note Regarding Forward Looking Statements**

This press release contains forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the U.S. Private Securities Litigation Reform Act of 1995, or in releases made by the U.S. Securities and Exchange Commission (“SEC”), all as may be amended from time to time. Forward-looking statements are statements about future, not past, events and rely on a number of assumptions concerning future events and involve certain important risks and uncertainties, any of which could cause our actual results to differ materially from those expressed in our forward-looking statements. Forward-looking statements in this press release include, without limitation, statements regarding National MI’s positioning for its future performance. More information about the risks, uncertainties and assumptions affecting National MI include, but are not necessarily limited to, the risk factors and forward-looking statements cautionary language contained in our Annual Report on Form 10-K and in other filings made with the SEC. We do not undertake, and specifically disclaim, any obligation to revise any forward-looking statements to reflect the occurrence of future events or circumstances.

**Investor Contact**

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