

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: January 14, 2019
(Date of earliest event reported)

FEDNAT HOLDING COMPANY
(Exact name of registrant as specified in its charter)

Florida	000-25001	65-0248866
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

14050 N.W. 14 th Street, Suite 180 Sunrise, FL	33323
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (800) 293-2532

NOT APPLICABLE

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (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))

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 Officer; Compensatory Arrangements of Certain Officers.

(e) Employment Agreement with Chief Financial Officer

On January 8, 2019, FedNat Holding Company (the “Company”) entered into an employment agreement (the “Employment Agreement”) with Ronald A. Jordan, the Company’s Chief Financial Officer.

Under the Employment Agreement, Mr. Jordan is entitled to receive base salary and incentive compensation as determined by the Compensation Committee of the Company’s Board of Directors. He is also entitled to receive medical insurance (including family coverage) and other benefits commensurate with that offered to other similarly situated employees.

Mr. Jordan’s employment agreement is for a two-year term beginning on the date of execution. If Mr. Jordan’s employment is terminated by the Company without cause prior to a change of control of the Company (as defined in the Employment Agreement), Mr. Jordan will be entitled to receive in a lump sum payment severance equal to two times his annual base salary as in effect immediately prior to such termination (“Termination Severance”) and any accrued but unpaid bonuses, incentive compensation and other benefits (“Accrued Obligations”). In addition, any unvested equity awards held by Mr. Jordan will vest. The Company will also provide Mr. Jordan and his family medical insurance coverage for two years at no cost (“Extended Medical Coverage”).

If Mr. Jordan’s employment is terminated because of his death or disability (as defined in the Employment Agreement), Mr. Jordan will be entitled to receive the Termination Severance (less, in the case of his disability, any amounts paid to him under a long-term disability policy) and the Accrued Obligations. The Termination Severance will be paid in a lump sum in the case of his death, and in accordance with the Company’s payroll practices, in the case of his disability. In addition, any unvested equity awards held by him will vest and the Company will provide two years of Extended Medical Coverage to his family, in the case of his death, or to him and his family, in the case of his disability.

If Mr. Jordan’s employment is terminated by the Company without cause or is terminated by him for Good Reason (as defined in the Employment Agreement) following a change of control of the Company, Mr. Jordan will be entitled to receive in a lump sum payment severance equal to two times the sum of (a) his annual base salary in effect immediately prior to date of the definitive agreement for the transaction resulting in the change of control plus (b) the average of his incentive bonuses (annual and long-term) awarded for the three fiscal years immediately preceding the termination of his employment (“Change of Control Severance”). In addition, any unvested equity awards held by Mr. Jordan will vest. The Company will also provide Mr. Jordan and his family Extended Medical Coverage for two years.

If Mr. Jordan’s employment is terminated by the Company without cause prior to a change of control, and a change of control occurs within six months of the termination of his employment, Mr. Jordan will be entitled to receive an additional payment equal to the difference between the Change of Control Severance to which he would have been entitled and the Termination Severance. If Mr. Jordan resigns, or is terminated by the Company for cause (as defined in the Employment Agreement), he will be entitled to receive only his base salary prorated through the date of termination and will forfeit any accrued but unpaid bonus or other incentive compensation or other benefits, unless otherwise provided under the applicable plan, program or arrangement.

The Employment Agreement sets forth a reaffirmation of the restrictive covenants in Mr. Jordan’s Confidential Information, Non-Solicitation and Non-Competition Agreement dated April 17, 2017.

The foregoing summary of the Employment Agreement is qualified by reference to the full text of the Employment Agreement, a copy of which is filed with this Form 8-K as Exhibit 99.1.

Forms of Restricted Stock Grant Agreements

The Company’s Board of Directors has approved forms of time-based and performance-based restricted stock grant agreements for grants of restricted stock under the Company’s 2018 Omnibus Incentive Compensation Plan (the “2018 Plan”) to the Company’s named executive officers, other members of the Company’s management, and the Company’s non-employee directors. No awards have been granted to date under the 2018 Plan. The forms of grant agreements were approved on January 9, 2019 and are filed with this Form 8-K as Exhibits 99.2 and 99.3.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

- 99.1 Employment Agreement dated January 8, 2019 between FedNat Holding Company and Ronald A. Jordan
- 99.2 Form of Restricted Stock Grant Summary Agreement of the Company (Time-Based Vesting)
- 99.3 Form of Restricted Stock Grant Summary Agreement of the Company (Performance-Based Vesting)

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.

FEDNAT HOLDING COMPANY

Date: January 14, 2019

By: /s/ Ronald A. Jordan

Name: Ronald A. Jordan
Title: Chief Financial Officer
(Principal Financial Officer)

EXHIBIT INDEX

Exhibit No Exhibit Title

- 99.1 [Employment Agreement dated January 8, 2019 between FedNat Holding Company and Ronald A. Jordan](#)
- 99.2 [Form of Restricted Stock Grant Summary Agreement of the Company \(Time-Based Vesting\)](#)
- 99.3 [Form of Restricted Stock Grant Summary Agreement of the Company \(Performance-Based Vesting\)](#)

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the “Agreement”), made and entered into as of the 8th day of January, 2019 (the “Effective Date”), by and between:

- (i) **RONALD A. JORDAN**, an individual currently residing at the address set forth in Section 10 below (the “Executive”) and
- (ii) **FEDNAT HOLDING COMPANY**, a Florida corporation with offices and place of business at the address set forth in Section 10 below (the “Company”).

All capitalized terms used but not defined herein shall have the meanings as set forth in Appendix A hereto, which is incorporated by reference herein.

PRELIMINARY STATEMENT

WHEREAS, the Company is engaged in the insurance business and desires to employ Executive and to secure for the Company the benefit of Executive’s experience, efforts and abilities in connection with the business of the Company, all as provided herein; and

WHEREAS, the Company has and will continue to expend substantial resources in connection with the aforementioned endeavors; and

WHEREAS, Executive and Company desire to set forth the terms and conditions of Executive’s service to the Company as its Chief Financial Officer, among other services, and the Company’s compensation of Executive in connection therewith.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Employment. The Company desires to continue the Executive’s employment as, and the Executive agrees to continue his employment as, the Company’s Chief Financial Officer.
2. Term of Employment. Executive shall serve as the Company’s Chief Financial Officer and be employed under this Agreement for a period of two (2) years beginning on the Effective Date (the “Term”).
3. Duties of Executive. So long as employed hereunder, Executive agrees to devote Executive’s full business time and energy (except during periods of vacation or personal time off as described in Section 4 or disability as described in Section 5) to the business and affairs of the Company, to perform Executive’s duties hereunder effectively, diligently and to the best of Executive’s ability and to use Executive’s best efforts, skill and abilities to promote the Company’s interests. Executive shall report to the Chief Executive Officer of the Company. Executive’s duties shall include, but are not limited to, serving as the Company’s Chief Financial Officer, together with such other executive management functions for the Company as may be determined

by the Chief Executive Officer. Notwithstanding the foregoing, Executive may serve on a non-profit or other board as the Company's Chief Executive Officer may approve.

4. Compensation. For all services to be rendered by Executive to the Company during the Term of this Agreement, the Company agrees to compensate Executive and Executive agrees to accept from Employer, the following compensation:

(a) Base Salary; Additional Incentive Compensation. The Company agrees to pay Executive (i) an annual base salary as determined by the Compensation Committee of the Company's Board from time to time, payable biweekly, subject to applicable withholding and other taxes and (ii) such additional incentive compensation, as determined by the Compensation Committee in its sole discretion. In addition, Executive shall be entitled to participate in any annual incentive compensation plan, program and/or arrangements applicable to the Company's executive officers as established and modified from time to time by the Compensation Committee in its sole discretion.

(b) Medical Insurance. So long as Executive is employed by the Company, the Company agrees to provide medical insurance coverage for Executive and his family commensurate with the coverage provided by the Company for other similarly situated employees.

(c) Other Benefits. Executive shall be entitled to receive such other benefits as are provided by the Company for other similarly situated employees.

(d) Vacation/Personal Time. Executive shall be entitled to reasonable vacations and/or personal time off during each year of the Term of this Agreement.

5. Termination of Employment.

(a) Termination by the Company for Cause. If Executive's employment with the Company is terminated for Cause, Executive shall be entitled only to Executive's base salary (as provided in Section 4(a) above) prorated through the date of the termination of employment and Executive shall forfeit all rights to any bonus or other incentive compensation or other benefits that may be owed to Executive but have not been paid as of the date of termination, except as may be otherwise provided under the applicable plan, program or arrangement.

(b) Termination by the Company without Cause prior to a Change of Control. If during the Term of this Agreement Executive's employment is terminated by the Company without Cause prior to a Change of Control, then in addition to any bonus or other incentive compensation or other benefits that may be owed to Executive but have not been paid as of the date of termination (the amount of any such bonus, incentive compensation or other benefits that may be due to Executive at the time of termination is hereinafter referred to as the "Accrued Obligations"), the Company will make a lump sum payment, no later than ten (10) days following such termination, to Executive in an amount equal two (2) times Executive's annual base salary as in effect immediately prior to such termination of employment (the "Termination Severance"). Additionally, the Company will accelerate all unvested equity awards held by Executive at the time of such termination and Executive shall have no less than ninety (90) days to exercise any outstanding stock options; provided, however, in no event shall an option be exercisable beyond its stated term. In addition, the Company shall continue to provide Executive (and his family) with

medical insurance for a period of two (2) years after the date of such termination of employment at no cost to Executive ("Extended Medical Coverage"). Following such Extended Medical Coverage, Executive (and his family) shall be entitled to extended coverage under the terms of COBRA.

(c) Death. In the event of Executive's death, this Agreement shall automatically terminate as of the date of such death without notice to either party. In addition to the Accrued Obligations, the Company will make a lump sum payment to Executive's estate in an amount equal to the Termination Severance. Additionally, the Company will accelerate all unvested equity awards held by Executive at the time of such death and the personal representative of Executive's estate shall have no less than ninety (90) days to exercise any outstanding stock options; provided, however, in no event shall an option be exercisable beyond its stated term. Executive shall also be entitled to any benefits that become due and payable pursuant to any plan, program and/or arrangements providing life insurance or other death benefits for the Company's executive officers as established and modified from time to time by the Compensation Committee in its sole discretion. The Company shall continue to provide Executive's family with Extended Medical Coverage for a period of two (2) years after the date of Executive's death. Following such Extended Medical Coverage, Executive's family shall be entitled to extended coverage under the terms of COBRA.

(d) Disability. In the event that Executive shall be unable to substantially perform his essential duties and responsibilities under this Agreement, with or without reasonable accommodation, by virtue of illness or physical or mental disability (from any cause or causes whatsoever) in substantially the manner and to the extent required of him hereunder prior to the commencement of such disability and Executive shall fail to perform such duties for a period of ninety (90) or more days, whether or not continuous, in any continuous one hundred and eighty (180) day period, then the Company shall have the right to terminate this Agreement and Executive's employment with the Company as of the end of any calendar month during the continuance of such disability upon at least fifteen (15) days' prior written notice to Executive. Such determination shall be made by a licensed physician mutually selected by the Company and Executive. If the parties cannot agree on a licensed physician, each party shall select a licensed physician and the two licensed physicians shall select a third licensed physician, who shall make such determination for this purpose. Notwithstanding the foregoing, in the event that the Company maintains a long-term disability policy for the benefit of Executive (regardless of who pays the premium) the Company shall have the right to terminate this Agreement pursuant to this Section 5(d) only if Executive is determined to be disabled for purposes of collecting disability benefits under such long-term disability policy. Upon termination of this Agreement for disability, the Company will make payments to Executive in an aggregate amount equal to the Termination Severance less any amounts paid to Executive under Executive's long-term disability policy, payable biweekly or otherwise in accordance with the Company's payroll practices. In addition to the Accrued Obligations, the Company will accelerate all unvested equity awards held by Executive at the time of such termination of Executive's employment for disability and Executive shall have no less than ninety (90) days to exercise any outstanding stock options; provided, however, in no event shall an option be exercisable beyond its stated term. The Company shall continue to provide Executive (and his family) with Extended Medical Coverage for a period of two (2) years after the date of such termination of employment for disability. Following such

Extended Medical Coverage, Executive (and his family) shall be entitled to extended coverage under the terms of COBRA.

(e) Termination by the Company without Cause or by Executive for Good Reason Following a Change of Control. If Executive is employed with the Company on the date on which a Change of Control occurs (the “Change of Control Date”) and if, during the remaining Term of this Agreement after the Change of Control Date, Executive’s employment is terminated by the Company (or any successor or subsidiary) without Cause or by Executive for Good Reason, then in addition to the Accrued Obligations, the Company will make a lump sum payment to Executive in an amount equal to two (2) times the sum of (i) Executive’s annual base salary in effect immediately prior to the date of the definitive agreement for the transaction resulting in the Change of Control, plus (ii) the average of Executive’s incentive bonus (annual and long-term) awarded for the three (3) fiscal years immediately preceding such termination of employment (the “Change of Control Severance”). This payment shall be made to Executive within five (5) days following such termination of employment. Additionally, the Company will accelerate all unvested equity awards held by Executive at the time of such termination and Executive shall have no less than ninety (90) days to exercise any outstanding stock options; provided, however, in no event shall an option be exercisable beyond its stated term. In addition, the Company shall continue to provide Executive (and his family) with Extended Medical Coverage for a period of two (2) years after the date of such termination of employment. Following such Extended Medical Coverage, Executive (and his family) shall be entitled to extended coverage under the terms of COBRA. All obligations of the Company pursuant to this Agreement following a Change of Control shall be assumed by the acquirer or successor entity of the Company.

(f) Termination Within Six Months Prior to a Change of Control. In the event that Executive is terminated by the Company without Cause prior to a Change of Control and a Change of Control occurs within six (6) months following such termination, then in addition to the Termination Severance made to Executive pursuant to Section 5(b) of this Agreement, Executive shall be entitled to an additional lump sum payment in an amount equal to (i) the Change of Control Severance, less (ii) the Termination Severance. Such additional payment shall be made by the acquirer or successor entity of the Company within five (5) days following the Change of Control. In addition to the Accrued Obligations, the Company will accelerate all unvested equity awards held by Executive at the time of such termination and Executive shall have no less than ninety (90) days to exercise any outstanding stock options; provided, however, in no event shall an option be exercisable beyond its stated term. To the extent permitted by applicable law, the acquirer or successor entity of the Company shall provide Executive (and his family) the Extended Medical Coverage described in Section 5(e) beginning on the date of the Change of Control. Executive (and his family) shall be entitled to extended coverage under the terms of COBRA following the Extended Medical Coverage. All obligations of the Company pursuant to this Agreement following a Change of Control shall be assumed by the acquirer or successor entity of the Company.

(g) Resignation. If Executive voluntarily resigns his employment with the Company other than for Good Reason following a Change of Control and provides the Board with less than sixty (60) days’ advance written notice of such resignation, Executive’s compensation shall be reduced one (1) day for each day the advance notice is less than sixty (60) days. Such reduction shall be offset against any amounts due to Executive from the Company; provided, however, if the

amount due to Executive is less than the amount of such reduction, Executive agrees to reimburse the Company for the difference. In addition, Executive shall forfeit all rights to any bonus or other incentive compensation or other benefits that may be owed to Executive but have not been paid as of the date of resignation, except as may be otherwise provided under the applicable plan, program or arrangement.

6. Restrictive Covenants. Executive recognizes, acknowledges and agrees his covenants and obligations contained in his Confidential Information, Non-Solicitation and Non-Competition Agreement with the Company dated as of April 17, 2017 (the "Restrictive Covenant Agreement"), which are in full force and effect and will continue to apply throughout the Term of this Agreement and thereafter as provided in the Restrictive Covenant Agreement. For avoidance of doubt, Executive recognizes, acknowledges and agrees that all payments and benefits described in Section 5 (other than the Accrued Obligations) are made in consideration of Executive's execution and continuous compliance with the Restrictive Covenant Agreement.

7. Confidentiality Agreement. Executive recognizes, acknowledges and agrees that the documents, lists, files, records, data and other information developed and acquired by the Company, including all information developed and acquired by Executive in the course of Executive's employment with the Company as it may exist from time to time, are considered confidential, and include, but are not limited to, all information relating to the Company's projects, proposed projects or applications, whether existing in tangible paper form or in electronic form, whether stored on CDs, tape, cloud or other electronic storage formats (collectively, "Confidential Information").

(a) Prohibited Acts. Executive understands and agrees that all such Confidential Information is to be preserved and protected, is not to be disclosed or made available, directly or indirectly, to third persons for purposes unrelated to the objectives of the Company, without prior authorization of an executive officer of the Company, and is not to be used, directly or indirectly, for any purpose unrelated to the objectives of the Company without prior written authorization of an executive officer of the Company.

(b) Continuing Obligations. Executive understands and agrees that Executive's obligations under this Agreement, specifically including the obligations to preserve and protect and not to disclose (or make available to third persons) or use for purposes unrelated to the objectives of the Company, without prior written authorization of an executive officer of the Company, Confidential Information, continue indefinitely and do not, under any circumstances or for any reason (specifically including wrongful discharge), cease upon termination of employment; and that, in the event of termination of Executive's employment for any reason (specifically including wrongful discharge), such Confidential Information shall remain the sole property of the Company and shall be left in its entirety in the undisputed possession and control of the Company after such termination.

8. Enforcement of Covenants. In addition to all other remedies available at law or in equity, the covenants contained in Sections 6 and 7 hereof shall be enforceable by decree of specific performance and/or injunctive relief and shall be construed as separate covenants covering competition in the geographical territory set forth, and if any court shall finally determine that the restraints provided for therein are too broad as to the area, activity or time covered, then the area,

activity or time covered, as the case may be, may be reduced by such court to whatever extent the court deems reasonable and such covenants shall be enforced as to such reduced area, activity or time.

9. Applicability of Clawback Policy. Notwithstanding anything in this Agreement to the contrary, payment of all amounts due and payable under this Agreement shall be subject to the Company's Clawback Policy as may be in effect from time to time.

10. Notices. All notices, demands and other communications that may or are required to be given to or made by either party to the other in connection with this Agreement shall be in writing, shall be given by hand delivery, by overnight delivery through a nationally recognized delivery service, or by U. S. certified or registered mail, return receipt requested, postage prepaid, and shall be deemed to have been given or made when received by the addressee, addressed to the respective parties as follows:

If to Executive:	RONALD A. JORDAN 11095 Watercrest Circle East Parkland, FL 33076
If to Company:	FEDNAT HOLDING COMPANY 14050 N.W. 14 th Street, Suite 180 Sunrise, Florida 33323 Attn: Corporate Secretary

11. Miscellaneous.

(a) This Agreement has been executed in and shall be governed and construed in accordance with the laws of the State of Florida.

(b) Unless otherwise provided herein, all rights, powers, and privileges conferred hereunder upon the parties shall be cumulative and not restrictive of those given by law.

(c) No failure of any party hereto to exercise any power given such party hereunder or to insist upon strict compliance by the other party with its obligations hereunder, and no customary practice of the parties at variance with the terms hereof, shall constitute a waiver of a party's right to demand exact compliance with the terms hereof.

(d) Time is of the essence in complying with the terms, conditions and provisions of this Agreement.

(e) This Agreement and the Restrictive Covenant Agreement contain the entire agreement of the parties hereto pertaining to the subject matter hereof, and no representations, inducements, promises or agreements between the parties not contained herein shall be of any force or effect.

(f) This Agreement is binding upon and shall inure to the benefit of the Company, its successors and assigns and Executive and his respective heirs, personal representatives, successors and assigns.

(g) Any amendment to this Agreement shall not be binding upon the parties to this Agreement unless such amendment is in writing and due executed by all the parties hereto.

(h) In the event any litigation or controversy arises out of or in connection with this Agreement between the parties hereto, the prevailing party in such litigation or controversy shall be entitled to recover from the other party or parties all reasonable attorney's fees, expenses and suit costs, including those associated with any appellate or post-judgment collection proceeding.

12. Section 409A Compliance.

(a) General. It is the intention of both the Company and Executive that the benefits and rights to which Executive is entitled pursuant to this Agreement comply with Code Section 409A, to the extent that the requirements of Code Section 409A are applicable thereto, and the provisions of this Agreement shall be construed in a manner consistent with that intention. If Executive or the Company believes, at any time, that any such benefit or right that is subject to Code Section 409A does not so comply, it shall promptly advise the other and shall negotiate reasonably and in good faith to amend the terms of such benefits and rights such that they comply with Code Section 409A (with the most limited possible economic effect on Executive and on the Company).

(b) Distributions on Account of Separation from Service. To the extent required to comply with Code Section 409A, for purposes of determining the timing of payment of any amount or benefit required to be paid under this Agreement on account of termination of Executive's service (or any other similar term), any reference to termination of employment or similar terms shall be defined as a "separation from service" with respect to Executive within the meaning of Code Section 409A. Further, notwithstanding anything in this Agreement to the contrary, all severance payments payable under this Agreement shall be paid to Executive no later than the last day of the second calendar year following the calendar year in which occurs the date of Executive's termination of employment.

(c) No Acceleration of Payments. Neither the Company nor Executive, individually or in combination, may accelerate any payment or benefit that is subject to Code Section 409A, except in compliance with Code Section 409A and the provisions of this Agreement, and no amount that is subject to Code Section 409A shall be paid prior to the earliest date on which it may be paid without violating Code Section 409A.

(d) Six Month Delay for Specified Employees, Establishment of Rabbi Trust. In the event that Executive is a "specified employee" (as described in Code Section 409A), and any payment or benefit payable pursuant to this Agreement constitutes deferred compensation under Code Section 409A, then the Company and Executive shall cooperate in good faith to undertake any actions that would cause such payment or benefit not to constitute deferred compensation under Code Section 409A. In the event that, following such efforts, the Company determines (after consultation with its counsel and tax advisors) that such payment or benefit is still subject to the six (6) month delay requirement described in Code Section 409A(2)(b) in order for such payment or benefit to comply with the requirements of Code Section 409A, then no such payment or benefit shall be made before the date that is six (6) months after Executive's "separation from service" (as described in Code Section 409A) (or, if earlier, the date of Executive's death). Any payment or

benefit delayed by reason of the prior sentence (the “Delayed Payment”) shall be paid out or provided in a single lump sum at the end of such required delay period in order to catch up to the original payment schedule. Notwithstanding anything in this Agreement to the contrary, if a Change of Control occurs prior to Executive receiving the Delayed Payment, the Company shall establish and fund a "rabbi trust" in substantially the form described in IRS Rev. Proc. 92-64 in an amount of money that is at all times at least equal to the amount of any payment or benefit being delayed. The Company shall be required to establish and fund such "rabbi trust" within seven (7) days following the later of (i) the date Executive becomes entitled to the Delayed Payment or (ii) the occurrence of such Change of Control and such trust shall be established with a nationally recognized banking institution with experience in serving as trustee for such matters and pursuant to such documentation as recommended by outside counsel to the Company.

(e) Treatment of Each Installment as a Separate Payment. For purposes of applying the provisions of Code Section 409A to this Agreement, each separately identified amount to which Executive is entitled under this Agreement shall be treated as a separate payment. In addition, to the extent permissible under Code Section 409A, any series of installment payments under this Agreement shall be treated as a right to a series of separate payments.

(f) Reimbursements. Payments with respect to reimbursements of expenses or benefits or provision of fringe or other in-kind benefits that are not otherwise exempt from Code Section 409A shall be made on or before the last day of the calendar year following the calendar year in which the relevant expense or benefit is incurred. The amount of expenses or benefits eligible for reimbursement, payment or provision during a calendar year shall not affect the expenses or benefits eligible for reimbursement, payment or provision in any other calendar year.

13. Golden Parachute Payments. In the event that any payment made to Executive under this Agreement (a “Payment”), either alone or together with other “parachute payments” (as defined in Section 280G(b)(2)(A) of the Code), would constitute an “excess parachute payment” (as defined in Section 280G(b)(1) of the Code), such Payment shall be reduced to the largest amount as will result in no portion of the Payment being subject to the excise tax imposed by Section 4999 of the Code (the “Reduced Payment”), provided, however, no reduction to the Payment shall occur if the Payment, less any excise tax that would be imposed on such payment pursuant to Section 4999 of the Code, would be greater than the Reduced Payment.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Employment Agreement to be executed effective as of the Effective Date.

EXECUTIVE:

DocuSigned by:

Ronald A. Jordan
2D166251CAF44F0...
RONALD A. JORDAN

FEDNAT HOLDING COMPANY
a Florida corporation

DocuSigned by:

By: Mike Braun
B517DEF81B3447D...

Name: Michael H. Braun
Title: Chief Executive Officer

APPENDIX A

DEFINITIONS

“Board” shall mean the Board of Directors of FedNat Holding Company.

“Cause” shall mean that:

- (i) there has been a good faith determination by the Board that Executive has willfully refused or grossly neglected to perform the duties reasonably assigned to him by the Chief Executive Officer, with notice and an opportunity to cure;
- (ii) Executive shall have committed a material breach of any term or condition of this Agreement;
- (iii) Executive shall have continued to fail to comply with the written policies and procedures of the Company, as may be in effect from time to time; or
- (iv) Executive is convicted during the Term of this Agreement of a felony involving moral turpitude.

Prior to terminating Executive for Cause under clauses (i), (ii) or (iii) above, the Company shall provide Executive with at least ten (10) days' written notice of the breach and an opportunity to cure the breach. If Executive does not cure the breach during this period to the satisfaction of the Chief Executive Officer, in his reasonable discretion, the Company may terminate Executive for Cause.

If Executive is terminated under clause (iv) above, his termination will be immediate upon the date of the conviction and no written notice is required by the Company.

“Change of Control” shall be deemed to have taken place if: (1) any person, including a “group” as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, becomes the owner or beneficial owner of Company securities, after the date of this Agreement, having 50% or more of the combined voting power of the then outstanding securities of the Company that may be cast for the election of directors of the Company (other than as a result of an issuance of securities initiated by the Company, or open market purchases approved by the Board, as long as the majority of the Board approving the purchases is the majority at the time the purchases are made), or (2) the persons who were directors of the Company before such transactions shall cease to constitute a majority of the Board, or any successor to the Company, as the direct or indirect result of or in connection with, any cash tender or exchange offer, merger or other business combination, sale of assets or contested election, or any combination of the foregoing transactions. Notwithstanding the foregoing, a Change of Control shall not be deemed to occur unless it constitutes a “change in control event” within the meaning of Section 1.409A-3(i)(5) of the Treasury Regulations promulgated under Section 409A.

“COBRA” shall mean the Consolidated Omnibus Budget Reconciliation Act, as amended, and the regulations promulgated thereunder.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

"Code Section 409A" shall mean Section 409A of the Code and its implementing regulations and guidance.

"Good Reason" shall mean the occurrence of one of the following conditions:

- (1) a material reduction in Executive's base compensation;
- (2) a material reduction in the overall benefits package available to Executive as compared to Executive's benefits package in effect immediately prior to the date of the definitive agreement for the transaction resulting in the Change of Control;
- (3) a material diminution in Executive's authority, duties, or responsibilities, including a requirement that Executive report to a corporate officer or employee instead of reporting directly to the Board;
- (4) a material diminution in the budget over which Executive retains authority;
- (5) a change of more than 15 miles in the geographic location at which Executive must perform the services; or
- (6) any other action or inaction that constitutes a material breach by the Company of this Agreement.

Notwithstanding the foregoing, Executive shall not be deemed to have terminated this Agreement for Good Reason unless: (i) Executive terminates this Agreement no later than two (2) years following the initial existence of one or more of the above referenced conditions; and (ii) Executive provides to the Company a written notice of the existence of the above-referenced condition(s) within ninety (90) days following the initial existence of such condition(s) and the Company fails to remedy such condition(s) within 30 days following the receipt of such notice.

FEDNAT HOLDING COMPANY

2018 OMNIBUS INCENTIVE COMPENSATION PLAN

SUMMARY OF RESTRICTED STOCK GRANT

FedNat Holding Company (the “Company”), pursuant to its 2018 Omnibus Incentive Compensation Plan (the “Plan”), hereby grants to the individual listed below (the “Grantee”), restricted Common Stock of the Company (“Company Stock”) that may become vested as set forth below (the “Restricted Stock”). The Restricted Stock is subject in all respects to the terms and conditions set forth herein, in the Restricted Stock Grant Agreement attached hereto as Exhibit A (the “Restricted Stock Grant Agreement”) and the Plan, each of which is incorporated herein by reference and made part hereof. Unless otherwise defined herein, capitalized terms used in this Summary of Restricted Stock Grant (the “Summary of Grant”) and the Restricted Stock Grant Agreement shall have the meanings set forth in the Plan.

Grantee:

Date of Grant:

Total Number of Shares _____ shares of Company Stock

Granted:

Vesting Schedule:

Except as set forth herein, the Restricted Stock shall become fully vested in the following amounts and on the following dates (each date, a “Vesting Date”) provided that the Grantee is employed by, or providing service to, the Employer from the Date of Grant through on the applicable Vesting Date:

<u>Number of Shares of Restricted Stock</u>	<u>Vesting Date</u>
[QUANTITY]	[VEST DATE 1]
[QUANTITY]	[VEST DATE 2]
[QUANTITY]	[VEST DATE 3]
[QUANTITY]	[VEST DATE 4]
[QUANTITY]	[VEST DATE 5]

The vesting of the shares of Restricted Stock shall be cumulative, but shall not exceed 100% of the shares.

[Change in Control;]
Termination; Accelerated
Vesting:

[In the event that a Change in Control of the Company occurs while the Grantee is employed by, or providing service to, the Employer and the Grantee's employment or service is terminated without Cause [or for Good Reason (as defined in the employment agreement between the Grantee and the Company)] within the 12-month period following the Change in Control (a "Change in Control Termination"), the unvested shares of Restricted Stock shall become immediately and fully vested as of the date of the Change in Control Termination.]

In the event that the Grantee ceases to be employed by, or provide service to, the Employer by reason of the Grantee's death, all of the unvested shares of Restricted shall be immediately vested as of the date of such death.

The Committee is authorized, in its sole discretion, to accelerate the vesting of any shares of Restricted Stock, at such times and upon such terms and conditions as the Committee shall deem advisable.

Forfeiture:

In the event that the Grantee ceases to be employed by, or provide service to, the Employer by reason of a termination [(i)] by the Employer for Cause[or (ii) by the Grantee without Good Reason], then all of the shares of Restricted Stock shall be immediately forfeited upon such and revert back to the Company without any payment to the Grantee. The Committee shall have the power and authority to enforce on behalf of the Company any rights of the Company under this Summary of Grant or the Restricted Stock Grant Agreement in the event of the Grantee's forfeiture of shares.

Grantee Acceptance:

By signing the acknowledgement below, the Grantee agrees to be bound by the terms and conditions of the Plan, the Restricted Stock Grant Agreement and this Summary of Grant and accepts the Restricted Stock. The Grantee accepts as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan, this Summary of Grant or the Restricted Stock Grant Agreement.

The Grantee acknowledges delivery of this Summary of Grant and the Restricted Stock Grant Agreement. The Grantee acknowledges the receipt of a copy of the Plan and the official prospectus for the Plan, which is available by accessing the Company's intranet at [Website]. Paper copies of the Plan and the Plan prospectus are available by contacting [Name] at [Number].

Agreed and accepted:

Grantee

Date

EXHIBIT A

FEDNAT HOLDING COMPANY

2018 OMNIBUS INCENTIVE COMPENSATION PLAN

RESTRICTED STOCK GRANT AGREEMENT

(Pursuant to the 2018 Omnibus Incentive Compensation Plan)

This Restricted Stock Grant Agreement (this “Agreement”) is delivered by FedNat Holding Company (the “Company”), pursuant to the Summary of Grant delivered with this Agreement to the individual named in the Summary of Grant (the “Grantee”). The Summary of Grant, which specifies the Grantee, the date as of which the grant is made (the “Date of Grant”), the vesting schedule and other specific details of the grant is incorporated herein by reference.

1. Restricted Stock Grant. Upon the terms and conditions set forth in this Agreement and in the Company’s 2018 Omnibus Incentive Compensation Plan (the “Plan”), the Company hereby grants to the Grantee shares of Common Stock in the amount and on the terms set forth below, in the Summary of Grant, and in the Plan (the “Restricted Stock”). Shares of Restricted Stock may not be transferred by the Grantee or subjected to any security interest until the shares have become vested pursuant to this Agreement and the Plan. This Agreement is made pursuant to the Plan and is subject in its entirety to all applicable provisions of the Plan. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Plan. The Grantee agrees to be bound by all of the terms and conditions of the Plan.

2. Vesting and Nonassignability of Restricted Stock.

(a) The shares of Restricted Stock shall become vested, and the restrictions described in Sections 2(b) and 2(c) shall lapse, upon the Grantee’s satisfaction of the vesting requirements set forth in the Summary of Grant.

(b) Except as otherwise set forth in the Summary of Grant, if the Grantee ceases to be employed by, or provide service to, the Employer for any reason before the applicable vesting date, the shares of Restricted Stock that are not then vested shall be forfeited and must be immediately returned to the Company without any payment to the Grantee.

(c) During the period before the shares of Restricted Stock vest (the “Restriction Period”), the non-vested Restricted Stock may not be assigned, transferred, pledged or otherwise disposed of by the Grantee. Any attempt to assign, transfer, pledge or otherwise dispose of the shares contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon the shares, shall be null, void and without effect.

3. Issuance of Certificate.

(a) Stock certificates representing the Restricted Stock may be issued by the Company and held in escrow by the Company until the Restricted Stock vests, or the Company may hold non-certificated shares until the Restricted Stock vests. During the Restriction Period, the Grantee [shall][shall not] receive any cash dividends with respect to the shares of Restricted Stock, may vote the shares of Restricted Stock and may participate in any distribution pursuant to a plan of dissolution or complete liquidation of the Company. In the event of a dividend or distribution payable in stock or other property or a reclassification, split up or similar event during the Restriction Period, the shares or other property issued or declared with respect to the non-vested shares of Restricted Stock shall be subject to the same terms and conditions relating to vesting as the shares to which they relate.

(b) Except as set forth in the Summary of Grant, when the Grantee obtains a vested right to shares of Restricted Stock, a certificate representing the vested shares shall be issued to the Grantee, free of the restrictions under Section 2 of this Agreement.

(c) The obligation of the Company to deliver shares or share certificates, as applicable, shall be subject to all applicable laws, rules, and regulations and such approvals by governmental agencies as may be deemed appropriately to comply with relevant securities laws and regulations.

4. Change in Control. Unless otherwise set forth in the Summary of Grant, the provisions of the Plan applicable to a Change in Control shall apply to the Restricted Stock, and, in the event of a Change in Control, the Committee may take such actions as it deems appropriate pursuant to the Plan.

5. Grant Subject to Plan Provisions. This grant is made pursuant to the Plan, the terms of which are incorporated herein by reference, and in all respects shall be interpreted in accordance with the Plan. This grant is subject to interpretations, regulations and determinations concerning the Plan established from time to time by the Committee in accordance with the provisions of the Plan, including, but not limited to, provisions pertaining to (a) rights and obligations with respect to withholding taxes, (b) the registration, qualification or listing of the shares, (c) changes in capitalization of the Company and (d) other requirements of applicable law. The Committee shall have the authority to interpret and construe this grant pursuant to the terms of the Plan, and its decisions shall be conclusive as to any questions arising hereunder.

6. Withholding. All obligations of the Employer under this Agreement shall be subject to the rights of the Employer as set forth in the Plan to withhold amounts required to be withheld for any taxes, if applicable. Subject to Committee approval, the Grantee may elect to satisfy any tax withholding obligation of the Employer with respect to the Restricted Stock by having shares of Company Stock withheld up to an amount that does not exceed the applicable withholding tax rate for federal (including FICA), state and local tax liabilities. Unless the Committee determines otherwise, share withholding for taxes shall not exceed the Grantee's minimum applicable tax withholding amount.

7. Section 83(b) Election. The Grantee hereby acknowledges that the Grantee has been informed that, with respect to the Restricted Stock, the Grantee may file an election with the Internal Revenue Service, within 30 days of the execution of this Agreement, electing pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, (the "Code") to be taxed currently on any difference between the purchase price of the Restricted Stock and their fair market value on the date of purchase. Absent such an election, taxable income will be measured and recognized by the Grantee at the time or times at which the forfeiture restrictions on the Restricted Stock lapse. The Grantee is strongly encouraged to seek the advice of his own tax consultants in connection with the issuance of the Restricted Stock and the advisability of filing of the election under Section 83(b) of the Code. A form of Election under Section 83(b) is attached hereto as Annex A for reference.

THE PARTICIPANT ACKNOWLEDGES THAT IT IS NOT THE COMPANY'S, BUT RATHER THE PARTICIPANT'S SOLE RESPONSIBILITY TO FILE THE ELECTION UNDER SECTION 83(b) TIMELY.

8. Entire Agreement. This Agreement and the Summary of Grant (and any exhibits thereto) contain the entire agreement of the parties with respect to the Restricted Stock granted hereby and may not be changed orally but only by an instrument in writing signed by the party against whom enforcement of any change, modification or extension is sought.

9. No Employment or Other Rights. This Agreement shall not confer upon the Grantee any right to be retained in the employment of the Employer and shall not interfere in any way with the right of the Employer to terminate the Grantee's employment at any time. The right of the Employer to terminate at will the Grantee's employment at any time for any reason is specifically reserved.

10. Notice. Any notice under this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally or when deposited in the United States mail, registered, postage prepaid, and addressed, in the case of the Company, to the Company's Corporate Secretary at FedNat Holding Company, 14050 N.W. 14th Street, Suite 180, Sunrise, Florida 33323, or if the Company should move its principal office, to such principal office, and, in the case of the Grantee, to the Grantee's last permanent address as shown on the Company's records, subject to the right of either party to designate some other address at any time hereafter in a notice satisfying the requirements of this Section.

11. Assignment by Company. The rights and protections of the Company hereunder shall extend to any successors or assigns of the Company and to the Company's parents, subsidiaries, and affiliates. This Agreement may be assigned by the Company without the Grantee's consent.

12. Clawback; Recoupment Policy. [The Grantee agrees that, subject to the requirements of applicable law, if the Grantee breaches any restrictive covenant agreement between the Grantee and the Employer or otherwise engages in activities that constitute "Cause" (as defined in any policies of the Company or any agreement between the Grantee and the Company) either while employed by, or providing service to, the Employer or within two years thereafter, the Company may require that the Grantee forfeit any unvested Restricted Stock and/or return to the Company all, or such portion as the Committee may determine, of the vested Restricted Stock then held by the Grantee, as applicable on such terms as the Committee shall determine; in the event that the Grantee no longer owns the shares, the Grantee shall pay to the Company the amount of any gain realized or payment received as a result of any sale or other disposition of the shares (or, in the event the Grantee transfers the shares by gift or otherwise without consideration, the Fair Market Value of the shares on the date of the breach of any restrictive covenant agreement or activity constituting Cause). The Grantee agrees that payment by the Grantee shall be made in such manner and on such terms and conditions as may be required by the Committee and the Employer shall be entitled to set off against the amount of any such payment any amounts otherwise owed to the Grantee by the Employer.] [In addition, the][The] Grantee agrees that the Restricted Stock shall be subject to any applicable clawback or recoupment policies, share trading policies and other policies that may be implemented by the Board from time to time, including the Clawback Policy adopted by the Board, as it may be amended by the Board from time to time.

13. Applicable Law. The validity, construction, interpretation and effect of this Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without giving effect to the conflicts of law provisions thereof.

14. Application of Section 409A of the Code. This Agreement is intended to be exempt from section 409A of the Code and to the extent this Agreement is subject to section 409A of the Code, it shall in all respects be administered in accordance with section 409A of the Code.

15. Interpretation. The Grantee accepts the Restricted Stock subject to all of the terms, provisions and restrictions of this Agreement and the Plan. The undersigned Grantee accepts as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under this Agreement.

16. Headings. Section, paragraph and other headings and captions are provided solely as a convenience to facilitate reference. Such headings and captions shall not be deemed in any way material or relevant to the construction, meaning or interpretation of this Agreement or any term or provision hereof.

17. Non-Waiver of Breach. The waiver by any party hereto of the other party's prompt and complete performance, or breach or violation, of any term or provision of this Agreement shall be effected solely in a writing signed by such party, and shall not operate nor be construed as a waiver of any subsequent breach or violation, and the waiver by any party hereto to exercise any right or remedy which he or it may possess shall not operate nor be construed as the waiver of such right or remedy by such party, or as a bar to the exercise of such right or remedy by such party, upon the occurrence of any subsequent breach or violation.

ANNEX A

INSTRUCTIONS FOR FILING SECTION 83(B) ELECTION

Attached is a form of election under section 83(b) of the Internal Revenue Code of 1986, as amended. If you wish to make such an election, you should complete, sign and date the election and then proceed as follows:

1. Execute three counterparts of your completed election (plus one extra counterpart for each person other than you, if any who receives property that is the subject of your election), retaining at least one photocopy for your records.
2. Send one counterpart to the Internal Revenue Service Center with which you will file your federal income tax return for the current year via certified mail, return receipt requested.

THE ELECTION SHOULD BE SENT IMMEDIATELY, AS YOU ONLY HAVE 30 DAYS FROM THE ISSUANCE, PURCHASE OR GRANT DATE WITHIN WHICH TO MAKE THE ELECTION – NO WAIVERS, LATE FILINGS OR EXTENSIONS ARE PERMITTED.

3. Deliver one counterpart of the completed election to the Company for its files.
4. If anyone other than you (e.g., one of your family members) will receive property that is the subject of your election, deliver one counterpart of the completed election to each such person.
5. A copy of the 83(b) election may be required to be filed with your State Income Tax Return. Requirements under state and local income tax laws vary. You are urged to consult a tax professional regarding state and local tax requirements.

Section 83(b) Election Form

This election is being made under section 83(b) of the Internal Revenue Code of 1986, as amended, pursuant to Treasury Regulation Section 1.83-2.

(1)

Name of taxpayer making election:	
Address:	
Social Security Number:	
Tax Year for which election is being made:	

(2) The property with respect to which the election is being made: _____ shares of common stock of _____ ("Shares").

(3) Date the property was transferred: _____, ____.

(4) Forfeiture provision: The Shares are subject to forfeiture to the Company if the taxpayer ceases to provide service to the Company during the restriction period. The restriction period lapses according to the following schedule, if the taxpayer is employed by, or providing service to, the Employer (as defined in the Company's 2018 Omnibus Equity Incentive Plan (the "Plan") on the applicable vesting date:

<u>Number of Shares of Restricted Stock</u>	<u>Vesting Date</u>
[QUANTITY]	[VEST DATE 1]
[QUANTITY]	[VEST DATE 2]
[QUANTITY]	[VEST DATE 3]
[QUANTITY]	[VEST DATE 4]
[QUANTITY]	[VEST DATE 5]

(5) The fair market value at the time of the transfer of the Shares (determined without regard to any restriction other than a restriction that by its terms will never lapse) is \$____ per Share x Shares = \$_____.

(6) The amount paid for the Shares is \$_____ per Share x ____ Shares = \$_____ aggregate consideration.

(7) The amount to include in gross income is \$_____.

The undersigned taxpayer will file this election with the Internal Revenue Service office with which taxpayer files his or her annual income tax return not later than 30 days after the date of transfer of the property. A copy of the election also will be furnished to the Company. The undersigned is the person performing the services in connection with which the property was transferred.

Taxpayer

[Sample Transmittal Letter]

_____, 201__

VIA CERTIFIED MAIL

Internal Revenue Service Center
[Insert location where tax return is filed]

Re: Filing of 83(b) Election

To Whom It May Concern:

Enclosed for filing as of _____, 201_ (the postmark of this package) is an 83(b) election for taxpayer [Name], social security number _____.

Kindly (i) accept the 83(b) election for filing effective today, (ii) date stamp the enclosed copies of this letter and of the 83(b) election as evidence of such filing, and (iii) return the dated stamped copies of the letter and of the 83(b) election to me in the enclosed self-addressed stamped envelope. Thank you.

Sincerely,

[Name]
[Address]

Enclosure

FEDNAT HOLDING COMPANY

2018 OMNIBUS INCENTIVE COMPENSATION PLAN

SUMMARY OF RESTRICTED STOCK GRANT

FedNat Holding Company (the “Company”), pursuant to its 2018 Omnibus Incentive Compensation Plan (the “Plan”), hereby grants to the individual listed below (the “Grantee”), restricted Common Stock of the Company (“Company Stock”) that may become vested as set forth below (the “Restricted Stock”). The Restricted Stock is subject in all respects to the terms and conditions set forth herein, in the Restricted Stock Grant Agreement attached hereto as Exhibit A (the “Restricted Stock Grant Agreement”) and the Plan, each of which is incorporated herein by reference and made part hereof. Unless otherwise defined herein, capitalized terms used in this Summary of Restricted Stock Grant (the “Summary of Grant”) and the Restricted Stock Grant Agreement shall have the meanings set forth in the Plan.

Grantee:

Date of Grant:

Total Number of Shares _____ shares of Company Stock

Granted:

Performance-Based

Except as set forth herein, the Restricted Stock shall be earned based on the performance level achieved with respect to the performance goals set forth on Exhibit B, provided that the Grantee is employed by, or providing service to, the Employer from the Date of Grant through on the applicable vesting date set forth on Exhibit B. To the extent the performance goals set forth on Exhibit B are achieved, as determined by the Committee, and you satisfy the employment requirements, the earned Restricted Stock will vest in accordance with the vesting terms set forth on Exhibit B.

The number of shares of Restricted Stock set forth above is the number of shares of Common Stock that the Grantee will earn for maximum level performance. The actual number of shares of Common Stock that the Grantee will earn will be determined by the Committee based on the actual performance level of the performance goals set forth in Exhibit B, factoring in the weighting for each performance measure. If the schedule set forth on Exhibit B would produce fractional shares, the number of shares that vest shall be rounded down to the nearest whole share.

Change in Control:
Termination; Accelerated
Vesting:

In the event that a Change in Control of the Company occurs while the Grantee is employed by, or providing service to, the Employer and the Grantee's employment is terminated without Cause or for Good Reason (as such term is defined in the employment agreement between the Grantee and the Company) within the 12-month period following the Change in Control (a "Change in Control Termination"), [then all of Restricted Stock shall vest upon the vesting dates set forth on Exhibit B, subject to the achievement of the applicable performance goals set forth on Exhibit B on or prior to the applicable vesting date set forth on Exhibit B. For the avoidance of doubt, if the one or more of the performance goals are not achieved on or prior to the applicable vesting dates, then the related portion of the Restricted Stock shall be immediately forfeited as of such vesting dates and shall revert back to the Company without any payment to the Grantee][then all of the unvested shares of Restricted Stock shall become immediately and fully vested as of the date of the Change in Control Termination [at Target][at the greater of Target or actual achievement through the date of the Change in Control Termination]. For the avoidance of doubt, if a Change in Control of the Company occurs prior to a vesting date as set forth on Exhibit B and while the Grantee is employed by, or providing service to, the Employer, and a Change in Control Termination occurs, then the requirement to achieve the performance goals set forth on Exhibit B is immediately and irrevocably waived and the Restricted Stock will vest in full on the Change in Control Termination].

In the event that the Grantee ceases to be employed by, or provide service to, the Employer by reason of (i) the Grantee's death or (ii) the Grantee's Disability, then all of the unvested shares of Restricted Stock subject shall be immediately and fully vested as of the date of such death or termination of employment, as the case may be. For the avoidance of doubt, if the Grantee's death or Disability occurs prior to a vesting date as set forth on Exhibit B and while the Grantee is employed by, or providing service to, the Employer, then the requirement to achieve the performance goals set forth on Exhibit B is immediately and irrevocably waived and the Restricted Stock will vest in full on the date of the Grantee's death.

In the event that the Grantee ceases to be employed by, or provide service to, the Employer prior to the applicable vesting dates set forth on Exhibit B by reason of a termination of the Grantee's employment by the Employer without Cause (as defined in the employment agreement between the Grantee and the Company), [then all of Restricted Stock shall vest upon the vesting dates set forth on Exhibit B, subject to the achievement of the applicable performance goals set forth on Exhibit B on or prior to the applicable

vesting date set forth on Exhibit B. For the avoidance of doubt, if the one or more of the performance goals are not achieved on or prior to the applicable vesting dates, then the related portion of the Restricted Stock shall be immediately forfeited as of such vesting dates and shall revert back to the Company without any payment to the Grantee][then all of the unvested shares of Restricted Stock shall become immediately and fully vested as of the date of such termination of employment [at Target][at the greater of Target or actual achievement through the date of termination of employment]. For the avoidance of doubt, if such termination of employment occurs prior to a vesting date as set forth on Exhibit B and while the Grantee is employed by, or providing service to, the Employer, then the requirement to achieve the performance goals set forth on Exhibit B is immediately and irrevocably waived and the Restricted Stock will vest in full on the date of termination of employment].

The Committee is authorized, in its sole discretion, to accelerate the vesting of any shares of Restricted Stock, at such times and upon such terms and conditions as the Committee shall deem advisable.

Forfeiture:

In the event that the Grantee ceases to be employed by, or provide service to, the Employer by reason of a termination (i) by the Employer for Cause or (ii) by the Grantee without Good Reason, then all of the shares of Restricted Stock shall be immediately forfeited upon such and revert back to the Company without any payment to the Grantee. The Committee shall have the power and authority to enforce on behalf of the Company any rights of the Company under this Summary of Grant or the Restricted Stock Grant Agreement in the event of the Grantee's forfeiture of shares.

Grantee Acceptance:

By signing the acknowledgement below, the Grantee agrees to be bound by the terms and conditions of the Plan, the Restricted Stock Grant Agreement and this Summary of Grant and accepts the Restricted Stock. The Grantee accepts as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan, this Summary of Grant or the Restricted Stock Grant Agreement.

The Grantee acknowledges delivery of this Summary of Grant and the Restricted Stock Grant Agreement. The Grantee acknowledges the receipt of a copy of the Plan and the official prospectus for the Plan, which is available by accessing the Company's intranet at [Website]. Paper copies of the Plan and the Plan prospectus are available by contacting [Name] at [Number].

Agreed and accepted:

Grantee

Date

EXHIBIT A

FEDNAT HOLDING COMPANY

2018 OMNIBUS INCENTIVE COMPENSATION PLAN

RESTRICTED STOCK GRANT AGREEMENT

(Pursuant to the 2018 Omnibus Incentive Compensation Plan)

This Restricted Stock Grant Agreement (this “Agreement”) is delivered by FedNat Holding Company (the “Company”), pursuant to the Summary of Grant delivered with this Agreement to the individual named in the Summary of Grant (the “Grantee”). The Summary of Grant, which specifies the Grantee, the date as of which the grant is made (the “Date of Grant”), the vesting schedule and other specific details of the grant is incorporated herein by reference.

1. Restricted Stock Grant. Upon the terms and conditions set forth in this Agreement and in the Company’s 2018 Omnibus Incentive Compensation Plan (the “Plan”), the Company hereby grants to the Grantee shares of Common Stock in the amount and on the terms set forth below, in the Summary of Grant, and in the Plan (the “Restricted Stock”). Shares of Restricted Stock may not be transferred by the Grantee or subjected to any security interest until the shares have become vested pursuant to this Agreement and the Plan. This Agreement is made pursuant to the Plan and is subject in its entirety to all applicable provisions of the Plan. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Plan. The Grantee agrees to be bound by all of the terms and conditions of the Plan.

2. Vesting and Nonassignability of Restricted Stock.

(a) The shares of Restricted Stock shall become vested, and the restrictions described in Sections 2(b) and 2(c) shall lapse, upon the Grantee’s satisfaction of the vesting requirements set forth in the Summary of Grant.

(b) Except as otherwise set forth in the Summary of Grant, if the Grantee ceases to be employed by, or provide service to, the Employer for any reason before the applicable vesting date, the shares of Restricted Stock that are not then vested shall be forfeited and must be immediately returned to the Company without any payment to the Grantee.

(c) During the period before the shares of Restricted Stock vest (the “Restriction Period”), the non-vested Restricted Stock may not be assigned, transferred, pledged or otherwise disposed of by the Grantee. Any attempt to assign, transfer, pledge or otherwise dispose of the shares contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon the shares, shall be null, void and without effect.

3. Issuance of Certificate.

(a) Stock certificates representing the Restricted Stock may be issued by the Company and held in escrow by the Company until the Restricted Stock vests, or the Company may hold non-certificated shares until the Restricted Stock vests. During the Restriction Period, the Grantee [shall][shall not] receive any cash dividends with respect to the shares of Restricted Stock, may vote the shares of Restricted Stock and may participate in any distribution pursuant to a plan of dissolution or complete liquidation of the Company. In the event of a dividend or distribution payable in stock or other property or a reclassification, split up or similar event during the Restriction Period, the shares or other property issued or declared with respect to the non-vested shares of Restricted Stock shall be subject to the same terms and conditions relating to vesting as the shares to which they relate.

(b) Except as set forth in the Summary of Grant, when the Grantee obtains a vested right to shares of Restricted Stock, a certificate representing the vested shares shall be issued to the Grantee, free of the restrictions under Section 2 of this Agreement.

(c) The obligation of the Company to deliver shares or share certificates, as applicable, shall be subject to all applicable laws, rules, and regulations and such approvals by governmental agencies as may be deemed appropriately to comply with relevant securities laws and regulations.

4. Change in Control. Unless otherwise set forth in the Summary of Grant, the provisions of the Plan applicable to a Change in Control shall apply to the Restricted Stock, and, in the event of a Change in Control, the Committee may take such actions as it deems appropriate pursuant to the Plan.

5. Grant Subject to Plan Provisions. This grant is made pursuant to the Plan, the terms of which are incorporated herein by reference, and in all respects shall be interpreted in accordance with the Plan. This grant is subject to interpretations, regulations and determinations concerning the Plan established from time to time by the Committee in accordance with the provisions of the Plan, including, but not limited to, provisions pertaining to (a) rights and obligations with respect to withholding taxes, (b) the registration, qualification or listing of the shares, (c) changes in capitalization of the Company and (d) other requirements of applicable law. The Committee shall have the authority to interpret and construe this grant pursuant to the terms of the Plan, and its decisions shall be conclusive as to any questions arising hereunder.

6. Withholding. All obligations of the Employer under this Agreement shall be subject to the rights of the Employer as set forth in the Plan to withhold amounts required to be withheld for any taxes, if applicable. Subject to Committee approval, the Grantee may elect to satisfy any tax withholding obligation of the Employer with respect to the Restricted Stock by having shares of Company Stock withheld up to an amount that does not exceed the applicable withholding tax rate for federal (including FICA), state and local tax liabilities. Unless the Committee determines otherwise, share withholding for taxes shall not exceed the Grantee's minimum applicable tax withholding amount.

7. Section 83(b) Election. The Grantee hereby acknowledges that the Grantee has been informed that, with respect to the Restricted Stock, the Grantee may file an election with the Internal Revenue Service, within 30 days of the execution of this Agreement, electing pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, (the “Code”) to be taxed currently on any difference between the purchase price of the Restricted Stock and their fair market value on the date of purchase. Absent such an election, taxable income will be measured and recognized by the Grantee at the time or times at which the forfeiture restrictions on the Restricted Stock lapse. The Grantee is strongly encouraged to seek the advice of his own tax consultants in connection with the issuance of the Restricted Stock and the advisability of filing of the election under Section 83(b) of the Code. A form of Election under Section 83(b) is attached hereto as Annex A for reference.

THE PARTICIPANT ACKNOWLEDGES THAT IT IS NOT THE COMPANY'S, BUT RATHER THE PARTICIPANT'S SOLE RESPONSIBILITY TO FILE THE ELECTION UNDER SECTION 83(b) TIMELY.

8. Entire Agreement. This Agreement and the Summary of Grant (and any exhibits thereto) contain the entire agreement of the parties with respect to the Restricted Stock granted hereby and may not be changed orally but only by an instrument in writing signed by the party against whom enforcement of any change, modification or extension is sought.

9. No Employment or Other Rights. This Agreement shall not confer upon the Grantee any right to be retained in the employment of the Employer and shall not interfere in any way with the right of the Employer to terminate the Grantee's employment at any time. The right of the Employer to terminate at will the Grantee's employment at any time for any reason is specifically reserved.

10. Notice. Any notice under this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally or when deposited in the United States mail, registered, postage prepaid, and addressed, in the case of the Company, to the Company's Corporate Secretary at FedNat Holding Company, 14050 N.W. 14th Street, Suite 180, Sunrise, Florida 33323, or if the Company should move its principal office, to such principal office, and, in the case of the Grantee, to the Grantee's last permanent address as shown on the Company's records, subject to the right of either party to designate some other address at any time hereafter in a notice satisfying the requirements of this Section.

11. Assignment by Company. The rights and protections of the Company hereunder shall extend to any successors or assigns of the Company and to the Company's parents, subsidiaries, and affiliates. This Agreement may be assigned by the Company without the Grantee's consent.

12. Clawback; Recoupment Policy. [The Grantee agrees that, subject to the requirements of applicable law, if the Grantee breaches any restrictive covenant agreement between the Grantee and the Employer or otherwise engages in activities that constitute “Cause” (as defined in any policies of the Company or any agreement between the Grantee and the Company) either while employed by, or providing service to, the Employer or within two years thereafter, the Company may require that the Grantee forfeit any unvested Restricted Stock and/or

return to the Company all, or such portion as the Committee may determine, of the vested Restricted Stock then held by the Grantee, as applicable on such terms as the Committee shall determine; in the event that the Grantee no longer owns the shares, the Grantee shall pay to the Company the amount of any gain realized or payment received as a result of any sale or other disposition of the shares (or, in the event the Grantee transfers the shares by gift or otherwise without consideration, the Fair Market Value of the shares on the date of the breach of any restrictive covenant agreement or activity constituting Cause). The Grantee agrees that payment by the Grantee shall be made in such manner and on such terms and conditions as may be required by the Committee and the Employer shall be entitled to set off against the amount of any such payment any amounts otherwise owed to the Grantee by the Employer.] [In addition, the][The] Grantee agrees that the Restricted Stock shall be subject to any applicable clawback or recoupment policies, share trading policies and other policies that may be implemented by the Board from time to time, including the Clawback Policy adopted by the Board, as it may be amended by the Board from time to time.

13. Applicable Law. The validity, construction, interpretation and effect of this Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without giving effect to the conflicts of law provisions thereof.

14. Application of Section 409A of the Code. This Agreement is intended to be exempt from section 409A of the Code and to the extent this Agreement is subject to section 409A of the Code, it shall in all respects be administered in accordance with section 409A of the Code.

15. Interpretation. The Grantee accepts the Restricted Stock subject to all of the terms, provisions and restrictions of this Agreement and the Plan. The undersigned Grantee accepts as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under this Agreement.

16. Headings. Section, paragraph and other headings and captions are provided solely as a convenience to facilitate reference. Such headings and captions shall not be deemed in any way material or relevant to the construction, meaning or interpretation of this Agreement or any term or provision hereof.

17. Non-Waiver of Breach. The waiver by any party hereto of the other party's prompt and complete performance, or breach or violation, of any term or provision of this Agreement shall be effected solely in a writing signed by such party, and shall not operate nor be construed as a waiver of any subsequent breach or violation, and the waiver by any party hereto to exercise any right or remedy which he or it may possess shall not operate nor be construed as the waiver of such right or remedy by such party, or as a bar to the exercise of such right or remedy by such party, upon the occurrence of any subsequent breach or violation.

ANNEX A

INSTRUCTIONS FOR FILING SECTION 83(B) ELECTION

Attached is a form of election under section 83(b) of the Internal Revenue Code of 1986, as amended. If you wish to make such an election, you should complete, sign and date the election and then proceed as follows:

1. Execute three counterparts of your completed election (plus one extra counterpart for each person other than you, if any who receives property that is the subject of your election), retaining at least one photocopy for your records.
2. Send one counterpart to the Internal Revenue Service Center with which you will file your federal income tax return for the current year via certified mail, return receipt requested.

THE ELECTION SHOULD BE SENT IMMEDIATELY, AS YOU ONLY HAVE 30 DAYS FROM THE ISSUANCE, PURCHASE OR GRANT DATE WITHIN WHICH TO MAKE THE ELECTION – NO WAIVERS, LATE FILINGS OR EXTENSIONS ARE PERMITTED.

3. Deliver one counterpart of the completed election to the Company for its files.
4. If anyone other than you (e.g., one of your family members) will receive property that is the subject of your election, deliver one counterpart of the completed election to each such person.
5. A copy of the 83(b) election may be required to be filed with your State Income Tax Return. Requirements under state and local income tax laws vary. You are urged to consult a tax professional regarding state and local tax requirements.

Section 83(b) Election Form

This election is being made under section 83(b) of the Internal Revenue Code of 1986, as amended, pursuant to Treasury Regulation Section 1.83-2.

(1)

Name of taxpayer making election:	
Address:	
Social Security Number:	
Tax Year for which election is being made:	

(2) The property with respect to which the election is being made: _____ shares of common stock of _____ (“Shares”).

(3) Date the property was transferred: _____, ____.

(4) Forfeiture provision: The Shares are subject to forfeiture to the Company if the taxpayer ceases to provide service to the Company during the restriction period. The restriction period lapses according to the following schedule, if the taxpayer is employed by, or providing service to, the Employer (as defined in the Company’s 2018 Omnibus Incentive Compensation Plan (the “Plan”), on the applicable vesting date: [Insert description of vesting schedule].

(5) The fair market value at the time of the transfer of the Shares (determined without regard to any restriction other than a restriction that by its terms will never lapse) is \$____ per Share x Shares = \$_____.

(6) The amount paid for the Shares is \$_____ per Share x ____ Shares = \$_____ aggregate consideration.

(7) The amount to include in gross income is \$_____.

The undersigned taxpayer will file this election with the Internal Revenue Service office with which taxpayer files his or her annual income tax return not later than 30 days after the date of transfer of the property. A copy of the election also will be furnished to the Company. The undersigned is the person performing the services in connection with which the property was transferred.

Taxpayer

[Sample Transmittal Letter]

_____, 201__

VIA CERTIFIED MAIL

Internal Revenue Service Center
[Insert location where tax return is filed]

Re: Filing of 83(b) Election

To Whom It May Concern:

Enclosed for filing as of _____, 201_ (the postmark of this package) is an 83(b) election for taxpayer [Name], social security number _____.

Kindly (i) accept the 83(b) election for filing effective today, (ii) date stamp the enclosed copies of this letter and of the 83(b) election as evidence of such filing, and (iii) return the dated stamped copies of the letter and of the 83(b) election to me in the enclosed self-addressed stamped envelope. Thank you.

Sincerely,

[Name]
[Address]

Enclosure

EXHIBIT B

Performance Goals

The number of shares of Restricted Stock that may be earned will be determined based on the actual performance level achieved with respect to the following performance measures during the period from [●] through [●] (the “Performance Period”):

- [●] (“[●]”);
- [●] (“[●]”);
- [and [●] (“[●]”)] (collectively referred to as the “Performance Goals,” and each individual measure, a “Performance Goal”);

and may be less than the number of shares of Restricted Stock set forth in the Summary of Grant.

The chart below sets forth the applicable weighting of each performance measure and the Performance Goals needed to be achieved at each performance level for such performance measure during the Performance Period:

Incentive Plan Payout (Payout % Based on [●]% of Base Salary)				
Performance Metrics	Weight	Threshold ([●]%)	Target ([●]%)	Maximum ([●]%)
[●] (1)	[●]%	[●]%	[●]%	[●]%
[●]	[●]%	[●]%	[●]%	[●]%
[●] (2)	[●]%	[●]%	[●]%	[●]%

(1) [The [●] and [●] metrics will be measured over successive one-year performance periods, and the shares granted will vest [●]1/3 annually beginning [●]one year after the Date of Grant].

(2) [The [●] metric will be measured over a [●]-year performance period, and the shares granted will cliff vest at the end of the [●]-year performance period based on [●]].

The number of shares set forth in the Summary of Grant is the number of shares payable based on maximum level performance. The actual number of shares of Restricted Stock earned will be determined by the Committee based on the actual performance level achieved with respect to each of the applicable Performance Goals, factoring in the weighting for each performance measure. Each performance measure will be evaluated on a measure by measure basis, and once

performance results are determined as to each individual performance measure, those results will be aggregated and the weighting applied. When assessing each performance measure, actual performance level achieved between each performance level will be interpolated on a straight line basis rounded down to the nearest whole number; provided that if the actual performance level achieved does not meet threshold performance (i.e., less than 100%) for the applicable performance measure, then no shares of Restricted Stock will be earned for that performance measure pursuant to this grant.