

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the
Securities Exchange Act of 1934

Date of Report (date of earliest event reported): December 30, 2016

CUSTOMERS BANCORP, INC.
(Exact Name of Registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction
of incorporation)

001-35542
(Commission File Number)

27-2290659
(I.R.S. Employer
Identification No.)

1015 Penn Avenue
Suite 103
Wyomissing PA 19610
(Address of principal executive offices, including zip code)

(610) 933-2000
(Registrant's telephone number, including area code)

None
(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 obligations of the registrant under any of the following provisions (see General Instructions 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))
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On December 30, 2016, Customers Bancorp, Inc. (the "Company") and Jay S. Sidhu, the Company's Chairman and Chief Executive Officer, entered into an Amended and Restated Employment Agreement (the "Sidhu Amended and Restated Agreement"), which amends and restates Mr. Sidhu's existing employment agreement with the Company. In particular, the Sidhu Amended and Restated Agreement eliminates the provisions of Mr. Sidhu's existing employment agreement that provided for the issuance of options or warrants to him to acquire additional Company equity securities in connection with certain completed acquisitions and capital-raising transactions.

Consistent with his existing employment agreement, under the Sidhu Amended and Restated Agreement, Mr. Sidhu will continue to receive a minimum base salary plus a performance-based incentive bonus and a car allowance. Mr. Sidhu also will continue to be entitled to cash or equity incentive compensation up to the amount of his base salary under an executive incentive plan approved by the board of directors and to the retirement income plan previously-established by the board of directors. The term of the Sidhu Amended and Restated Agreement is annually extended to another year unless Mr. Sidhu or the Company gives notice to the contrary. Consistent with his existing employment agreement, the Sidhu Amended and Restated Agreement provides that Mr. Sidhu will be entitled to certain specified severance compensation and benefits if he terminates his employment for "Good Reason" or if his employment is terminated by the Company other than for "Cause" or upon a "Change in Control" (as such terms are defined in his agreement). These compensation and benefits provisions are described in further detail in the Company's definitive proxy statement for its 2016 annual meeting of shareholders, filed with the Securities and Exchange Commission on April 1, 2016, under the caption "Employment Agreements" in the section entitled "EXECUTIVE COMPENSATION."

The foregoing description of the Sidhu Amended and Restated Employment Agreement is qualified in its entirety by reference to that agreement, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

On December 30, 2016, the Company and Richard Ehst, the Company's President and Chief Operating Officer, entered into an Amended and Restated Employment Agreement (the "Ehst Amended and Restated Agreement"), which amends and restates Mr. Ehst's existing employment agreement with the Company. In particular, the Ehst Amended and Restated Agreement eliminates the provisions of Mr. Ehst's existing employment agreement that provided for the issuance of options or warrants to him to acquire additional Company equity securities in connection with certain completed acquisitions and capital-raising transactions.

Consistent with his existing employment agreement, under the Ehst Amended and Restated Agreement, Mr. Ehst will continue to receive a minimum base salary plus performance-based incentive compensation, in cash or equity or both in amounts determined by the board of directors under incentive plans approved by the board. The term of the Ehst Amended and Restated Agreement is annually extended to another year unless Mr. Ehst or the Company gives notice to the contrary. Consistent with his existing employment agreement, the Ehst Amended and Restated Agreement provides that Mr. Ehst will be entitled to certain specified severance compensation and benefits if he terminates his employment for "Good Reason" or his employment is terminated by the Company other than for "Cause" or upon a "Change in Control" (as such terms are defined in his agreement). These compensation and benefits provisions are described in further detail in the Company's definitive proxy statement for its 2016 annual meeting of shareholders, filed with the Securities and Exchange Commission on April 1, 2016, under the caption "Employment Agreements" in the section entitled "EXECUTIVE COMPENSATION."

The foregoing description of the Ehst Amended and Restated Employment Agreement is qualified in its entirety by reference to that agreement, a copy of which is filed as Exhibit 10.2 to this Current Report on Form 8-K and is incorporated herein by reference.

On December 30, 2016, the Company and Mr. Sidhu also entered into a letter agreement (the "Sidhu Letter Agreement"), which, subject to certain conditions, provides for the payment of a one-time cash bonus to Mr. Sidhu in connection with the completion of the sale of the BankMobile division of Customers Bank ("BankMobile") to a third party. Under the terms of the Sidhu Letter Agreement, Mr. Sidhu would be entitled to receive a cash payment equal to 10% of the aggregate consideration received by the Company in such sale (whether the consideration is in cash, securities or a combination thereof), provided that the bonus payment is payable only if the aggregate consideration received by the Company exceeds \$100 million. In addition, in order to be eligible to receive the cash bonus payment, the BankMobile sale must be completed on or prior to the third anniversary of the Sidhu Letter Agreement and, subject to certain exceptions, Mr. Sidhu must have been employed by the Company and/or BankMobile on a continuous basis from the date of Sidhu Letter Agreement until closing of the BankMobile sale. Other than as summarized herein, the Sidhu Letter Agreement does not affect the terms and conditions of Mr. Sidhu's employment with the Company, including the terms of the Sidhu Amended and Restated Agreement. The cash bonus arrangement reflected in the Sidhu Letter Agreement is part of a bonus program established by the Company's board of directors, with the recommendation and approval of its compensation committee, to provide incentives to certain senior employees of the Company and/or BankMobile to continue their employment during the pendency of the BankMobile sale process, participate in the sale process, and undertake their best efforts to maximize the value of BankMobile and to complete its sale. The aggregate amount of cash bonuses payable to these employees, including Mr. Sidhu, is equal to 14% of the of the aggregate consideration received by the Company in such sale (whether the consideration is in cash, securities or a combination thereof). The conditions to payment of the cash bonuses to the other employees are the same as the conditions summarized above with respect to Mr. Sidhu.

The foregoing description of the Sidhu Letter Agreement is qualified in its entirety by reference to that agreement, a copy of which is filed as Exhibit 10.3 to this Current Report on Form 8-K and is incorporated herein by reference.

Although the Company has previously announced its intention to sell or otherwise dispose of BankMobile, the completion of any transaction will depend a variety of factors, including market conditions, the terms of any proposals received by the Company, and other factors that could change the Company's current plan or cause the Company to consider other alternatives. As of the date of this Current Report on Form 8-K, the Company has not entered into any binding agreement to sell or otherwise dispose of BankMobile.

"Safe Harbor" Statement

In addition to historical information, this statements made herein may contain "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements with respect to Customers Bancorp, Inc.'s strategies, goals, beliefs, expectations, estimates, intentions, capital raising efforts, financial condition and results of operations, future performance and business. Statements preceded by, followed by, or that include the words "may," "could," "should," "pro forma," "looking forward," "would," "believe," "expect," "anticipate," "estimate," "intend," "plan," or similar expressions generally indicate a forward-looking statement. These forward-looking statements involve risks and uncertainties that are subject to change based on various important factors (some of which, in whole or in part, are beyond Customers Bancorp, Inc.'s control). Numerous competitive, economic, regulatory, legal and technological factors, among others, could cause Customers Bancorp, Inc.'s financial performance to differ materially from the goals, plans, objectives, intentions and expectations expressed in such forward-looking statements. In addition, important factors relating to the acquisition of the Disbursements business, the combination of Customers' BankMobile business with the acquired Disbursements business and the implementation of Customers Bancorp, Inc.'s strategy regarding BankMobile, including with respect to the possible disposition of the BankMobile business, depending upon market conditions and opportunities, also could cause Customers Bancorp's actual results to differ from those in the forward-looking statements. Customers Bancorp, Inc. cautions that the foregoing factors are not exclusive, and neither such factors nor any such forward looking statement takes into account the impact of any future events. All forward-looking statements and information set forth herein are based on management's current beliefs and assumptions as of the date hereof and speak only as of the date they are made. For a more complete discussion of the assumptions, risks and uncertainties related to our business, you are encouraged to review Customers Bancorp, Inc.'s filings with the Securities and Exchange Commission, including its most recent annual report on Form 10-K for the year ended December 31, 2015, subsequently filed quarterly reports on Form 10-Q, and current reports on Form 8-K that update or provide information in addition to the information included in the Form 10-K and 10-Q filings. Customers Bancorp, Inc. does not undertake to update any forward looking statement whether written or oral, that may be made from time to time by Customers Bancorp, Inc. or by or on behalf of Customers Bank.

Item 9.01**Financial Statements and Exhibits**

(d) Exhibits.

Exhibit No.	Description
10.1	<u>Amended and Restated Employment Agreement, dated as of December 30, 2016, by and between Customers Bancorp. Inc. and Jay S. Sidhu.</u>
10.2	<u>Amended and Restated Employment Agreement, dated as of December 30, 2016, by and between Customers Bancorp. Inc. and Richard Ehst.</u>
10.3	<u>Letter Agreement, dated as of December 30, 2016, by and between Customers Bancorp. Inc. and Jay S. Sidhu.</u>

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CUSTOMERS BANCORP, INC.

By: /s/ Robert E. Wahlman

Name: Robert E. Wahlman

Title: Executive Vice President and Chief Financial Officer

Date: December 30, 2016

EXHIBIT INDEX

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10.3	<u>Letter Agreement, dated as of December 30, 2016, by and between Customers Bancorp, Inc. and Jay S. Sidhu.</u>

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

THIS AGREEMENT, made as of this 30th day of December, 2016, is by and between CUSTOMERS BANCORP, INC. ("Company") and JAY S. SIDHU ("Executive").

Background

- A. Customers Bank, formerly known as New Century Bank ("Bank") and Executive are parties to an Employment Agreement dated as of June 17, 2009 ("Effective Date").
- B. Pursuant to the Plan of Merger and Reorganization approved by the shareholders of the Bank, which became effective as of September 17, 2011, the Company assumed the Bank's obligations under said Employment Agreement.
- C. Company wishes to retain and secure the services of Executive as the Company's Chief Executive Officer and the Bank's Chief Executive Officer on the terms and conditions set forth herein.
- D. Company and Executive entered into the Amended and Restated Employment Agreement dated March 26, 2012 ("2012 Employment Agreement").
- E. Company and Executive wish to amend the 2012 Employment Agreement to change the payment of Cash Severance Compensation under a Change of Control to a minimum period of 3 years in section 5.5 (a)(i) and to delete the sections related to compensation paid in connection with Company acquisitions or capital raising transactions in section 3 (c).
- F. Subject to the terms and conditions hereinafter, Executive is willing to enter into this Amended and Restated Employment Agreement (this "Agreement") upon the terms and conditions set forth.
- G. The Company's Board of Directors has approved this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth herein, the parties agree as follows:

- 1. **Employment.** Subject to the terms and conditions of the Agreement between the Bank and Executive dated May 19, 2009 ("Definitive Agreement"), Company agrees to employ Executive as its Chief Executive Officer and the Chief Executive Officer during the remainder of the "Term" defined in Section 2 of this Agreement. Executive shall report to and be subject solely to direction of the Boards of Directors of the Company and the Bank. Executive shall have the powers and authority ordinarily given to the respective positions described above as provided under the respective Bylaws of the Company and the Bank. Executive will have such duties as normally apply to such positions. Hereinafter, the term "Company" as used herein shall mean the Company, or the Bank, or both, as the context requires. Executive shall devote a substantial portion of his working time, abilities and attention to the business of the Company, and will fulfill all of the duties required of him as Chief Executive Officer. The Company acknowledges that Executive may serve as the chief executive officer of one, non-competing financial institution. The Board of Directors will consult with Executive from time to time to develop a plan with respect to the time and structure of his activities on behalf of Company in light of his other business activities. The services of Executive shall be rendered principally in Wyomissing, PA, but Executive shall undertake such traveling on behalf of Company as may be reasonably required.

2. Term of Employment. Subject to the terms and conditions of this Agreement, the initial term of employment hereunder shall be for the three (3)-year period commencing on the Effective Date and ending on the day preceding the three (3)-year anniversary of the Effective Date. As of each one (1)-year anniversary of the Effective Date, the term of employment hereunder shall be extended for another one (1) year, automatically, unless either party delivers notice to the contrary to the other party at least sixty (60) days prior to such one (1)-year anniversary, in which case the term of employment hereunder shall expire as of the date to which it was last extended pursuant to this sentence. Such notice shall be delivered in a manner consistent with the requirements of Section 13. References in this Agreement to the "Term" shall refer both to such initial term and any successive terms.

3. Compensation. In consideration of the services to be rendered by Executive, Company shall pay to Executive during the initial Term:

(a) A base salary of not less than Two Hundred and Twenty Five Thousand dollars (\$225,000) per annum for each year of the Term, payable in equal installments over such payroll cycles as the Company pays its executive officers generally, with any salary for initial or final partial months or other payroll periods being prorated based on the number of calendar days in question. It is understood that the Board of Directors of the Company shall review Executive's performance and make a determination regarding increases in his salary at least once in every calendar year during the Term.

(b) Incentive Compensation in such amount, form, and at such time as is provided in such executive incentive plan for Executive as shall be approved by the Board of Directors of the Company and in effect from time to time. Such incentive compensation may take the form of cash payments ("Cash Bonus"), transfers of stock or stock options (collectively, "Equity Awards"). Equity Awards shall be subject to such restrictions, vesting and other conditions and limitations as set forth in the executive incentive plan developed for Executive.

4. Reimbursement of Expenses; Retirement Plan.

4.1 Reimbursement of Expenses. During the Term, Company shall reimburse Executive for reasonable expenses incurred by him in the performance of his duties, as well as those incurred in furtherance of or in connection with the business of Company, including but not limited to traveling, entertainment, dining and other expenses. In lieu of reimbursement of Executive of his costs of using his personal automobile for business purposes pursuant to the immediately preceding sentence, Company shall provide a car allowance to Executive of up to one thousand dollars (\$1,000) per month.

4.2 Retirement Plan. The Board of Directors shall develop and implement a nonqualified retirement income plan for Executive which shall be designed to provide him with an annual pension commencing upon his retirement from the Company at or after age sixty-five (65), subject to the Executive's ability to qualify for a variable life insurance policy, which the Company will own to informally fund such obligation. The goal of the plan shall be to provide an annual pension of two hundred thousand dollars (\$200,000) for fifteen (15) years, but the annual amount will be less or more than the target depending upon the performance of the investments inside the informal funding vehicle. The Board of Directors will review the plan on or about the fourth anniversary of the Effective Date and determine whether it is appropriate to increase the target amount and the informal funding thereof in light of Executive's compensation at that time. Executive shall become vested in this pension after completing seven (7) years of continuous service with the Company, or upon his termination of employment under circumstances that would result in the Company's obligation to pay Severance Compensation under Section 5.5 below (and as defined therein).

5. Termination of Employment.

5.1 Termination by Company; "Cause." Company shall have the right to terminate Executive's employment hereunder at any time, with or without "Cause" (as defined below). In the event of any termination by Company, Company shall give Executive forty-five (45) days prior notice of any termination without Cause, but shall not be obligated to give Executive prior notice of a termination with Cause. Company shall nevertheless be obligated to pay Executive such compensation and severance, if any, as may be provided for in this Agreement under the applicable circumstances. Company will give Executive notice of termination of his employment pursuant to a "Notice of Termination" (as defined below).

5.2 No Right to Compensation or Benefits Except as Stated. If the Company terminates Executive's employment for Cause, Executive shall have no right to severance compensation of any kind, or any right to salary or other benefits for any period after such date of termination. If Executive is terminated by Company other than for Cause, Executive's rights to compensation and benefits under this Agreement shall be as set forth in Section 5.5.

5.3 Termination by Executive. Executive shall have the right to terminate his employment, whether or not for "Good Reason" (as hereinafter defined), but, in all events, Executive shall give Company notice pursuant to a written "Notice of Termination" (as defined below). If the termination by Executive is other than for Good Reason: (i) Executive must give Company a Notice of Termination not less than forty five (45) days prior to the date his termination of employment will be effective, and (ii) Executive shall have no right to severance compensation of any kind, or any right to salary or other benefits for any period after such date of termination. If termination is by Executive for Good Reason, Executive's rights to compensation and benefits under this Agreement shall be as set forth in Section 5.5.

5.4 Certain Definitions.

(a) In connection with a termination of Executive's employment by the Company, "Cause" shall mean any one or more of the following reasons: (1) the willful material failure by the Executive to perform the duties required of him hereunder (other than any such failure resulting from incapacity due to physical or mental illness of the Executive or material changes in the direction and policies of the Board of Directors of Company), if such failure continues for fifteen (15) days after a written demand for substantial performance is delivered to the Executive by the Company which specifically identifies the manner in which it is believed that the Executive has failed to attempt to perform his duties hereunder; (2) the willful engaging by the Executive in willful misconduct materially injurious to the Company; (3) receipt by the Company of a notice (which shall not have been appealed by Executive or shall have become final and non-appealable) of any governmental body or entity having jurisdiction over the Company requiring termination or removal of the Executive from his then present position, or receipt of a written directive or order of any governmental body or entity having jurisdiction over the Company (which shall not have been appealed by Executive or shall have become final and non-appealable) requiring termination or removal of the Executive from his then present position; (4) personal dishonesty, incompetence, willful misconduct, willful breach of fiduciary duty involving personal profit or conviction of a felony; or (5) material breach of any provision set forth in Paragraphs 7, 8, or 10, to the extent applicable. For purposes of this paragraph, no act, or failure to act, on the Executive's part shall be considered "willful" unless done or omitted to be done by Executive in bad faith and without reasonable belief that his action or omission was in the best interest of Company. Any act or omission to act by the Executive in reliance upon a written opinion of counsel to Company shall not be deemed to be willful.

(b) Good Reason. For purposes of this Agreement, "Good Reason" shall mean (1) a material breach by Company of the provisions of this Agreement, which failure has not been cured within 30 days after a written notice of such noncompliance has been given by Executive to Company; (2) any purported termination of Executive's employment which is not effected in compliance with the requirements of this Agreement; (3) any reduction in title or a material adverse change in Executive's responsibilities or authority which are inconsistent with, or the assignment to Executive of duties inconsistent with, Executive's status as Chief Executive Officer of Company; or (4) any reduction in Executive's annual base salary as in effect on the date hereof or as the same may be increased from time to time.

(c) Notice of Termination. Any termination of Executive's employment by Company or by Executive shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a dated notice which shall (1) indicate the specific termination provision in this Agreement relied upon; (2) set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated; and (3) be given in a manner consistent with the requirements of Section 13.

5.5 Compensation Upon Certain Types of Termination. If Executive shall terminate his employment for Good Reason during the Term, or if Executive's Employment is terminated by the Company other than for Cause during the Term, or if Executive's Employment is terminated for any reason other than Cause upon expiration of the Term, then in lieu of any salary or damages payments to Executive for periods subsequent to the date of termination, Company shall pay as "Severance Compensation" to Executive, in lieu of all other damages, compensation and benefits other than any benefits the right to which shall have previously vested, an amount (the "Severance Compensation") equal to the following, depending upon whether a "Change in Control" (as defined below) shall have occurred at the time of termination of employment:

(a) If a Change in Control shall not have occurred within twelve (12) months prior to the date of termination of Executive's employment with the Company, the Company shall pay Executive the following Severance Compensation, payable at the respective times and on the respective conditions set forth in this subsection for each type of Severance Compensation:

(i) Cash Severance Compensation. Notwithstanding anything to the contrary elsewhere in this Agreement, Executive shall be entitled to receive a dollar amount equal to the sum of Executive's then current base salary plus the average of the annual Cash Bonuses paid to him with respect to the three (3) fiscal years of the Company immediately preceding the fiscal year of termination, for the greater of three (3) years or the period of time remaining in the Term. This element of Severance Compensation shall be payable in equal installments on the normal pay dates following Executive's separation from service with the Company within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations promulgated thereunder (such Section and regulations are sometimes referred to in this Agreement as "Section 409A"). If, as of the date of the Executive's separation from service, stock of the Company or a holding company or other parent entity with respect to the Company is publicly traded on an established securities market or otherwise, and if necessary to comply with Section 409A, payments otherwise due during the six (6)-month period following his separation from service shall be suspended and paid in a lump sum upon completion of such six (6)-month period, at which time the balance of the payments shall commence in installments as described in the preceding sentence. Payments shall be subject to deduction for such tax withholdings as Company may be obligated to make;

(ii) Equity Awards. All Equity Awards shall be vested in full;

(iii) Cash Bonus. Executive shall be entitled to a fraction of any Cash Bonus for the fiscal year of the Company within which Executive's termination of employment occurs which, based upon the criteria established for such Cash Bonus, would have been payable to Executive had he remained employed through the date of payment, the numerator of which is the number of days of such fiscal year prior to his termination of employment and the denominator of which is three hundred and sixty-five (365); and

(iv) Company shall continue to provide health insurance (including dental if applicable) and any life or disability insurance benefits for the shorter of (i) the length of the severance measurement period set forth in Section 5.5(a)(i) above, or (ii) the maximum period the Company is then permitted to extend each individual benefit under the applicable plan or policy or applicable law.

(b) If a Change in Control shall have occurred within twelve (12) months prior to the date of termination of Executive's employment with the Company, the Company shall pay Executive Severance Compensation equal to three hundred percent (300%) of the sum of Executive's then current base salary plus the average of the annual Cash Bonuses paid to him with respect to the three (3) fiscal years of the Company immediately preceding the fiscal year of termination. The Severance Compensation shall be payable in a single lump sum within thirty (30) days following Executive's separation from service within the meaning of Section 409A. If, as of the date of the Executive's separation from service, stock of the Company or a holding company or other parent entity with respect to the Company is publicly traded on an established securities market or otherwise, and if necessary to comply with Section 409A, payment of the lump sum shall be suspended and paid within the thirty (30)-day period following the close of the six (6) month period following his separation from service. Payments shall be subject to deduction for such tax withholdings as Company may be obligated to make. In addition to the aforesaid Executive Severance Compensation, additional Executive Severance Compensation shall be provided as set forth below.

(i) Equity Awards. All Equity Awards shall be vested in full,

(ii) Cash Bonus. Executive shall be entitled to a fraction of any Cash Bonus for the fiscal year of the Company within which Executive's termination of employment occurs which, based upon the criteria established for such Cash Bonus, would have been payable to Executive had he remained employed through the date of payment, the numerator of which is the number of days of such fiscal year prior to his termination of employment and the denominator of which is three hundred and sixty-five (365);

(iii) Company shall continue to provide health insurance (including dental if applicable) and any life or disability insurance benefits for the shorter of (i) the length of the severance measurement period set forth in above in this Section 5.5(b), or (ii) the maximum period the Company is then permitted to extend each individual benefit under the applicable plan or policy or applicable law; and

(iv) If, as a result of payments provided for under or pursuant to this Agreement together with all other payments in the nature of compensation provided to or for the benefit of Executive under any other agreement in connection with a Change in Control, Executive becomes subject to taxes of any state, local or federal taxing authority that would not have been imposed on such payments but for the occurrence of a Change in Control, including any excise tax under Section 4999 of the Code and any successor or comparable provision, then, in addition to any other benefits provided under or pursuant to this Agreement or otherwise, Company (including any successor to Company) shall pay to Executive at the time any such payments are made under or pursuant to this or the other agreements, an amount equal to the amount of any such taxes imposed or to be imposed on Executive (the amount of any such payment, the "Parachute Tax Reimbursement"). In addition, Company (including any successor to Company) shall "gross up" such Parachute Tax Reimbursement by paying to Executive at the same time an additional amount equal to the aggregate amount of any additional taxes (whether income taxes, excise taxes, special taxes, employment taxes or otherwise) that are or will be payable by Executive as a result of the Parachute Tax Reimbursement being paid or payable to Executive and/or as a result of the additional amounts paid or payable to Executive pursuant to this sentence, such that after payment of such additional taxes Executive shall have been paid on a net after-tax basis an amount equal to the Parachute Tax Reimbursement. The amount of any Parachute Tax Reimbursement and of any such gross-up amounts shall be determined by Company's independent auditing firm, whose determination, absent manifest error, shall be treated as conclusive and binding absent a binding determination by a governmental taxing authority that a greater amount of taxes is payable by Executive.

(c) For purposes of this Agreement, "Change in Control" means the occurrence of any one or more of the following events:

(i) There occurs a merger, consolidation or other business combination or reorganization to which the Company is a party, whether or not approved in advance by the Board of Directors of the Company, in which (A) the members of the Board of Directors of the Company immediately preceding the consummation of such transaction do not constitute a majority of the members of the Board of Directors of the resulting corporation and of any parent corporation thereof immediately after the consummation of such transaction, and (B) the shareholders of the Company immediately before such transaction do not hold more than fifty percent (50%) of the voting power of securities of the resulting corporation;

(ii) There occurs a sale, exchange, transfer, or other disposition of substantially all of the assets of the Company to another entity, whether or not approved in advance by the Board of Directors of the Company (for purpose of this Agreement, a sale of more than one-half of the branches of the Company would constitute a Change in Control, but for purposes of this paragraph, no branches or assets will be deemed to have been sold if they are leased back contemporaneously with or promptly after their sale);

(iii) A plan of liquidation or dissolution is adopted for the Company; or

(iv) Any "person" or any group of "persons" (as such term is defined in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934 (the "Exchange Act")), as if such provisions were applicable to the Company, other than the holders of shares of the Company's common stock in existence on the date of the Opening for Business, is or shall become the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), as if such rule were applicable to the Company, directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company's then outstanding securities.

(d) In the event that the Executive's employment is terminated during the Term as a result of his death or disability, he (or his estate, as the case may be) shall not be entitled to any payments or other benefits pursuant to this Section 5.5 or otherwise.

5.6 Mitigation by Executive. Executive shall not be required to mitigate the amount of any payment provided for in Section 5.5 by seeking other employment or otherwise.

6. Effect of TARP Participation.

6.1 Basic Agreement re Effect of TARP Participation. It is anticipated by Executive and Company that Company may elect to participate in the Troubled Assets Relief Program ("TARP") established under the Emergency Economic Stabilization Act of 2008 ("EESA"), as amended by the American Recovery and Reinvestment Act of 2009 ("ARRA") and any subsequent legislation whether heretofore or hereafter enacted ("Subsequent Legislation") and as implemented by present and future regulations of applicable federal government agencies ("Implementing Regulations") (the requirements of EESA, ARRA, Subsequent Legislation and Implementing Regulations that may be applicable to the Company or Executive or the compensation or benefits provided to Executive under this Agreement or otherwise as a result of the Company's participation in TARP are sometimes referred to herein as the "TARP Provisions"). In that event, if the compensation and benefits to be provided to Executive pursuant to Sections 3, 4 and 5 of this Agreement, or any portion or element thereof, or any other compensation, benefits or perquisites hereafter agreed upon by the parties, must be reduced, delayed or otherwise modified in order for the Company to comply with any of the TARP Provisions, as interpreted and implemented by regulations of the U. S. Department of the Treasury and the terms of any contract between Company or Executive and said Department or any other agency of the federal government ("TARP Requirements"), this Agreement and all such other compensation, benefits and perquisites and agreements relating to any of the foregoing shall automatically be deemed amended to cause the Company to be in compliance at all times with the TARP Requirements. Executive and Company shall negotiate in good faith to document, by amendment or amendments to this Agreement or any other agreements, plans or benefits, the modifications so required, but the parties' failure to reach final agreement shall not negate the provisions of this Section.

6.2 Agreements Supporting TARP Waiver. In consideration for the benefits Executive will receive under this Agreement and potentially as a result of Company's participation in TARP, Executive hereby voluntarily waives any claim against the Company for any changes to Executive's compensation or benefits that are required for Company to comply with TARP Requirements. This waiver includes all claims Executive may have under the laws of the United States or any state related to the requirements imposed by any of the TARP Requirements, including without limitation a claim for any compensation or other payments Executive would otherwise receive, any challenge to the process by which any of the TARP Requirements were adopted and any tort or constitutional claim about the effect of any of the TARP Requirements on Executive's employment relationship with Company. Executive agrees to execute such waivers and other agreements as may be required by the U.S. Treasury Department in connection with Company's participation in TARP.

7. Non-Disclosure. The Executive covenants and agrees that Executive will not at any time, either during the Term or thereafter, use, disclose or make accessible to any other person, firm, partnership, corporation or any other entity any Confidential and Proprietary Information (as defined herein), other than to (a) Executive's attorney or spouse in confidence, (b) while employed by the Company, in the business and for the benefit of the Company, or (c) when required to do so by a court of competent jurisdiction, any government agency having supervisory authority over the business of the Executive or the Company or any administrative body or legislative body, including a committee thereof, with jurisdiction.

For purposes of this Agreement, "Confidential and Proprietary Information" shall mean non-public, confidential, and proprietary information provided to the Executive concerning, without limitation, the Company's financial condition and/or results of operations, statistical data, products, ideas and concepts, strategic business plans, lists of customers or customer information, information relating to marketing plans, management development reviews, including information regarding the capabilities and experience of the Company's employees, compensation, recruiting and training, and human resource policies and procedures, policy and procedure manuals, together with all materials and documents in any form or medium (including oral, written, tangible, intangible, or electronic) concerning any of the above, and other non-public, proprietary and confidential information of the Company; provided, however, that Confidential and Proprietary Information shall not include any information that is known generally to the public or within the industry other than as a result of unauthorized disclosure by the Executive. It is specifically understood and agreed by the Executive that any non-public information received by the Executive during Executive's employment by the Company is deemed Confidential and Proprietary Information for purposes of this Agreement. In the event the Executive's employment is terminated for any reason, the Executive shall immediately return to the Company upon request all Confidential and Proprietary Information in Executive's possession or control.

8. Non-Solicitation. Executive agrees that during the Term and for a period of twelve (12) months thereafter, unless the Executive obtains the Company's prior written permission, which may be granted or denied at the Company's sole and absolute discretion, the Executive shall not:

(a) solicit or divert to any competitor of the Company or, upon termination of the Executive's employment with the Company, accept any business from any individual or entity that is a customer or a prospective customer of the Company, to the extent that such prospective customer was identifiable as such prior to the date of the Executive's termination, except that this covenant of non-solicitation shall not apply with respect to anyone who, while having previously been a customer or prospect of the Company, is no longer a customer or prospect of the Company at the time of the solicitation; and/or

(b) induce or encourage any officer and/or employee of the Company to leave the employ of the Company, hire any individual who was an employee of the Company as of the date of the termination of the Executive's, or induce or encourage any customer, vendor, participant, agent or other business relation of the Company to cease or reduce doing business with the Company or in any way interfere with the relationship between any such customer, vendor, participant, agent or other business relation and the Company.

9. Noncompete Agreement. For a period of twelve (12) months after any resignation or termination of Executive's employment for any reason, Executive shall not, directly or indirectly, within 25 miles of any office of the Company, enter into or engage directly or indirectly in competition with the Company or any subsidiary or other company under common control with the Company, in any financial services business conducted by the Company or any such subsidiary at the time of such resignation or termination, either as an individual on his own or as a partner or joint venturer, or as a director, officer, shareholder, employee, agent, independent contractor, nor shall Executive assist any other person or entity in engaging directly or indirectly in such competition.

10. Non-Disparagement. During the Term, after its expiration and following the termination of this Agreement by the Company or the Executive for any reason, each party agrees not to make any statements, in writing or otherwise, that disparage the reputation or character of the other party or, in the case of the Company, any subsidiaries or affiliates of the Company or any of their respective managers, directors, officers, stockholders, partners, members or employees, at any time for any reason whatsoever, except that nothing in this Section shall prohibit any party from giving truthful testimony in any litigation or administrative proceedings either between the Executive and the Company or in connection with which such party is subpoenaed and required by law to give testimony, including without limitation, any action by the Executive to enforce Executive's rights hereunder.

11. Severance Compensation Conditional; Remedies for Breach of Sections 7, 8, 9 and 10; Independence of Covenants; Notice to Others; Savings Clause.

11.1 Severance Compensation Independent. Company's obligation to pay Severance Compensation is conditioned on Executive's compliance with Paragraphs 7, 8, 9 and 10 of this Agreement and Company shall not be obligated to pay such Severance Compensation in the event of any breach by Executive of such Paragraphs.

11.2 Remedies for Breach of Sections 7, 8, 9 and 10. Executive and Company agree that the covenants in Sections 7, 8, 9 and 10 are reasonable covenants under the circumstances. Executive agrees that any breach of the covenants set forth in Sections 7, 8, 9 and 10 of this Agreement will irreparably harm the Company. The Executive and the Company agree that in the event of any breach by the Executive of the provisions set forth in Section 7, 8, 9 and 10 of this Agreement, the Company shall be entitled to all rights and remedies available at law or in equity, including without limitation, the following cumulative and not alternative rights:

(a) the right to obtain injunctive or other equitable relief to restrain any breach or threatened breach or otherwise to specifically enforce the provisions of this Agreement, it being agreed that monetary damages alone would be inadequate to compensate the Company, the amount of such damages will be difficult (if not impossible) to prove precisely, and would be an inadequate remedy for such breach;

(b) the right to institute civil suit to recover damages suffered by the Company;

(c) the right to recover actual reasonable attorneys' fees and other costs incurred by the Company in connection with pursuing remedies hereunder; and

(d) the right to seek an equitable accounting of all earnings, profits and other benefits arising from any such violation.

11.3 Independence of Covenants. The existence of any claim or cause of action of the Executive against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the provisions of Sections 7, 8, 9 and 10.

11.4 Notice to Others. Executive agrees to notify any future prospective employers and future employers, and any future joint venturers, partners and contracting parties of Executive, whose activities may be deemed to compete with Company of the existence of each of the covenants contained in Sections 7, 8, 9 and 10 of this Agreement.

11.5 Savings Clause. In the event that any provision or provisions of any of the covenants in Section 7, 8, 9 and 10 would otherwise be determined by any court of competent jurisdiction to be unenforceable in whole or in part by reason of being for too great a period of time or covering too great a geographical area or too broad a product market, or for any other reason, each such covenant shall nevertheless remain in full force and effect and be construed so as to be enforceable as to that period of time and geographical area and product market, and on such other conditions, as may be determined to be reasonable by the court.

12. Amendments. No amendments to this Agreement shall be binding unless in writing and signed by both parties.

13. Notices. All notices under this Agreement shall be in writing and shall be deemed effective (i) when delivered in person or by facsimile, telecopier, telegraph or other electronic means capable of being embodied in written form, or (ii) forty-eight (48) hours after deposit thereof in the U.S. mails by certified or registered mail, return receipt requested, postage prepaid, addressed, in the case of Executive, to his last known address as carried on the personnel records of Company and, in the case of Company, to the corporate headquarters, attention of the Chairman of the Board of Directors (or if Executive is at that time the Chairman of the Board of Directors, then to the Secretary of the Company), or to such other address as the party to be notified may specify by notice to the other party.

14. Entire Agreement. This Agreement is the entire agreement of the parties with respect to its subject matter and supersedes and replaces all other negotiations, discussions and prior or contemporaneous agreements between the parties, whether oral or written, with respect to the subject matter of Executive's employment with Company.

15. Binding Effect and Benefits. The rights and obligations of Company and Executive under this Agreement shall inure to the benefit of and shall be binding upon the respective heirs, personal representatives, successors and assigns of Company and Executive.

16. Construction. This Agreement shall be construed under the laws of the Commonwealth of Pennsylvania, as they may be preempted by federal laws and regulations. Section headings are for convenience only and shall not be considered a part of the terms and provisions of the Agreement.

17. Governing Law; Jurisdiction; Venue. The validity, interpretation, construction, performance and enforcement of this Agreement shall be governed by the internal laws of the Commonwealth of Pennsylvania, without regard to its conflicts of law rules, and by federal law to the extent it pre-empts state law. For purposes of any action or proceeding, the Executive irrevocably submits to the exclusive jurisdiction of the courts of the Commonwealth Pennsylvania and the courts of the United States of America located in Pennsylvania for the purpose of any judicial proceeding arising out of or relating to this Agreement or otherwise. The Executive irrevocably agrees to service of process by certified mail, return receipt requested, to the Executive at the address listed in the records of the Company. The proper venue for all such disputes, actions or proceedings shall be Chester County. The parties agree that in any action or proceeds arising under this Agreement, attorneys' fees and costs shall be awarded to the prevailing party.

18. Executive's Acknowledgment of Terms and Right to Separate Counsel. Executive acknowledges that he has read this Agreement fully and carefully, understands its terms and that it has been entered into by Executive voluntarily. Executive further acknowledges that Executive has had sufficient opportunity to consider this Agreement and discuss it with Executive's own advisors, including Executive's attorney and accountants and that Executive has made Executive's own free decision whether and to what extent to do so.

19. Legal Expenses. Company shall pay to Executive all reasonable legal fees and expenses incurred by him in seeking to obtain or enforce any rights or benefits provided by this Agreement to the extent he prevails in such efforts.

20. Indemnification of Executive. Company shall indemnify Executive against any liability incurred in connection with any proceeding in which the Executive may be involved as a party or otherwise by reason of the fact that Executive is or was serving as Chief Executive Officer to the extent permitted by the Company's articles of incorporation, bylaws and applicable law. To further effect, satisfy or secure the indemnification obligations provided herein or otherwise, the Company shall cause its director and officer liability insurance to cover Executive during the Term and for such period thereafter as the Company's liability insurance policy permits coverage for actions or omissions of former directors or officers.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused the due execution of this Agreement as of the date first set forth above.

CUSTOMERS BANCORP, INC.

Attest: _____

By: /s/ Robert E. Wahlman

Jay Sidhu

Witness: _____

/s/ Jay Sidhu
signature

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

THIS AGREEMENT, made as of this 30th day of December, 2016, is by and between CUSTOMERS BANCORP, INC. ("Company") and RICHARD EHST ("Executive").

Background

- A. Customers Bank ("Bank") and Executive are parties to an Employment Agreement dated as of February 17, 2011 ("Effective Date").
- B. Pursuant to the Plan of Merger and Reorganization approved by the shareholders of the Bank, which became effective as of September 17, 2011, the Company assumed the Bank's obligations under said Employment Agreement.
- C. Company wishes to retain and secure the services of Executive as the Company's Chief Operating Officer and the Bank's Chief Operating Officer on the terms and conditions set forth herein.
- D. Company and Executive entered into the Amended and Restated Employment Agreement dated March 26, 2012 ("2012 Employment Agreement").
- E. Company and Executive wish to amend the 2012 Employment Agreement to delete the sections related to compensation paid in connection with Company acquisitions or capital raising transactions in section 3 (c).
- F. Subject to the terms and conditions hereinafter, Executive is willing to enter into this Amended and Restated Employment Agreement (this "Agreement") upon the terms and conditions set forth.
- G. The Company's Board of Directors has approved this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth herein, the parties agree as follows:

1. **Employment.** Company agrees to employ Executive as its Chief Operating Officer and the Chief Operating Officer of the Bank during the remainder of the "Term" defined in Section 2 of this Agreement. Executive shall report to and be subject solely to direction of the Chief Executive Officer of the Company and the Chief Executive Officer of the Bank and the Boards of Directors of the Company and the Bank. Executive shall have the powers and authority ordinarily given to the respective positions described above as provided under the respective Bylaws of the Company and the Bank. Executive will have such duties as normally apply to such positions. Hereinafter, the term "Company" as used herein shall mean the Company, or the Bank, or both, as the context requires. Executive shall devote a substantial portion of his working time, abilities and attention to the business of the Company, and will fulfill all of the duties required of him as Chief Operating Officer. The services of Executive shall be rendered principally in Wyomissing, PA, but Executive shall undertake such traveling on behalf of Company as may be reasonably required.

2. Term of Employment. Subject to the terms and conditions of this Agreement, the initial term of employment hereunder shall be for the three (3)-year period commencing on the Effective Date and ending on the day preceding the three (3)-year anniversary of the Effective Date. As of each one (1)-year anniversary of the Effective Date, the term of employment hereunder shall be extended for another one (1) year, automatically, unless either party delivers notice to the contrary to the other party at least sixty (60) days prior to such one (1)-year anniversary, in which case the term of employment hereunder shall expire as of the date to which it was last extended pursuant to this sentence. Such notice shall be delivered in a manner consistent with the requirements of Section 13. References in this Agreement to the "Term" shall refer both to such initial term and any successive terms.

3. Compensation. In consideration of the services to be rendered by Executive, Company shall pay to Executive during the initial Term:

(a) A base salary of not less than the highest base salary for each year of the Term, payable in equal installments over such payroll cycles as the Company pays its executive officers generally, with any salary for initial or final partial months or other payroll periods being prorated based on the number of calendar days in question. It is understood that the Board of Directors of the Company shall review Executive's performance and make a determination regarding increases in his salary at least once in every calendar year during the Term.

(b) Incentive Compensation in such form, and at such time as is provided in such executive incentive plan for Executive as shall be approved by the Board of Directors of the Company and in effect from time to time. Such incentive compensation may take the form of cash payments ("Cash Bonus"), transfers of stock or stock options (collectively, "Equity Awards"). Equity Awards shall be subject to such restrictions, vesting and other conditions and limitations as set forth in the executive incentive plan developed for Executive.

4. Reimbursement of Expenses.

4.1 Reimbursement of Expenses. During the Term, Company shall reimburse Executive for reasonable expenses incurred by him in the performance of his duties, as well as those incurred in furtherance of or in connection with the business of Company, including but not limited to traveling, entertainment, dining and other expenses.

5. Termination of Employment.

5.1 Termination by Company; "Cause." Company shall have the right to terminate Executive's employment hereunder at any time, with or without "Cause" (as defined below). In the event of any termination by Company, Company shall give Executive forty-five (45) days prior notice of any termination without Cause, but shall not be obligated to give Executive prior notice of a termination with Cause. Company shall nevertheless be obligated to pay Executive such compensation and severance, if any, as may be provided for in this Agreement under the applicable circumstances. Company will give Executive notice of termination of his employment pursuant to a "Notice of Termination" (as defined below).

5.2 No Right to Compensation or Benefits Except as Stated. If the Company terminates Executive's employment for Cause, Executive shall have no right to severance compensation of any kind, or any right to salary or other benefits for any period after such date of termination. If Executive is terminated by Company other than for Cause, Executive's rights to compensation and benefits under this Agreement shall be as set forth in Section 5.5.

5.3 Termination by Executive. Executive shall have the right to terminate his employment, whether or not for "Good Reason" (as hereinafter defined), but, in all events, Executive shall give Company notice pursuant to a written "Notice of Termination" (as defined below). If the termination by Executive is other than for Good Reason: (i) Executive must give Company a Notice of Termination not less than forty five (45) days prior to the date his termination of employment will be effective, and (ii) Executive shall have no right to severance compensation of any kind, or any right to salary or other benefits for any period after such date of termination. If termination is by Executive for Good Reason, Executive's rights to compensation and benefits under this Agreement shall be as set forth in Section 5.5.

5.4 Certain Definitions.

(a) In connection with a termination of Executive's employment by the Company, "Cause" shall mean any one or more of the following reasons: (1) the willful material failure by the Executive to perform the duties required of him hereunder (other than any such failure resulting from incapacity due to physical or mental illness of the Executive or material changes in the direction and policies of the Board of Directors of Company), if such failure continues for fifteen (15) days after a written demand for substantial performance is delivered to the Executive by the Company which specifically identifies the manner in which it is believed that the Executive has failed to attempt to perform his duties hereunder; (2) the willful engaging by the Executive in willful misconduct materially injurious to the Company; (3) receipt by the Company of a notice (which shall not have been appealed by Executive or shall have become final and non-appealable) of any governmental body or entity having jurisdiction over the Company requiring termination or removal of the Executive from his then present position, or receipt of a written directive or order of any governmental body or entity having jurisdiction over the Company (which shall not have been appealed by Executive or shall have become final and non-appealable) requiring termination or removal of the Executive from his then present position; (4) personal dishonesty, incompetence, willful misconduct, willful breach of fiduciary duty involving personal profit or conviction of a felony; or (5) material breach of any provision set forth in Paragraphs 7, 8, or 10, to the extent applicable. For purposes of this paragraph, no act, or failure to act, on the Executive's part shall be considered "willful" unless done or omitted to be done by Executive in bad faith and without reasonable belief that his action or omission was in the best interest of Company. Any act or omission to act by the Executive in reliance upon a written opinion of counsel to Company shall not be deemed to be willful.

(b) Good Reason. For purposes of this Agreement, "Good Reason" shall mean (1) a material breach by Company of the provisions of this Agreement, which failure has not been cured within 30 days after a written notice of such noncompliance has been given by Executive to Company; (2) any purported termination of Executive's employment which is not effected in compliance with the requirements of this Agreement; (3) any reduction in title or a material adverse change in Executive's responsibilities or authority which are inconsistent with, or the assignment to Executive of duties inconsistent with, Executive's status as Chief Operating Officer of Company; or (4) any reduction in Executive's annual base salary as in effect on the date hereof or as the same may be increased from time to time.

(c) Notice of Termination. Any termination of Executive's employment by Company or by Executive shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a dated notice which shall (1) indicate the specific termination provision in this Agreement relied upon; (2) set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated; and (3) be given in a manner consistent with the requirements of Section 13.

5.5 Compensation Upon Certain Types of Termination. If Executive shall terminate his employment for Good Reason during the Term, or if Executive's Employment is terminated by the Company other than for Cause during the Term, or if Executive's Employment is terminated for any reason other than Cause upon expiration of the Term, then in lieu of any salary or damages payments to Executive for periods subsequent to the date of termination, Company shall pay as "Severance Compensation" to Executive, in lieu of all other damages, compensation and benefits other than any benefits the right to which shall have previously vested, an amount (the "Severance Compensation") equal to the following, depending upon whether a "Change in Control" (as defined below) shall have occurred at the time of termination of employment:

(a) If a Change in Control shall not have occurred within twelve (12) months prior to the date of termination of Executive's employment with the Company, the Company shall pay Executive the following Severance Compensation, payable at the respective times and on the respective conditions set forth in this subsection for each type of Severance Compensation:

(i) Cash Severance Compensation. Notwithstanding anything to the contrary elsewhere in this Agreement, Executive shall be entitled to receive a dollar amount equal to the sum of Executive's then current base salary plus the average of the annual Cash Bonuses paid to him with respect to the three (3) fiscal years of the Company immediately preceding the fiscal year of termination, for the greater of two (2) years or the period of time remaining in the Term. This element of Severance Compensation shall be payable in equal installments on the normal pay dates following Executive's separation from service with the Company within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations promulgated thereunder (such Section and regulations are sometimes referred to in this Agreement as "Section 409A"). If, as of the date of the Executive's separation from service, stock of the Company or a holding company or other parent entity with respect to the Company is publicly traded on an established securities market or otherwise, and if necessary to comply with Section 409A, payments otherwise due during the six (6)-month period following his separation from service shall be suspended and paid in a lump sum upon completion of such six (6)-month period, at which time the balance of the payments shall commence in installments as described in the preceding sentence. Payments shall be subject to deduction for such tax withholdings as Company may be obligated to make;

(ii) Equity Awards. All Equity Awards shall be vested in full;

(iii) Cash Bonus. Executive shall be entitled to a fraction of any Cash Bonus for the fiscal year of the Company within which Executive's termination of employment occurs which, based upon the criteria established for such Cash Bonus, would have been payable to Executive had he remained employed through the date of payment, the numerator of which is the number of days of such fiscal year prior to his termination of employment and the denominator of which is three hundred and sixty-five (365); and

(iv) Company shall continue to provide health insurance (including dental if applicable) and any life or disability insurance benefits for the shorter of (i) the length of the severance measurement period set forth in Section 5.5(a)(i) above, or (ii) the maximum period the Company is then permitted to extend each individual benefit under the applicable plan or policy or applicable law.

(b) If a Change in Control shall have occurred within twelve (12) months prior to the date of termination of Executive's employment with the Company, the Company shall pay Executive Severance Compensation equal to three hundred percent (300%) of the sum of Executive's then current base salary plus the average of the annual Cash Bonuses paid to him with respect to the three (3) fiscal years of the Company immediately preceding the fiscal year of termination. The Severance Compensation shall be payable in a single lump sum within thirty (30) days following Executive's separation from service within the meaning of Section 409A. If, as of the date of the Executive's separation from service, stock of the Company or a holding company or other parent entity with respect to the Company is publicly traded on an established securities market or otherwise, and if necessary to comply with Section 409A, payment of the lump sum shall be suspended and paid within the thirty (30)-day period following the close of the six (6) month period following his separation from service. Payments shall be subject to deduction for such tax withholdings as Company may be obligated to make. In addition to the aforesaid Executive Severance Compensation, additional Executive Severance Compensation shall be provided as set forth below.

(i) Equity Awards. All Equity Awards shall be vested in full;

(ii) Cash Bonus. Executive shall be entitled to a fraction of any Cash Bonus for the fiscal year of the Company within which Executive's termination of employment occurs which, based upon the criteria established for such Cash Bonus, would have been payable to Executive had he remained employed through the date of payment, the numerator of which is the number of days of such fiscal year prior to his termination of employment and the denominator of which is three hundred and sixty-five (365);

(iii) Company shall continue to provide health insurance (including dental if applicable) and any life or disability insurance benefits for the shorter of (i) the length of the severance measurement period set forth in above in this Section 5.5(b), or (ii) the maximum period the Company is then permitted to extend each individual benefit under the applicable plan or policy or applicable law; and

(iv) If, as a result of payments provided for under or pursuant to this Agreement together with all other payments in the nature of compensation provided to or for the benefit of Executive under any other agreement in connection with a Change in Control, Executive becomes subject to taxes of any state, local or federal taxing authority that would not have been imposed on such payments but for the occurrence of a Change in Control, including any excise tax under Section 4999 of the Code and any successor or comparable provision, then, in addition to any other benefits provided under or pursuant to this Agreement or otherwise, Company (including any successor to Company) shall pay to Executive at the time any such payments are made under or pursuant to this or the other agreements, an amount equal to the amount of any such taxes imposed or to be imposed on Executive (the amount of any such payment, the "Parachute Tax Reimbursement"). In addition, Company (including any successor to Company) shall "gross up" such Parachute Tax Reimbursement by paying to Executive at the same time an additional amount equal to the aggregate amount of any additional taxes (whether income taxes, excise taxes, special taxes, employment taxes or otherwise) that are or will be payable by Executive as a result of the Parachute Tax Reimbursement being paid or payable to Executive and/or as a result of the additional amounts paid or payable to Executive pursuant to this sentence, such that after payment of such additional taxes Executive shall have been paid on a net after-tax basis an amount equal to the Parachute Tax Reimbursement. The amount of any Parachute Tax Reimbursement and of any such gross-up amounts shall be determined by Company's independent auditing firm, whose determination, absent manifest error, shall be treated as conclusive and binding absent a binding determination by a governmental taxing authority that a greater amount of taxes is payable by Executive.

(c) For purposes of this Agreement, "Change in Control" means the occurrence of any one or more of the following events:

(i) There occurs a merger, consolidation or other business combination or reorganization to which the Company is a party, whether or not approved in advance by the Board of Directors of the Company, in which (A) the members of the Board of Directors of the Company immediately preceding the consummation of such transaction do not constitute a majority of the members of the Board of Directors of the resulting corporation and of any parent corporation thereof immediately after the consummation of such transaction, and (B) the shareholders of the Company immediately before such transaction do not hold more than fifty percent (50%) of the voting power of securities of the resulting corporation;

(ii) There occurs a sale, exchange, transfer, or other disposition of substantially all of the assets of the Company to another entity, whether or not approved in advance by the Board of Directors of the Company (for purpose of this Agreement, a sale of more than one-half of the branches of the Company would constitute a Change in Control, but for purposes of this paragraph, no branches or assets will be deemed to have been sold if they are leased back contemporaneously with or promptly after their sale);

(iii) A plan of liquidation or dissolution is adopted for the Company; or

(iv) Any "person" or any group of "persons" (as such term is defined in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934 (the "Exchange Act"), as if such provisions were applicable to the Company, other than the holders of shares of the Company's common stock in existence on the date of the Opening for Business, is or shall become the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), as if such rule were applicable to the Company, directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company's then outstanding securities.

(d) In the event that the Executive's employment is terminated during the Term as a result of his death or disability, he (or his estate, as the case may be) shall not be entitled to any payments or other benefits pursuant to this Section 5.5 or otherwise.

5.6 Mitigation by Executive. Executive shall not be required to mitigate the amount of any payment provided for in Section 5.5 by seeking other employment or otherwise.

6. Effect of TARP Participation.

6.1 Basic Agreement re Effect of TARP Participation. It is anticipated by Executive and Company that Company may elect to participate in the Troubled Assets Relief Program ("TARP") established under the Emergency Economic Stabilization Act of 2008 ("EESA"), as amended by the American Recovery and Reinvestment Act of 2009 ("ARRA") and any subsequent legislation whether heretofore or hereafter enacted ("Subsequent Legislation") and as implemented by present and future regulations of applicable federal government agencies ("Implementing Regulations") (the requirements of EESA, ARRA, Subsequent Legislation and Implementing Regulations that may be applicable to the Company or Executive or the compensation or benefits provided to Executive under this Agreement or otherwise as a result of the Company's participation in TARP are sometimes referred to herein as the "TARP Provisions"). In that event, if the compensation and benefits to be provided to Executive pursuant to Sections 3, 4 and 5 of this Agreement, or any portion or element thereof, or any other compensation, benefits or perquisites hereafter agreed upon by the parties, must be reduced, delayed or otherwise modified in order for the Company to comply with any of the TARP Provisions, as interpreted and implemented by regulations of the U. S. Department of the Treasury and the terms of any contract between Company or Executive and said Department or any other agency of the federal government ("TARP Requirements"), this Agreement and all such other compensation, benefits and perquisites and agreements relating to any of the foregoing shall automatically be deemed amended to cause the Company to be in compliance at all times with the TARP Requirements. Executive and Company shall negotiate in good faith to document, by amendment or amendments to this Agreement or any other agreements, plans or benefits, the modifications so required, but the parties' failure to reach final agreement shall not negate the provisions of this Section.

6.2 Agreements Supporting TARP Waiver. In consideration for the benefits Executive will receive under this Agreement and potentially as a result of Company's participation in TARP, Executive hereby voluntarily waives any claim against the Company for any changes to Executive's compensation or benefits that are required for Company to comply with TARP Requirements. This waiver includes all claims Executive may have under the laws of the United States or any state related to the requirements imposed by any of the TARP Requirements, including without limitation a claim for any compensation or other payments Executive would otherwise receive, any challenge to the process by which any of the TARP Requirements were adopted and any tort or constitutional claim about the effect of any of the TARP Requirements on Executive's employment relationship with Company. Executive agrees to execute such waivers and other agreements as may be required by the U.S. Treasury Department in connection with Company's participation in TARP.

7. Non-Disclosure. The Executive covenants and agrees that Executive will not at any time, either during the Term or thereafter, use, disclose or make accessible to any other person, firm, partnership, corporation or any other entity any Confidential and Proprietary Information (as defined herein), other than to (a) Executive's attorney or spouse in confidence, (b) while employed by the Company, in the business and for the benefit of the Company, or (c) when required to do so by a court of competent jurisdiction, any government agency having supervisory authority over the business of the Executive or the Company or any administrative body or legislative body, including a committee thereof, with jurisdiction.

For purposes of this Agreement, "Confidential and Proprietary Information" shall mean non-public, confidential, and proprietary information provided to the Executive concerning, without limitation, the Company's financial condition and/or results of operations, statistical data, products, ideas and concepts, strategic business plans, lists of customers or customer information, information relating to marketing plans, management development reviews, including information regarding the capabilities and experience of the Company's employees, compensation, recruiting and training, and human resource policies and procedures, policy and procedure manuals, together with all materials and documents in any form or medium (including oral, written, tangible, intangible, or electronic) concerning any of the above, and other non-public, proprietary and confidential information of the Company; provided, however, that Confidential and Proprietary Information shall not include any information that is known generally to the public or within the industry other than as a result of unauthorized disclosure by the Executive. It is specifically understood and agreed by the Executive that any non-public information received by the Executive during Executive's employment by the Company is deemed Confidential and Proprietary Information for purposes of this Agreement. In the event the Executive's employment is terminated for any reason, the Executive shall immediately return to the Company upon request all Confidential and Proprietary Information in Executive's possession or control.

8. Non-Solicitation. Executive agrees that during the Term and for a period of twelve (12) months thereafter, unless the Executive obtains the Company's prior written permission, which may be granted or denied at the Company's sole and absolute discretion, the Executive shall not:

(a) solicit or divert to any competitor of the Company or, upon termination of the Executive's employment with the Company, accept any business from any individual or entity that is a customer or a prospective customer of the Company, to the extent that such prospective customer was identifiable as such prior to the date of the Executive's termination, except that this covenant of non-solicitation shall not apply with respect to anyone who, while having previously been a customer or prospect of the Company, is no longer a customer or prospect of the Company at the time of the solicitation; and/or

(b) induce or encourage any officer and/or employee of the Company to leave the employ of the Company, hire any individual who was an employee of the Company as of the date of the termination of the Executive's, or induce or encourage any customer, vendor, participant, agent or other business relation of the Company to cease or reduce doing business with the Company or in any way interfere with the relationship between any such customer, vendor, participant, agent or other business relation and the Company.

9. Noncompete Agreement. For a period of twelve (12) months after any resignation or termination of Executive's employment for any reason, Executive shall not, directly or indirectly, within 25 miles of any office of the Company, enter into or engage directly or indirectly in competition with the Company or any subsidiary or other company under common control with the Company, in any financial services business conducted by the Company or any such subsidiary at the time of such resignation or termination, either as an individual on his own or as a partner or joint venturer, or as a director, officer, shareholder, employee, agent, independent contractor, nor shall Executive assist any other person or entity in engaging directly or indirectly in such competition.

10. Non-Disparagement. During the Term, after its expiration and following the termination of this Agreement by the Company or the Executive for any reason, each party agrees not to make any statements, in writing or otherwise, that disparage the reputation or character of the other party or, in the case of the Company, any subsidiaries or affiliates of the Company or any of their respective managers, directors, officers, stockholders, partners, members or employees, at any time for any reason whatsoever, except that nothing in this Section shall prohibit any party from giving truthful testimony in any litigation or administrative proceedings either between the Executive and the Company or in connection with which such party is subpoenaed and required by law to give testimony, including without limitation, any action by the Executive to enforce Executive's rights hereunder.

11. Severance Compensation Conditional; Remedies for Breach of Sections 7, 8, 9 and 10; Independence of Covenants; Notice to Others; Savings Clause.

11.1 Severance Compensation Independent. Company's obligation to pay Severance Compensation is conditioned on Executive's compliance with Paragraphs 7, 8, 9 and 10 of this Agreement and Company shall not be obligated to pay such Severance Compensation in the event of any breach by Executive of such Paragraphs.

11.2 Remedies for Breach of Sections 7, 8, 9 and 10. Executive and Company agree that the covenants in Sections 7, 8, 9 and 10 are reasonable covenants under the circumstances. Executive agrees that any breach of the covenants set forth in Sections 7, 8, 9 and 10 of this Agreement will irreparably harm the Company. The Executive and the Company agree that in the event of any breach by the Executive of the provisions set forth in Section 7, 8, 9 and 10 of this Agreement, the Company shall be entitled to all rights and remedies available at law or in equity, including without limitation, the following cumulative and not alternative rights:

(a) the right to obtain injunctive or other equitable relief to restrain any breach or threatened breach or otherwise to specifically enforce the provisions of this Agreement, it being agreed that monetary damages alone would be inadequate to compensate the Company, the amount of such damages will be difficult (if not impossible) to prove precisely, and would be an inadequate remedy for such breach;

(b) the right to institute civil suit to recover damages suffered by the Company;

(c) the right to recover actual reasonable attorneys' fees and other costs incurred by the Company in connection with pursuing remedies hereunder; and

(d) the right to seek an equitable accounting of all earnings, profits and other benefits arising from any such violation.

11.3 Independence of Covenants. The existence of any claim or cause of action of the Executive against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the provisions of Sections 7, 8, 9 and 10.

11.4 Notice to Others. Executive agrees to notify any future prospective employers and future employers, and any future joint venturers, partners and contracting parties of Executive, whose activities may be deemed to compete with Company of the existence of each of the covenants contained in Sections 7, 8, 9 and 10 of this Agreement.

11.5 Savings Clause. In the event that any provision or provisions of any of the covenants in Section 7, 8, 9 and 10 would otherwise be determined by any court of competent jurisdiction to be unenforceable in whole or in part by reason of being for too great a period of time or covering too great a geographical area or too broad a product market, or for any other reason, each such covenant shall nevertheless remain in full force and effect and be construed so as to be enforceable as to that period of time and geographical area and product market, and on such other conditions, as may be determined to be reasonable by the court.

12. Amendments. No amendments to this Agreement shall be binding unless in writing and signed by both parties.

13. Notices. All notices under this Agreement shall be in writing and shall be deemed effective (i) when delivered in person or by facsimile, telecopier, telegraph or other electronic means capable of being embodied in written form, or (ii) forty-eight (48) hours after deposit thereof in the U.S. mails by certified or registered mail, return receipt requested, postage prepaid, addressed, in the case of Executive, to his last known address as carried on the personnel records of Company and, in the case of Company, to the corporate headquarters, attention of the Chairman of the Board of Directors (or if Executive is at that time the Chairman of the Board of Directors, then to the Secretary of the Company), or to such other address as the party to be notified may specify by notice to the other party.

14. Entire Agreement. This Agreement is the entire agreement of the parties with respect to its subject matter and supersedes and replaces all other negotiations, discussions and prior or contemporaneous agreements between the parties, whether oral or written, with respect to the subject matter of Executive's employment with Company.

15. Binding Effect and Benefits. The rights and obligations of Company and Executive under this Agreement shall inure to the benefit of and shall be binding upon the respective heirs, personal representatives, successors and assigns of Company and Executive.

16. Construction. This Agreement shall be construed under the laws of the Commonwealth of Pennsylvania, as they may be preempted by federal laws and regulations. Section headings are for convenience only and shall not be considered a part of the terms and provisions of the Agreement.

17. Governing Law; Jurisdiction; Venue. The validity, interpretation, construction, performance and enforcement of this Agreement shall be governed by the internal laws of the Commonwealth of Pennsylvania, without regard to its conflicts of law rules, and by federal law to the extent it pre-empts state law. For purposes of any action or proceeding, the Executive irrevocably submits to the exclusive jurisdiction of the courts of the Commonwealth Pennsylvania and the courts of the United States of America located in Pennsylvania for the purpose of any judicial proceeding arising out of or relating to this Agreement or otherwise. The Executive irrevocably agrees to service of process by certified mail, return receipt requested, to the Executive at the addressed listed in the records of the Company. The proper venue for all such disputes, actions or proceedings shall be Chester County. The parties agree that in any action or proceeds arising under this Agreement, attorneys' fees and costs shall be awarded to the prevailing party.

18. Executive's Acknowledgment of Terms and Right to Separate Counsel. Executive acknowledges that he has read this Agreement fully and carefully, understands its terms and that it has been entered into by Executive voluntarily. Executive further acknowledges that Executive has had sufficient opportunity to consider this Agreement and discuss it with Executive's own advisors, including Executive's attorney and accountants and that Executive has made Executive's own free decision whether and to what extent to do so.

19. Legal Expenses. Company shall pay to Executive all reasonable legal fees and expenses incurred by him in seeking to obtain or enforce any rights or benefits provided by this Agreement to the extent he prevails in such efforts.

20. Indemnification of Executive. Company shall indemnify Executive against any liability incurred in connection with any proceeding in which the Executive may be involved a party or otherwise by reason of the fact that Executive is or was serving as Chief Operating Officer to the extent permitted by the Company's articles of incorporation, bylaws and applicable law. To further effect, satisfy or secure the indemnification obligations provided herein or otherwise, the Company shall cause its director and officer liability insurance to cover Executive during the Term and for such period thereafter as the Company's liability insurance policy permits coverage for actions or omissions of former directors or officers.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused the due execution of this Agreement as of the date first set forth above.

CUSTOMERS BANCORP, INC.

Attest: _____

By: /s/ Robert E. Wahlman

RICHARD EHST

Witness: _____

/s/ Richard Ehst
signature

1015 Penn Avenue, Suite 103
Wyomissing, PA 19610

December 30, 2016

Mr. Jay Sidhu
511 Granada Drive
Palm Coast, FL 32137

Dear Jay:

As you know, Customers Bancorp, Inc. ("Customers") has announced that we intend to sell or otherwise dispose of our BankMobile division ("BankMobile"). In recognition of and to reinforce and encourage your continued attention and dedication to your duties to Customers and BankMobile, and to encourage your continued efforts towards the completion of a possible sale transaction, Customers agrees to provide you the transaction completion payment described below, subject to the terms and conditions set forth in this letter agreement.

You should note that completing any sale of BankMobile will depend a variety of factors, including market conditions, the terms of any proposals Customers receives, the requirements and conditions to be met or fulfilled in connection with any transaction (including regulatory approvals, potential shareholder approvals, and customary conditions included in any definitive purchase and sale agreement) and other factors that could change our current plan or cause us to consider other alternatives. Many of these factors will not be within Customers' control. Accordingly, there is no guaranty that BankMobile will be sold, and Customers is not obligated, as a result of this letter agreement or otherwise, to continue to consider, pursue or complete a sale of BankMobile.

1. Transaction Bonus. Within five days following the completion of a qualifying transaction (a "Transaction," as defined below), Customers will pay you a one-time bonus (the "Transaction Bonus"), in cash, in an amount equal to 10% of the aggregate cash consideration received by Customers in the Transaction. In the event that Customers receives any securities of the acquiring company (or parent or subsidiary thereof) as partial consideration for the sale of BankMobile, Customers will pay you a one-time bonus (the "Transaction Bonus"), in cash, in an amount equal to 10% of the aggregate cash and securities consideration received by Customers in the Transaction where the value of such securities, for purposes of calculating the amount of the Transaction Bonus, shall be the fair market value of the securities at the time the Transaction is completed, as determined by Customers' Board of Directors.

For purposes of this letter agreement, "Transaction" will mean the sale of all or substantially all of the assets of BankMobile (including any additional assets of Customers included in such sale) to any third party not controlled by or under the control of Customers or any affiliate of Customers at the time of such sale.

2. Conditions to Payment. Customers' obligation to pay the Transaction Bonus is subject to all of the following conditions being met:

(a) The aggregate consideration received by Customers in the Transaction (without taking into account the amount payable to you under this letter agreement or to any other employee of Customers or BankMobile under a similar agreement providing for the payment of a bonus in connection with a Transaction) exceeds \$100,000,000.

(b) You have been employed by Customers and/or BankMobile on a continuous basis from the date of this letter agreement until the completion of the Transaction. Notwithstanding the foregoing, if your employment with Customers and/or BankMobile is terminated by Customers and/or BankMobile without Cause (as defined below) on or after the execution of a definitive agreement for a Transaction, you shall be eligible to receive the Transaction Bonus upon the completion of the Transaction.

For purposes of this letter agreement, "Cause" means a determination by Customers' Board of Directors that (i) you have committed a felony offense or have entered a plea of "guilty" or "no contest" to a felony offense or commission of any unlawful act which would be detrimental to the reputation, character or standing of Customers or its subsidiaries or affiliates, or a material act of dishonesty, fraud, embezzlement, misappropriation or financial dishonesty against the Company or its affiliates; or (ii) you have committed a material breach of this or any other written agreement between you and Customers or its subsidiaries or affiliates; or (iii) you have committed a material breach or violation of any lawful employment or similar policy of Customers or its subsidiaries or affiliates.

(c) The Transaction has been completed on or prior to the third anniversary of this letter agreement.

3. Employment. This letter agreement is not an employment contract, will not be construed as providing you any continued right of employment with Customers, BankMobile or any subsidiary or affiliate of Customers or BankMobile. This letter agreement does not impose any obligation on you to continue your employment with Customers or BankMobile. If your employment is currently covered by an existing employment agreement, the terms of such employment agreement will continue in full force and effect. If your existing employment agreement includes a change-in-control or similar provisions, you acknowledge that any Transaction will not constitute a change-in-control for purposes of such existing agreement and the benefits under such agreement relating to a change-in-control will not be triggered or affected by any Transaction.

4. Miscellaneous.

(a) This letter agreement constitutes the entire agreement between Customers and you and it is the complete, final, and exclusive embodiment of our agreement with regard to this subject matter. It is entered into without reliance on any promise or representation other than those expressly contained herein. Notwithstanding the foregoing, this letter agreement shall not supersede or affect any other agreements relating to your employment or severance.

(b) This letter agreement terminates upon the termination of your employment for any reason prior to the completion of a Transaction.

(c) If Customers is required by applicable law to withhold any payment to your under this letter agreement, all payments made by Customers under this Agreement will be net of any tax or other amounts required to be so withheld.

(d) If your employment with Customers and/or BankMobile will not continue following the completion of the Transaction, Customers' obligation to pay the Transaction Bonus to you will be subject to your execution and delivery of a release of claims and a non-solicitation and confidentiality agreement in form reasonably acceptable to Customers.

(e) This letter agreement shall be construed in accordance with the laws of the Commonwealth of Pennsylvania, without regard to principles of conflicts of laws of such state.

Customers urges you to consult with your own legal and tax advisors before entering into this letter agreement regarding your rights and obligations under this letter agreement and the potential tax consequences to you of receiving a Transaction Bonus. Customers makes no representation as to the potential tax consequences to you of entering into this letter agreement or receiving a Transaction Bonus.

Please acknowledge your agreement with the terms and conditions described above by signing below and returning the signed copy to Richard A. Ehst, President of Customers at your earliest convenience.

Sincerely,

/s/ Steven Zuckerman
Steven Zuckerman
Chairman, Customers Bancorp, Inc.
Compensation Committee

Acknowledged and Agreed:

/s/ Jay Sidhu
Signature

12/30/2016
Date

Jay Sidhu
Print Name

cc: Robert E. Wahlman