

**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**Date of Report (Date of earliest event reported): March 27, 2014**

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**BANKFINANCIAL CORPORATION**

**(Exact Name of Registrant as Specified in Charter)**

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**Commission File Number 0-51331**

Maryland 75-3199276  
**(State or Other Jurisdiction (I.R.S. Employer  
of Incorporation) Identification No.)**

15W060 North Frontage Road, Burr Ridge, Illinois 60527  
**(Address of Principal Executive Offices)**

**Registrant's telephone number, including area code: (800) 894-6900**

**Not Applicable**

**(Former name or former address, if changed since last report)**

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

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

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

BankFinancial, F.S.B. (the "Bank"), a subsidiary of BankFinancial Corporation (the "Company"), and Christa N. Calabrese, a "Named Executive Officer" (as defined by Item 402(a)(3) of Securities and Exchange Commission Regulation S-K), have entered into a Retirement Agreement concerning her retirement as President, Northern Region Commercial Banking of the Bank, effective at 11:59 p.m. Chicago, Illinois Time on March 31, 2014 (the "Effective Time"). The Board of Directors of the Bank approved the Retirement Agreement and a related Consulting Agreement on March 27, 2014.

The Retirement Agreement provides that, at the Effective Time, Ms. Calabrese's amended and restated employment agreement with the Bank dated May 6, 2008 will terminate, and she will cease to be an officer and employee of the Bank. In recognition of Ms. Calabrese's contributions to the Bank's asset quality performance during her tenure as President, Northern Region Commercial Banking, and as separate supplemental consideration for a general release of claims and waiver of rights, Ms. Calabrese will receive a special retirement bonus in the amount of \$120,000. Ms. Calabrese's participation in all compensation and other benefit plans will cease at the Effective Time. Certain of the restrictions set forth in Ms. Calabrese's amended and restated employment agreement with the Bank will remain in effect following its termination, including non-competition, non-solicitation, cooperation and confidentiality covenants. The non-competition covenant has been modified through the Retirement Agreement to extend the restricted period to 24 months.

Ms. Calabrese has agreed to perform consulting services for the Bank for a period of 12 months after the Effective Time in accordance with the terms of a Consulting Agreement between her and the Bank dated March 31, 2014. The Bank, in its sole discretion, may offer to extend the term of the Consulting Agreement for an additional 6 months. The consulting services that Ms. Calabrese is required to provide under the Consulting Agreement include assistance with commercial lending operations, commercial loans, deposit servicing, pre-purchase due diligence and other matters assigned by the Bank. The Consulting Agreement provides for a maximum of 60 hours of consulting services per month during the first 12 months. The Bank will pay Ms. Calabrese a monthly consulting fee of \$11,000 during the first twelve months for these consulting services. If the Bank offers to extend the term of the Consulting Agreement for an additional 6 months, Ms. Calabrese will be compensated for her consulting services during the 6 month period at the rate of \$195 per hour.

Copies of the Bank's Retirement Agreement and Consulting Agreement with Ms. Calabrese are filed as Exhibits 10.1 and 10.2 hereto, respectively, and are incorporated by reference herein. The foregoing summary is qualified in its entirety by the full text of the above Retirement Agreement and Consulting Agreement.

**Item 9.01 Financial Statements and Exhibits.**

- (a) Not Applicable.
- (b) Not Applicable.
- (c) Not Applicable.
- (d) Exhibits.

**Exhibit No.    Description**

- 10.1 Retirement Agreement dated as of March 31, 2014, between BankFinancial, F.S.B. and Christa N. Calabrese
- 10.2 Consulting Agreement dated as of March 31, 2014, between BankFinancial, F.S.B. and Christa N. Calabrese

**SIGNATURES**

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

Dated: April 2, 2014

**BANKFINANCIAL CORPORATION**

By: /s/ F. Morgan Gasior

F. Morgan Gasior

Chairman of the Board and Chief Executive Officer

## EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
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10.1	Retirement Agreement dated as of March 31, 2014, between BankFinancial, F.S.B. and Christa N. Calabrese
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10.2	Consulting Agreement dated as of March 31, 2014, between BankFinancial, F.S.B. and Christa N. Calabrese
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## RETIREMENT AGREEMENT

**THIS RETIREMENT AGREEMENT** (this "**Agreement**") is made effective as of the 31st day of March 2014 (the "**Agreement Date**"), by and among **BankFinancial Corporation** (the "**Corporation**"), **BankFinancial, F.S.B.** (the "**Bank**" or "**Employer**"), a federally chartered stock savings bank having its principal office at 15W060 North Frontage Road, Burr Ridge, Illinois, and **Christa N. Calabrese** ("**Executive**").

**WHEREAS**, the Bank is a wholly owned subsidiary of the Corporation;

**WHEREAS**, Executive is an officer of the Bank;

**WHEREAS**, Executive desires to retire from her employment and positions with the Bank on terms that are mutually acceptable to her and the Bank;

**WHEREAS**, Executive and the Bank have arrived at mutually acceptable terms as set forth more fully in this Agreement;

**WHEREAS**, the Bank and Executive have previously entered into that certain Amended and Restated Employment Agreement dated May 6, 2008, as subsequently amended (the "**Employment Agreement**"), which is attached hereto as **Exhibit A**, but Executive does not have an employment agreement with the Corporation; and

**WHEREAS**, the Employment Agreement provides for certain payments to be made to Executive in certain circumstances.

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained, and upon the other terms and conditions hereinafter provided, the parties hereby agree as follows:

**Section 1. Termination of Employment and Employment Agreement.** The Employment Agreement and Executive's employment with the Employer shall terminate effective March 31, 2014 (the "**Retirement Date**").

**Section 2. Special Retirement Bonus and Release Payment.**

(a) In recognition of Executive's contribution to the Bank's asset quality performance over an extended period of time during Executive's tenure as the Northern Regional President of the Bank, and as separate supplemental consideration for the release of claims and waiver of rights provided for in Section 5 of this Agreement, the Employer agrees to pay Executive, a total of \$120,000 in a lump sum on the first scheduled payroll date of the Employer following the Effective Date (as defined in Section 6 below) (the "**Retirement Bonus**"); provided that Executive remains employed by the Employer through the Retirement Date; provided further, however, that no such Retirement Bonus shall be payable to Executive if she revokes this Agreement prior to the Effective Date or if she fails to re-execute this Agreement on or after March 31, 2014, but not later than April 7, 2014.

(b) The Bank-owned vehicle in Executive's possession shall be transferred to Executive as of the Retirement Date, and Executive shall thereafter be responsible for all operating expenses for such vehicle, including licensing, insurance, fuel, and maintenance. The Independently validated Private Party Sale value of the vehicle shall be included in 2014 compensation and reflected on Executive's Form W-2 for 2014.

(c) Executive shall be entitled to retain the cell phone (and cell phone number) in Executive's possession as of the Retirement Date, and Executive shall be responsible for all expenses associated thereafter.

(d) Executive acknowledges that the amounts payable pursuant to Section 2(a) above shall: (i) be paid only as set forth in Section 2(a) above; and (ii) be subject to all applicable withholding and reporting requirements.

**Section 3. Termination of Benefits.** Executive's continued participation in all compensation and other benefit plans will cease as of the Retirement Date; provided that nothing contained herein shall limit or otherwise impair

Executive's right to receive pension, welfare or similar benefit payments which are vested as of the Retirement Date under any applicable tax-qualified pension plan, welfare benefit plan or other tax-qualified or non-qualified benefit plans, pursuant and subject to the terms and conditions of the applicable plan.

**Section 4. Non-Competition and Other Agreements.** Executive acknowledges that Section 22 of the Employment Agreement expressly provides that certain of the terms and provisions of the Employment Agreement shall survive the termination of the Employment Agreement and Executive's employment with the Bank, including the non-competition agreements set forth in Section 8(a) of the Employment Agreement. Executive and the Employer agree that nothing in this Retirement Agreement is intended to or shall alter or affect the survivability of such terms and provisions as specified in Section 22 of the Employment Agreement. Executive and the Employer further agree that, effective on the Retirement Date, Section 8(a) of the Employment Agreement shall be replaced in its entirety, without further notice or action on the part of either Executive or the Employer, with the following:

**“Non-Competition.** Executive shall not, during the Non-Competition Period (as hereinafter defined), directly or indirectly, and in any capacity, including as an individual for Executive's own account, or as an employee, agent, independent contractor, consultant, officer, director, stockholder, owner or member of any association, corporation (whether for profit or not for profit), partnership (whether general or limited), limited liability company, trust, firm, any federal, state or local government, agency, commission, board, district or body politic, any other registered or legal entity of any type (each a **“Legal Entity”**), or as an employee, agent, independent contractor or consultant of or for any person, compete with the Bank or any Affiliate (as defined below) in any of the following lines of business: the business of originating or purchasing loans, leases and payment streams thereunder, accepting deposits, selling or providing insurance, securities, financial planning, and asset management products and services, accepting referrals of any of the foregoing, and other business contracts, relationships or activities of the Bank and any Affiliate (collectively, **“Banking Business”**) from a place that is located within five (5) miles of a place where the Bank or any Affiliate maintains a branch, office or other place of business, or has filed a regulatory notice or application to establish a branch, office or other place of business (collectively, the **“Restricted Area”**). The term **“Non-Competition Period”** shall mean a period of twenty-four (24) months commencing on the Retirement Date. The term **“Affiliate”** means, for all purposes of this Agreement, any Legal Entity that directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, the Bank. The following Legal Entities are Affiliates of the Bank: BFC; Financial Assurance Services, Inc.; SXNB Corporation (an Illinois corporation in dissolution); Success Bancshares, Inc. (a Delaware corporation in dissolution); and BF Asset Recovery Corporation.”

Executive and the Employer further agree that, effective on the Retirement Date, Section 8(f) of the Employment Agreement shall be deleted from the Employment Agreement in its entirety.

**Section 5. Release of Claims and Waiver of Rights.** In consideration of the payment set forth in Section 2 of this Agreement, Executive, on Executive's own behalf and that of Executive's heirs, executors, attorneys, administrators, successors and assigns, fully releases and discharges the Employer, its parent companies, predecessors, successors, subsidiaries, affiliates, assigns and all related entities of any kind or nature, and its and their directors, officers, trustees, employees, and agents, both in their individual and official capacities, and the current and former trustees and administrators of any retirement or other benefit plan applicable to the employees or former employees of the Employer, in their official and individual capacities, from any and all liability, claims and demands, including claims, demands or actions arising under the Employer's policies and procedures, whether formal or informal, the United States or State of Illinois Constitutions; the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Illinois Human Rights Act; the Employee Retirement Income Security Act of 1974; the Age Discrimination in Employment Act; Executive Order 11246; and any other federal, state or local statute, ordinance or regulation with respect to employment, in each case as amended, and in addition thereto, from any other claims, demands or actions with respect to Executive's employment with the Employer or other association with the Employer through the Effective Date, including Executive's retirement from the Employer, any right of payment for disability or any other statutory or contractual right of payment or any claim for relief on the basis of any alleged tort or breach of contract under the common law of the State of Illinois or any other state, including defamation, intentional or negligent infliction of emotional distress, breach of the covenant of good faith and fair dealing, promissory estoppel, and negligence. Executive

represents that Executive has not assigned or filed any claim, demand, action or charge against the Employer, any of its parent companies, any of its subsidiaries or affiliates, or any of its related entities of any kind or nature.

**Section 6. Representations by Executive.** Executive warrants that she has not relied on any statements or explanations made by the Employer or its attorney other than the terms of this Agreement. Executive agrees that she shall re-execute this Agreement on or after March 31, 2014 but not later than April 7, 2014, and that no payments shall be made to Executive hereunder unless Executive re-executes this Agreement within such time period. Moreover, Executive acknowledges that she has been afforded the opportunity to be advised by legal counsel regarding the terms of this Agreement, including the release of all claims and waiver of rights set forth in Section 5. Executive acknowledges that Executive has been offered at least twenty-one (21) days to consider this Agreement. After being so advised, and without coercion of any kind, Executive freely, knowingly, and voluntarily enters into this Agreement. Executive further acknowledges that Executive may revoke this Agreement within seven (7) days after Executive has signed this Agreement and further understands that this Agreement shall not become effective or enforceable until seven (7) days after Executive has signed this Agreement as evidenced by the date set forth below Executive's signature (each such date, the "**Effective Date**"). Any revocation must be in writing and delivered to the principal headquarters office of the Employer, Attention: Chief Executive Officer and General Counsel, with a copy concurrently so delivered to General Corporate Counsel to the Employer, Barack Ferrazzano Kirschbaum & Nagelberg LLP, 200 West Madison Street, Suite 3900, Chicago, Illinois 60606, to the attention of Donald L. Norman, Jr. If sent by mail, any revocation must be postmarked within the seven (7)-day period and sent by certified mail, return receipt requested. In addition, Executive represents that Executive shall, no later than March 31, 2014, return all property of the Employer that is in Executive's possession, custody or control, including all documents, records and tangible property that are not publicly available and reflect, refer or relate to the Employer or the Employer's business affairs, operations or customers, and all copies of the foregoing.

**Section 7. Non-Disparagement.** Executive agrees that, at all times following the signing of this Agreement, Executive shall not engage in any vilification of the Employer nor any affiliate nor its or their directors, officers, employees and agents, and shall refrain from making any false, negative, critical, or disparaging statements, implied or expressed, concerning the Employer and any affiliate and its and their directors, officers, employees and agents, including management style, methods of doing business, the quality of products and services, role in the community, or treatment of employees. Executive further agrees to do nothing that would damage the Employer's and its affiliates' business reputations or good will.

**Section 8. No Admissions.** The Employer denies that it or any of its employees or agents has taken any improper action against Executive, and Executive agrees that this Agreement shall not be admissible in any proceeding as evidence of improper action by the Employer or any of its employees or agents.

**Section 9. Confidentiality.** Executive and the Employer agree to keep the existence and the terms of this Agreement confidential, except for Executive's immediate family members or their legal or tax advisors in connection with services related hereto and except as may be required by the federal securities laws or other applicable law or in connection with the preparation of tax returns.

**Section 10. Non-Waiver.** The Employer's waiver of a breach of this Agreement by Executive shall not be construed or operate as a waiver of any subsequent breach by Executive of the same or of any other provision of this Agreement.

**Section 11. Governing Law.** The validity, interpretation, performance and enforcement of this Agreement shall be governed by the internal laws of the State of Illinois, without regard or reference to any principles of conflicts of law of the State of Illinois, except to the extent that such internal laws are preempted by the laws of the United States or the regulations of the OCC or any other agency of the United States.

**Section 12. Entire Agreement.** This Agreement sets forth the entire agreement of the parties with respect to the matters provided for herein, and shall be final and binding as to all claims that have been or could have been advanced on behalf of Executive pursuant to any claim arising out of or related in any way to Executive's employment with the Employer and the termination of that employment.

**Section 13. Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. Facsimile transmission of any executed original document shall be deemed to be the same as the delivery of the executed original.

**Section 14. Dispute Resolution.**

(a) **Arbitration.** Except for claims, cases or controversies based on or arising out of “**Section 8 Claims**” (as defined in the Employment Agreement), all claims, cases or controversies arising out of or in connection with either this Agreement, Executive’s employment with the Employer or the termination or cessation of such employment (collectively, “**Employment Claims**”), whether asserted against the Employer, an Affiliate, and/or an officer, director or employee of the Employer or an Affiliate, and whether based on this Agreement or existing or subsequently enacted or adopted statutory or common law doctrines, shall be finally settled by arbitration conducted by JAMS Endispute or a successor entity (“**JAMS**”) in Chicago, Illinois, in accordance with the then applicable Employment Arbitration Rules and Procedures of JAMS, or in the event JAMS or a successor in interest of JAMS no longer provides arbitration services, by the American Arbitration Association or a successor entity (the “**AAA**”) in accordance with its then applicable National Rules for the Resolution of Employment Disputes. The costs and fees imposed by JAMS or the AAA for conducting such arbitration shall be borne equally by Executive and the Employer unless the arbitrator determines otherwise. The award rendered by the arbitrator(s) shall be final and binding upon Executive, the Employer and any other parties to such proceeding, and may be entered and enforced as a judgment in any court of competent jurisdiction. The Employment Claims subject to arbitration hereunder shall include those arising under the Age Discrimination in Employment Act, Title VII of the Civil Rights Act of 1964, as amended, including the amendments of the Civil Rights Act of 1991, the Older Workers Benefit Protection Act, the Americans with Disabilities Act, the law of contract, the law of tort, and other claims under federal, state or local statutes, ordinances and rules or the common law. Executive and the Employer acknowledge that by agreeing to arbitration they are relinquishing all rights they have to sue each other for Employment Claims that do not constitute Section 8 Claims and any rights that they may have to a jury trial on Employment Claims that do not constitute Section 8 Claims.

(b) **Section 8 Claims.** All Section 8 Claims shall be brought, commenced and maintained only in a state or federal court of competent jurisdiction situated in the County of Cook or the County of DuPage, State of Illinois. Executive and the Employer each hereby (i) consents to the exercise of jurisdiction over her or its person and property by any court of competent jurisdiction situated in the County of Cook or the County of DuPage, State of Illinois for the enforcement of any claim, case or controversy based on or arising under Section 8 of the Employment Agreement; (ii) waives any and all personal or other rights to object to such jurisdiction for such purposes; and (iii) waives any objection which it may have to the laying of venue of any such action, suit or proceeding in any such court.

**Section 15. Miscellaneous.** The headings used in this Agreement are for convenience only, shall not be deemed to constitute a part hereof, and shall not be deemed to limit, characterize or in any way affect the construction or enforcement of the provisions of this Agreement. Wherever from the context that it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural and the pronouns stated in either the masculine, feminine or the neuter gender shall include the masculine, feminine and neuter, and the words “include,” “includes” and “including” shall mean “include, without limitation,” “includes, without limitation” and “including, without limitation,” respectively. The subject matter and language of this Agreement have been the subject of negotiations between the parties and their respective counsel, and this Agreement has been jointly prepared by their respective counsel. Accordingly, this Agreement shall not be construed against either party on the basis that this Agreement was drafted by such party or its counsel. This Agreement shall be binding upon and inure to the benefit of Executive and Executive’s heirs and personal representatives and the Employer and its successors, representatives and assigns.

*[Signature page follows]*



IN WITNESS WHEREOF, this Agreement has been duly executed as of the dates set forth below.

**BankFinancial, F.S.B.**

/s/ F. Morgan Gasior

Date: March 31, 2014

By: F. Morgan Gasior

Title: Chairman of the Board and Chief Executive Officer

/s/ Christa N. Calabrese

Date: March 31, 2014

**CHRISTA N. CALABRESE**

Re-executed this 31st day of  
March 2014

/s/ Christa N. Calabrese

**CHRISTA N. CALABRESE**

**Exhibit A**

**[BankFinancial, F.S.B. Amended and Restated Employment Agreement]**

## CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT (this "Agreement") is made effective as of the 31st day of March 2014, by and between **BankFinancial, F.S.B.** (the "Bank") and **Christa N. Calabrese** ("Consultant").

WHEREAS, the Bank is a wholly owned subsidiary of **BankFinancial Corporation** (the "Corporation");

WHEREAS, the Bank and Consultant have entered into that certain Retirement Agreement dated March 31, 2014 (the "Retirement Agreement");

WHEREAS, the Bank has requested Consultant to provide limited consulting services to the Bank, as set forth more fully herein, and Consultant has agreed to do so subject to the terms and conditions of this Agreement; and

WHEREAS, the Retirement Agreement provides for certain payments (the "Retirement Payments") to be made to Consultant.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and upon the other terms and conditions hereinafter provided, the parties hereby agree as follows:

**Section 1.** Term. Provided that Consultant remains employed by the Bank through March 31, 2014 (the "Effective Date") and does not subsequently revoke any waiver or release pursuant to Section 6 of the Retirement Agreement, the term of this Agreement shall commence on the Effective Date and, unless extended or sooner terminated as provided herein, shall end on March 31, 2015 (the "Term"). On or before March 31, 2015, the Bank may, in its sole discretion, offer to extend the Term for an additional six (6)-month period, and Consultant may accept or decline such offer in her sole discretion. All references herein to the Term shall mean the Term as initially established by, and as may subsequently be modified or extended pursuant to, this Section 1.

**Section 2. Consulting Services.** During the Term, Consultant shall provide such consulting services with respect to the Bank as may be requested, including, but not limited to, in connection with commercial lending operations, commercial loans, deposit servicing and pre-purchase due diligence (the "Services"). Such Services shall be rendered to the Board of Directors or such officers of the Bank as are mutually agreed upon between Consultant and the Bank, with Consultant's principal work location being the Bank's office in Lincolnshire, Illinois or Lincolnwood, Illinois or as otherwise agreed, subject to reasonable requests to travel on behalf of the Bank. The Services to be provided by Consultant in any month during the Term shall require no more than sixty (60) hours per month of her time unless otherwise hereafter agreed by the parties. A deficiency of hours in any month, and any surplus hours in any month may be credited to other months. Should Consultant be temporarily disabled from performing Services in any month of the Term, Consultant's performance of Services while so disabled shall be excused without diminishing her monthly Consulting Fee (defined below); provided, however, that, in the event of Consultant's permanent disability (as determined by the Board of Directors), such Consulting Fees shall be diminished.

**Section 3. Independent Contractor.**

(a) Consultant and the Bank agree that during the Term, Consultant shall act as an independent contractor in the performance of her duties under this Agreement. Consultant shall have the full authority to select the means, manner and method of performing the services to be performed under this Agreement. Consultant shall not be considered by reason of the provisions of this Agreement or otherwise as being an employee of the Bank. In no event shall Consultant represent to any third party that she is an agent or employee of the Bank or connected with the Bank in any manner other than pursuant to this Agreement.

(b) Consultant's employment with the Bank shall cease prior to the commencement of the Term in accordance with the terms of the Retirement Agreement. As such, Consultant is not entitled to paid vacation, paid holidays, participation in group health insurance, participation in any retirement programs, premium or "overtime" pay, workers' compensation, severance payments, or any other employment rights or benefits from the Bank during the Term. The Bank has no obligation and will make no withholdings or deductions from the Consulting Fee for any federal

or state taxes or the Federal Insurance Contribution Act (FICA) or Federal Unemployment Tax Act (FUTA). It will be Consultant's responsibility to remit appropriate taxes to the proper state and Federal authorities. The Bank will issue a Form 1099 reporting the amounts paid to Consultant for services performed under this Agreement.

#### **Section 4. Compensation.**

(a) **Consulting Fee.** The Bank agrees to pay to Consultant during the initial Term ending March 31, 2015, and Consultant agrees to accept, a monthly consulting fee of Eleven Thousand Dollars (\$11,000.00), payable on the 1<sup>st</sup> day of each month or the first business day thereafter if the 1<sup>st</sup> day of the month is not a day that the Bank is open for business, in consideration for Consultant's performance of the Services. The Bank agrees to pay to Consultant during any month of the Term following March 31, 2015, and Consultant agrees to accept, a consulting fee equal to the number of hours worked to perform Services during the month by Consultant multiplied by an hourly rate of One Hundred Ninety-Five Dollars (\$195.00), payable on the 15<sup>th</sup> day of the month following the month during which the Services were performed or the first business day thereafter if the 15<sup>th</sup> day of the month is not a day that the Bank is open for business; provided, however, that Consultant must provide the Bank with an accurate record of hours worked during the previous month no later than the 2<sup>nd</sup> business day of the month in which payment is due; otherwise such fees shall be paid within thirty (30) days of such submission of records. All fees described in this Section 4(a) hereinafter referred to as the "**Consulting Fee.**"

(b) **Reimbursement of Expenses.** Consultant shall be reimbursed upon submission of appropriate vouchers and supporting documentation for all travel and other out-of-pocket expenses reasonably and necessarily incurred by Consultant in the performance of her services hereunder.

**Section 5. Termination of Agreement.** This Agreement shall terminate without notice or action on the part of either the Bank or Consultant upon the expiration of the Term. Prior to the expiration of the Term, either the Bank or Consultant may, upon written notice to the other, terminate this Agreement and Consultant's engagement hereunder for any reason or no reason. In the event of a termination by Consultant for any reason no reason or by the Bank other than "**For Cause**" prior to the expiration of the Term, the Bank shall pay Consultant her accrued and unpaid Consulting Fee as of the effective date of termination and the early termination fee set forth in Section 6 of this Agreement. Upon termination, no further Consulting Fees and no other amounts shall be payable to Consultant, and the Bank shall have no further obligations to Consultant under this Agreement. For the purposes of this Agreement, "**For Cause**" shall have the same meaning ascribed the term in Section 4(a) of the Amended and Restated Employment Agreement between the Bank and Consultant dated as of May 6, 2008 (the "**Employment Agreement**").

#### **Section 6. Non-Competition and Indemnification.**

(a) Consultant acknowledges and agrees that the non-competition agreements set forth in Section 8(a) of the Employment Agreement, as amended by Section 4 of the Retirement Agreement, will remain in full force and effect in accordance with their terms, whether or not the Bank or Consultant terminates this Agreement prior to the expiration of the Term pursuant to Section 5 of this Agreement. Notwithstanding the foregoing: (a) for each day during the Term, the Non-Competition Period described in Section 8(a) of the Employment Agreement, as amended by Section 4 of the Retirement Agreement, shall be reduced by one (1) day (but not below six (6) months); and (b) in recognition of the limitations imposed by such non-competition agreements, the Bank will pay Consultant an early termination fee calculated as follows if it terminates this Agreement other than For Cause prior to the expiration of the Term: if the termination occurs during the initial Term ending March 31, 2015, the Bank will pay Consultant an amount equal to the monthly Consulting Fee that would have been paid to Consultant for the duration of such initial Term if the termination had not occurred. Notwithstanding the foregoing, no early termination fee shall be payable if this Agreement is terminated by the Bank For Cause, or by virtue of Consultant's death or total and permanent disability.

(b) Bank will indemnify Consultant against all judgments entered against her in any pending or threatened action and any appeal or other proceeding for review of such action, regardless of whether such action is a judicial or administrative proceeding, and the reasonable costs and expenses, including reasonable attorney's fees, actually paid or incurred by Consultant in defending any such action, if such action arises out of Consultant's performance of Services during the Term in good faith and in a manner which Consultant reasonably believed was not opposed to the best interest

of the Bank. To the extent that the Bank is not then authorized by applicable law to provide such indemnification, the Bank may, in the discretion of its Board of Directors, advance Consultant her reasonable costs and expenses, including reasonable attorney's fees, arising from the settlement or defense of any such action, subject to the Bank's receipt of a written undertaking from Consultant to repay all costs and expenses so advanced if Consultant is later determined not to be entitled to indemnification. The Bank shall have no obligation to indemnify Consultant under this paragraph 6(b) for (i) any claims or actions based on Consultant's willful misconduct, gross negligence or any conduct violating this Agreement; or (b) any claims or actions instituted by a federal banking agency that seeks to assess civil monetary penalties against Consultant, remove her from the Bank, prohibit her from participating in the affairs of the Bank, or require her to cease and desist from violations of law or unsafe and unsound practices. Any payments made to Consultant pursuant to this Section 19 shall be subject to and conditioned upon compliance with any applicable provisions, if any, of 12 U.S.C. 1828(k), 12 C.F.R. 359, 12 CFR 145.121 and any related rules or regulations.

**Section 7. Governing Law.** The validity, interpretation, performance and enforcement of this Agreement shall be governed by the internal laws of the State of Illinois, without regard or reference to any principles of conflicts of law of the State of Illinois, except to the extent that such internal laws are preempted by the laws of the United States or the regulations of the OCC or any other agency of the United States.

**Section 8. Assignment, Successors and No Third Party Rights.** No party may assign any of its rights under this Agreement to any other person without the prior written consent of the other party. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, heirs and permitted assigns. Except as expressly provided herein, nothing in this Agreement shall be construed to give any person other than the parties to this Agreement any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement.

**Section 9. Waiver.** The rights and remedies of the parties to this Agreement are cumulative and not alternative. Neither the failure nor any delay by any party in exercising any right, power or privilege under this Agreement or the documents referred to in this Agreement will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege.

**Section 10. Modification.** This Agreement may only be amended by a written agreement executed by both parties.

**Section 11. Notices.** All notices and other communications under this Agreement must be in writing and will be deemed to have been duly given if delivered by hand or by nationally recognized overnight delivery service (receipt requested) or mailed by certified mail (return receipt requested) with first class postage prepaid; and if to the Bank, addressed to the principal headquarters office of the Bank, Attention: Chief Executive Officer and General Counsel, with a copy concurrently so delivered to General Corporate Counsel to the Bank, Barack Ferrazzano Kirschbaum & Nagelberg LLP, 200 West Madison Street, Suite 3900, Chicago, Illinois 60606, Attention: Donald L. Norman, Jr.; or if to Consultant, to Consultant's most recent address reflected in the Bank's records, or to other such address as the party to be notified shall have given to the other in writing. Except as otherwise provided herein, all such notices and other communications shall be effective: (a) if delivered by hand, when delivered; (b) if mailed in the manner provided in this Section, five (5) business days after deposit with the United States Postal Service; or (c) if delivered by overnight express delivery service, on the next business day after deposit with such service.

**Section 12. Entire Agreement.** This Agreement and any documents executed by the parties pursuant to this Agreement and referred to herein constitute a complete and exclusive statement of the entire understanding and agreement of the parties hereto with respect to their subject matter and supersede all other prior agreements and understandings, written or oral, relating to such subject matter between the parties.

**Section 13. Severability.** Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

Without limiting the generality of the foregoing, if the scope of any provision contained in this Agreement is too broad to permit enforcement to its full extent, but may be made enforceable by limitations thereon, such provision shall be enforced to the maximum extent permitted by law, and Consultant hereby agrees that such scope may be judicially modified accordingly.

**Section 14. Counterparts.** This Agreement and any amendments thereto may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

**Section 15. Acknowledgement.** Consultant hereby represents to the Bank that it is Consultant's belief that she is under no obligation or agreement that would prevent her from becoming a Consultant to the Bank or adversely impact her ability to perform the expected Services. Consultant hereby agrees and acknowledges that in the event that any third party initiates any action claiming that this Agreement or the provision of Services hereunder is in violation of any agreement between Consultant and the third party, that the Bank has the absolute right to immediately terminate this Agreement, and any payments hereunder during the resolution of such dispute. Regardless of the outcome of such dispute, the Bank shall have no obligation to re-hire or reinstate this Agreement in any manner, at any time. It is the intentions of the parties that in fulfilling the obligations of the Services, that Consultant will not unlawfully utilize any trade secrets or intellectual property rights of any third party, and the Bank shall not put Consultant in a position which would require her to do so.

*[Signature page follows]*

IN WITNESS WHEREOF, this Agreement has been duly executed as of the dates set forth below.

**BankFinancial, F.S.B.**

/s/ F. Morgan Gasior

Date: March 31, 2014

By: F. Morgan Gasior

Title: Chairman of the Board and Chief Executive Officer

/s/ Christa N. Calabrese

Date: March 31, 2014

**CHRISTA N. CALABRESE**