



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

As previously disclosed, on March 21, 2018, the Subcommittee of the Compensation Committee of the Board of Directors of Live Oak Bancshares, Inc. (the "Company") approved restricted stock unit ("RSU") awards to certain executive officers of the Company, including to the Company's Chief Financial Officer S. Brett Caines, under the Company's 2015 Omnibus Stock Incentive Plan. After approval of these RSU awards with a market price condition, the Company obtained an updated valuation for purposes of determining the grant date fair value and implied term using the Monte Carlo Simulation method. The recent volatility and upward trajectory of the market price of the Company's voting common stock would have resulted in (i) the grant date fair value of the awards being much higher and (ii) the implied term being shorter than anticipated by the Company at the time of approval of the awards. As a result, the Subcommittee took action on March 29, 2018, to cancel all of these RSU awards, and each executive officer signed an acknowledgment of such cancellation.

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**SIGNATURES**

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

LIVE OAK BANCSHARES,  
INC.

By: /s/ S. Brett Caines  
S. Brett Caines  
Chief Financial Officer

Dated: April 4, 2018