

SECURITIES AND EXCHANGE COMMISSION

FORM S-8 POS

Post-effective amendment to a S-8 registration statement

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FILER

SANDY SPRING BANCORP INC

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SIC: **6021** National commercial banks

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

POST-EFFECTIVE AMENDMENT NO. 1
ON FORM S-8
TO REGISTRATION STATEMENT
ON FORM S-4
Under the Securities Act of 1933

SANDY SPRING BANCORP, INC.
(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

52-1532952
(I.R.S. Employer
Identification No.)

**17801 Georgia Avenue
Olney, Maryland 20832
(301) 774-6400**

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Principal Executive Offices)

**Revere Bank 2013 Equity Compensation Plan
Revere Bank 2008 Equity Compensation Plan
and
Blue Ridge Bank 2008 Stock Option Plan**
(Full Title of the Plan)

**Aaron M. Kaslow, Esq.
Executive Vice President,
General Counsel and Secretary
17801 Georgia Avenue
Olney, Maryland 20832
(301) 774-6400**

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies To:

**Edward G. Olifer, Esq.
Suzanne A. Walker, Esq.
Stephen F. Donahoe, Esq.
Kilpatrick Townsend & Stockton LLP
607 14th Street, NW, Suite 900
Washington, DC 20005**

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒
Non-accelerated filer ☐

Accelerated filer ☐
Smaller reporting company ☐
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.
☐

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered (1)	Proposed maximum offering price per share (2)	Proposed maximum aggregate offering price (2)	Amount of registration fee (2)
Common Stock, \$1.00 par value per share	395,313	N/A	N/A	N/A

- This post-effective amendment on Form S-8 (this “Amendment”) to the registration statement on Form S-4 (Registration No. 333-235279) filed by Sandy Spring Bancorp, Inc., a Maryland corporation (“Sandy Spring”), with the Securities Exchange Commission (the “SEC”) on November 26, 2019 (the “Initial Registration Statement”), as amended by Amendment No. 1 to the Initial Registration Statement filed with the SEC on December 26, 2019 (together with the Initial Registration Statement, the “Amended Registration Statement” and, together with this Amendment, the “Registration Statement”) is being filed in connection with the completion of the merger (the “Merger”) of Revere Bank, a Maryland-chartered commercial bank (“Revere”) with and into Sandy Spring Bank, a Maryland-chartered trust company and wholly owned subsidiary of Sandy Spring, pursuant to the terms of the Agreement and Plan of Merger, dated as of September 23, 2019 (the “Merger Agreement”), by and among Sandy Spring, Sandy Spring Bank and Revere. Upon completion of the Merger, certain options (the “Revere Options”) to purchase shares of
- (1) Revere’s common stock, par value \$5.00 per share (the “Revere Common Stock”), outstanding under the Revere Bank 2013 Equity Compensation Plan, the Revere Bank 2008 Equity Compensation Plan and the Blue Ridge Bank 2008 Stock Option Plan were converted into options to purchase shares of the common stock, par value \$1.00 per share, of Sandy Spring (the “Sandy Spring Common Stock”) according to a formula prescribed by the Merger Agreement and described herein. Therefore, this Amendment relates to the shares of Sandy Spring Common Stock issuable upon exercise, after the completion of the Merger, of the converted Revere Options held by directors and employees of Revere who will continue as directors and employees, as applicable, of Sandy Spring immediately following the completion of the Merger. Pursuant to Rule 416(a) under the Securities Act of 1933, as amended (the “Securities Act”), the Registration Statement shall also cover additional shares of Sandy Spring Common Stock that may become issuable under the agreements described herein by reason of any stock dividend, stock split, recapitalization or other similar transaction effected which results in an increase in the number of outstanding shares of Sandy Spring Common Stock.
- (2) Not applicable. All filing fees payable in connection with the registration of these securities were already paid in connection with the filing of the Initial Registration Statement. Accordingly, no additional filing fee is required.

EXPLANATORY NOTE

Sandy Spring Bancorp, Inc., a Maryland corporation (“Sandy Spring”), hereby amends the Amended Registration Statement, which the SEC declared effective at 3:00 p.m., Eastern Time, on December 30, 2019, by filing this Amendment. At the time the Amended Registration Statement was declared effective, Sandy Spring registered 13,199,832 shares of Sandy Spring Common Stock. Pursuant to the terms of that certain Merger Agreement, dated as of September 23, 2019 (the “Merger Agreement”), by and among Sandy Spring, Sandy Spring Bank and Revere, Revere merged with and into Sandy Spring Bank, with Sandy Spring Bank continuing as the surviving institution in such merger (the “Merger”). At the effective time of the Merger (the “Effective Time”), each share of Revere Common Stock issued and outstanding immediately prior to the Effective Time (including each restricted stock award granted by Revere under the Revere Bank 2013 Equity Compensation Plan and the Revere Bank 2008 Equity Compensation Plan, which restricted stock awards became fully vested at the Effective Time, was converted into the right to receive 1.0500 shares of Sandy Spring Common Stock (the “Exchange Ratio”).

At the Effective Time, each option to purchase shares of Revere Common Stock, other than stock options held by employees or directors of Revere who will not continue as employees or directors of Sandy Spring following the effective time (the “Revere Options”), whether vested or unvested, that was outstanding and unexercised immediately prior to the Effective Time, without any further action on the part of any holder thereof, was assumed and converted into an option to purchase shares of Sandy Spring Common Stock on the same terms and conditions as were applicable prior to the Effective Time, except that the number of shares of Sandy Spring Common Stock issuable upon exercise of a converted Revere Option was adjusted by multiplying the number of shares of Revere Common Stock subject to such Revere Option immediately prior to the Effective Time by the Exchange Ratio, rounded up to the nearest whole cent). This Amendment relates to the shares of Sandy Spring Common Stock issuable upon exercise of converted Revere Options (other than those held by former directors or employees of Revere who are not continuing as directors or employees of Sandy Spring following the Effective Time) on and after completion of the Merger. All such shares were previously registered by the Amended Registration Statement, but will be subject to issuance pursuant to this Amendment.

PART I

INFORMATION REQUIRED IN THE SECTION 10(A) PROSPECTUS

Item 1. Plan Information.*

Item 2. Registrant Information and Employee Plan Annual Information.*

The documents containing the information specified in Part I of Form S-8 will be sent or delivered to participants in the Revere Bank 2013 Equity Compensation Plan, the Revere Bank 2008 Equity Compensation Plan and the Blue Ridge Bank 2008 Stock Option Plan as specified by Rule 428(b)(1) under the Securities Act. Such documents are not required to be, and are not, filed with the SEC either as part of this Amendment or as prospectuses or prospectus supplements pursuant to Rule 424 under the Securities Act. These documents and the documents incorporated by reference in this Amendment pursuant to Item 3 of Part II of this Amendment, taken together, constitute a prospectus that meets the requirements of Section 10(a) of the Securities Act.

*

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents By Reference.

The following documents filed with the SEC by Sandy Spring, pursuant to the Securities Exchange Act of 1934, as amended (the “Exchange Act”), are incorporated by reference in this Amendment:

1. Sandy Spring’s Annual Report on Form 10-K for the year ended December 31, 2019, filed on [February 21, 2020](#);
2. Sandy Spring’s prospectus, including the description of Sandy Spring’s capital stock contained therein, filed pursuant to Rule 424(b)(3) on [January 6, 2020](#); and
3. Sandy Spring’s Current Reports on Form 8-K filed on [January 27, 2020](#), [February 12, 2020](#), [March 13, 2020](#) and [April 1, 2020](#).

In addition, except as provided below, all documents subsequently filed by Sandy Spring pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act, prior to the filing of an additional post-effective amendment to the Registration Statement that indicates that all securities offered have been sold or that deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in the Registration Statement and to be part hereof from the date of filing of such documents with the SEC.

Any statement contained in a document incorporated or deemed to be incorporated by reference in the Registration Statement shall be deemed to be modified or superseded for purposes of the Registration Statement to the extent that a statement contained in the Registration Statement, or in any other subsequently filed document that also is or is deemed to be incorporated by reference in the Registration Statement, modifies or supersedes such prior statement. Any statement contained in the Registration Statement shall be deemed to be modified or superseded to the extent that a statement contained in a subsequently filed document that is or is deemed to be incorporated by reference in the Registration Statement modifies or supersedes such prior statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of the Registration Statement.

Under no circumstances will any information furnished under Items 2.02 or 7.01 of Current Report on Form 8-K be deemed incorporated herein by reference unless such Current Report on Form 8-K expressly provides to the contrary.

Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

Not applicable.

Item 6. Indemnification of Directors and Officers.

Sandy Spring’s articles of incorporation contains a provision which, subject to certain exceptions, eliminates the liability of a director or an officer to Sandy Spring or its stockholders for monetary damages for any breach of duty as a director or officer.

Article XV of Sandy Spring’s articles of incorporation provides:

Subject to applicable provisions of federal law, the Corporation shall indemnify to the fullest extent permissible under the Maryland General Corporation Law any individual who is or was a director, officer, employee, or agent of the Corporation, and any individual who serves or served at the Corporation’s request as a director, officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, in any proceeding in which the individual is made a party as a result of his service in such capacity. An individual will not be indemnified if (i) it is established that the act or omission at issue was material to the matter giving rise to the proceeding and (a) was committed in bad faith, or (b) was the result of active and deliberate dishonesty; (ii) the individual actually received an improper personal benefit in money, property, or services; or (iii) in the case of a

criminal proceeding, the individual had reasonable cause to believe that the act or omission was unlawful. In the event any litigation is brought against a director of this Corporation, authorization is hereby made to advance all expenses needed by the director to defend the lawsuit. There shall be no obligation to repay the expenses forwarded, unless it shall be determined ultimately by the Corporation, in accordance with the provisions of this Article XV and the Maryland General Corporation Law, that the director shall not be entitled to indemnification.

The rights of indemnification provided for in this Article XV shall not be exclusive of any other rights to which those indemnified may be entitled under any Bylaw, agreement, vote of shareholders or disinterested directors, or otherwise. Rights of indemnification under this Article XV shall continue as to a person who has ceased to serve in one of the capacities listed in the immediately preceding paragraph and shall inure to the benefit of the heirs, executors and administrators of such person.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

A list of exhibits filed herewith is contained on the Index to Exhibits and is incorporated herein by reference.

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description of Document</u>	<u>Location</u>
3.1.1	Articles of Incorporation of Sandy Spring Bancorp, Inc., as amended	Incorporated by reference to Exhibit 3.1 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 1996, SEC File No. 0-19065
3.1.2	Articles of Amendment to the Articles of Incorporation of Sandy Spring Bancorp, Inc.	Incorporated by reference to Exhibit 3(b) to the Annual Report on Form 10-K for the year ended December 31, 2011, SEC File No. 0-19065
3.1.3	Articles of Amendment to the Articles of Incorporation of Sandy Spring Bancorp, Inc.	Incorporated by reference to Exhibit 3.1 to the Current Report Form 8-K filed on May 2, 2018, SEC File No. 0-19065
3.2	Bylaws of Sandy Spring Bancorp, Inc.	Incorporated by reference to Exhibit 4.3 to the Registration Statement on Form S-3, SEC File No. 333-222910
5.1	Opinion of Kilpatrick Townsend & Stockton LLP	Filed herewith
10.1	Revere Bank 2013 Equity Compensation Plan	Filed herewith
10.2	Revere Bank 2008 Equity Compensation Plan	Filed herewith
10.3	Blue Ridge Bank 2008 Stock Option Plan	Filed herewith
23.1	Consent of Kilpatrick Townsend & Stockton LLP	Included in Exhibit 5.1 to this Registration Statement
23.2	Consent of Ernst & Young LLP	Filed herewith
24.1	Power of Attorney	Previously filed

Item 9. Undertakings.

1. The undersigned registrant hereby undertakes:

- (a) To file, during any period in which offers or sales of the securities registered hereby are being made, a post-effective amendment to the Registration Statement:
 - (i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;
 - (ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement; and
 - (iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement;

provided, however, that paragraphs (a)(i) and (a)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the SEC by the registrant pursuant to Section 13 or Section 15(d) of the Exchange Act of 1934 that are incorporated by reference in the Registration Statement.

- (b) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (c) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

2. The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act of 1934 that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

3. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements of filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Olney, State of Maryland on April 1, 2020.

SANDY SPRING BANCORP, INC.

By: /s/ Daniel J. Schrider
Daniel J. Schrider
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed below by the following persons in the capacities and on the date indicated.

<u>Name</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Daniel J. Schrider</u> Daniel J. Schrider	President and Chief Executive Officer and Director (Principal Executive Officer and Director)	April 1, 2020
<u>/s/ Philip J. Mantua</u> Philip J. Mantua	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	April 1, 2020
<u>/s/ *</u> Ralph F. Boyd, Jr.	Director	
<u>/s/ *</u> Mark E. Friis	Director	
<u>/s/ *</u> Robert E. Henel, Jr.	Director	
<u>/s/ *</u> Panela A. Little	Director	
<u>/s/ *</u> James J. Maiwurm	Director	
<u>/s/ *</u> Mark C. Michael	Director	
<u>/s/ *</u> Mark C. Micklem	Director	

/s/ * Director

Gary G. Nakamoto

/s/ * Director
Robert L. Orndorff

/s/ * Director

Joe R. Reeder

/s/ * Director

 Craig A. Ruppert

/s/ * Director

 Mona Abutaleb Stephenson

Christina Baldwin O'Meara Director

Walter C. Martz II Director

* Pursuant to a power of attorney

/s/ Aaron M. Kaslow

 Aaron M. Kaslow
 Attorney-in-Fact

Date: April 1, 2020



Suite 900 607 14th St., NW
Washington DC 20005-2018
t 202 508 5800 f 202 508 5858
www.KilpatrickTownsend.com

April 1, 2020

Sandy Spring Bancorp, Inc.
17801 Georgia Avenue
Olney, Maryland 20832

Re: Post-Effective Amendment No. 1 on Form S-8 to the Registration Statement on Form S-4

Ladies and Gentlemen:

We have acted as special counsel to Sandy Spring Bancorp, Inc., a Maryland corporation (the “Company”), in connection with the filing on the date hereof by the Company with the U.S. Securities and Exchange Commission (the “Commission”) under the Securities Act of 1933, as amended (the “Securities Act”), of the Post-Effective Amendment No. 1 on Form S-8 (the “Amendment”) to the Registration Statement on Form S-4 (Registration No. 333-235279) filed by the Company with the Commission on November 26, 2019 (the “Initial Registration Statement”), as amended by Amendment No. 1 to the Initial Registration Statement filed by the Company with the Commission on December 26, 2019 (“Amendment No. 1” and, together with the Initial Registration Statement, the “Amended Registration Statement” and, together with the Amendment, the “Registration Statement”), which Amended Registration Statement was declared effective by the Commission at 3:00 p.m. on December 30, 2019. The Amendment relates to the 395,313 shares (the “Shares”) of the Company’s common stock, par value \$1.00 per share (the “Common Stock”), that were registered on the Amended Registration Statement and that are issuable under (i) the Revere Bank 2013 Equity Compensation Plan; (ii) the Revere Bank 2008 Equity Compensation Plan and (iii) the Blue Ridge Bank 2008 Stock Option Plan (collectively, the “Plans” and each, a “Plan”) to employees or directors of Revere Bank (“Revere”) who are to continue as employees or directors of the Company immediately following the consummation on April 1, 2020 of the merger (the “Merger”) of Revere with and into Sandy Spring Bank, pursuant to that certain Agreement and Plan of Merger, dated as of September 23, 2019 (the “Merger Agreement”), by and among the Company, Sandy Spring Bank and Revere. Upon consummation of the Merger, the options, whether vested or unvested, to purchase shares of the common stock, par value \$5.00 per share, of Revere that were issued and outstanding immediately prior to the effective time of such merger (the “Revere Options”) were automatically converted into options to purchase the Shares from the Company according to a formula prescribed by the Merger Agreement and described in the Amendment.

We have made such legal and factual examinations and inquiries as we have deemed advisable for the purpose of rendering this opinion. In our examination, we have assumed but have not verified (i) the genuineness of all signatures; (ii) the authenticity of all documents submitted to us as originals; (iii) the conformity with the originals of all documents supplied to us as copies; and (iv) the accuracy and completeness of all corporate records and documents and of all certificates and statements of fact, in each case given or made available to us by the Company or its subsidiaries.

Board of Directors
Sandy Spring Bancorp, Inc.
April 1, 2020
Page 2

Based on the foregoing, and limited in all respects to Maryland law, it is our opinion that the Shares have been duly authorized and that, when such Shares have been issued in accordance with the terms and conditions of the applicable Plan and the applicable award agreement for each Plan, the Shares will be validly issued, fully paid and nonassessable.

We hereby consent to the filing of this opinion with the Commission as an exhibit to the Registration Statement. We also consent to the reference to our firm under the caption "Legal Matters" in the Registration Statement. In giving this consent, we do not thereby admit that we are included in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission promulgated thereunder. This opinion is expressed as of the date hereof unless otherwise expressly stated and we disclaim any undertaking to advise you of any subsequent changes in the facts stated or assumed herein or of any subsequent changes in applicable law.

Very truly yours,

KILPATRICK TOWNSEND &
STOCKTON LLP

By: /s/ Edward G. Olifer
Edward G. Olifer, a Partner

REVERE BANK**2013 EQUITY COMPENSATION PLAN****Section 1. Purpose**

The Revere Bank 2013 Equity Compensation Plan (the "Plan") is hereby established to foster and promote the long-term success of Revere Bank (the "Bank") and its shareholders by providing members of management, including employees and management officials, with an equity interest in the Bank. The Plan will assist the Bank in attracting and retaining the highest quality of experienced persons to serve as employees and Directors and in aligning the interests of such persons more closely with the interests of the Bank's shareholders by encouraging such parties to maintain an equity interest in the Bank.

Section 2. Definitions

Capitalized terms not specifically defined elsewhere herein shall have the following meaning:

"Act" means the Securities Exchange Act of 1934, as amended from time to time, and any rules and regulations promulgated thereunder.

"Award" means the grant of Options or a Restricted Stock Award hereunder.

"Bank" means Revere Bank and any present or future subsidiary or parent corporations of Revere Bank (as defined in Section 424 of the Code) or any successor to such corporations.

"Board" means the Board of Directors of the Bank.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated thereunder.

"Common Stock" or "Stock" means the common stock, \$5.00 per share par value, of the Bank.

"Disability" shall mean, with respect to a Management Official who is an employee, a permanent disability which qualifies as total disability under the terms of the Bank's long-term disability plans and, with respect to a Management Official who is a non-employee member of the Board, permanent and total disability which if the Management Official were an employee of the Bank would be treated as a total disability under the term of the Bank's long-term disability plan for employees as in effect from time to time; provided, however, with respect to a Participant who has been granted an Incentive Stock Option such term shall have the meaning set forth in Section 422(c)(6) of the Code. For purposes of Restricted Stock Awards under Section 8, "Disability" shall be as defined in Section 8.3(a)(1). The determination of whether a Disability exists will be made by the Board.

"Fair Market Value" means, with respect to shares of Common Stock, the fair market value as determined by the Board in good faith and in a manner established by the Board from time to time, taking into account such factors as the Board shall deem relevant, including the book value of the Common Stock and, to the extent there is an established trading market for the Common Stock, the market value of the Common Stock.

"Incentive Stock Option" means an option to purchase shares of Common Stock granted to a Participant under the Plan which is intended to meet the requirements of Section 422 of the Code.

"Management Official" means an employee of the Bank, a non-employee member of the Board, a member of any advisory Board or any other service provider to the Bank.

"Non-Qualified Stock Option" means an option to purchase shares of Common Stock granted to a Participant under the Plan which is not intended to be an Incentive Stock Option.

"Option" means an Incentive Stock Option or a Non-Qualified Stock Option granted hereunder.

"Participant" means a Management Official selected by the Board to receive an Option or Restricted Stock Award under the Plan.

"Plan" means the Revere Bank 2013 Equity Compensation Plan.

"Restricted Stock Award" means a grant of shares of Common Stock pursuant to Section 8 hereof.

"State" means the State of Maryland.

"Termination for Cause" means termination because of Participant's intentional failure to perform stated duties, personal dishonesty, willful violation of any law, rule, regulation (other than traffic violations or similar offenses) or final cease and desist order issued by any regulatory agency having jurisdiction over the Participant or the Bank.

Section 3. Administration

(a) The Plan shall be administered by the Board. Among other things, the Board shall have authority, subject to the terms of the Plan, to grant Awards, to determine the type of Award granted, to determine the individuals to whom and the time or times at which Awards may be granted, to determine whether Options are to be Incentive Options or Non-Qualified Stock Options (subject to the requirements of the Code, which provide that only employees may receive Incentive Options and subject to the limitation contained in Section 5 regarding the number of Non-Qualified Stock Options which may be granted), to determine the terms and conditions of any Award granted hereunder, including whether to impose any vesting period, and if the Award is an Option, the exercise price thereof, subject to the requirements of this Plan.

(b) Subject to the other provisions of the Plan, the Board shall have authority to adopt, amend, alter and repeal such administrative rules, guidelines and practices governing the operation of the Plan as it shall from time to time consider advisable, to interpret the provisions of the Plan and any Award and to decide all disputes arising in connection with the Plan. The Board may correct any defect or supply any omission or reconcile any inconsistency in the Plan or in any grant agreement in the manner and to the extent it shall deem appropriate to carry the Plan into effect, in its sole and absolute discretion. The Board's decision and interpretations shall be final and binding. Any action of the Board with respect to the administration of the Plan shall be taken pursuant to a majority vote or by the unanimous written consent of its members.

(c) The Board may employ such legal counsel, consultants and agents as it may deem desirable for the administration of the Plan and may rely upon any opinion received from any such counsel or consultant and any computation received from any such consultant or agent.

Section 4. Eligibility and Participation

Management Officials of the Bank shall be eligible to participate in the Plan. The Participants under the Plan shall be selected from time to time by the Board, in its sole discretion, from among those eligible, and the Board shall determine in its sole discretion the numbers of shares to be covered by the Award or Awards granted to each Participant. Options intended to qualify as Incentive Stock Options shall be granted only to persons who are eligible to receive such options under Section 422 of the Code; i.e., employees of the Bank.

Section 5. Shares of Stock Available for Awards

(a) The number of shares of Common Stock which may be issued under the Plan shall be determined from time to time by the following formula: the Bank's then current outstanding shares of Common Stock x .15 less the number of shares authorized for issuance under any other equity compensation or similar plans of the Bank; provided, however, that the number of shares authorized under the Plan will not be reduced by any reduction in the Bank's outstanding common shares; provided, further, however that in no event will the number of shares authorized under this Plan exceed 880,000. If an Award granted under this Plan expires or terminates before exercise or is forfeited for any reason, without a payment in the form of Common Stock being granted to the Participant, the shares of Common Stock subject to such Award, to the extent of such expiration, termination or forfeiture, shall again be available for subsequent Award grant under the Plan.

(b) In the event that any stock dividend, stock split, reverse stock split or combination, extraordinary cash dividend, creation of a class of equity securities, recapitalization, reclassification, reorganization, merger, consolidation, split-up, spin-off, combination, exchange of shares, warrants or rights offering to purchase Common Stock at a price substantially below Fair Market Value, or other similar transaction affects the Common Stock such that an adjustment is required in order to preserve the benefits or potential benefits intended to be granted or made available under the Plan to Participants, the Board shall proportionately and appropriately adjust equitably any or all of (i) the number and kind of shares of Common Stock subject to outstanding Options held by Participants, and (ii) the exercise price with respect to any Options held by Participants, without changing the aggregate purchase price as to which such Options remain exercisable, and if considered appropriate, the Board may make provision for a cash payment with respect to any outstanding Options held by a Participant, provided that no adjustment shall be made pursuant to this Section if such adjustment would cause the Plan to fail to comply with Section 422 of the Code with regard to any Incentive Stock Options granted hereunder or fail to comply with the requirements of Rule 16b-3 under the Act or any successor or replacement regulation. No fractional Shares shall be issued on account of any such adjustment.

(c) Any adjustments under this Section will be made by the Board, whose determination as to what adjustments, will be made and the extent thereof will be final, binding and conclusive.

Section 6. Non-Qualified Stock Options

6.1 Grant of Non-Qualified Stock Options.

Subject to the provisions hereof, the Board may, from time to time, grant Non-Qualified Stock Options to Participants upon such terms and conditions as the Board may determine, and may grant Non-Qualified Stock Options in exchange for and upon surrender of previously granted Options under this Plan. Non-Qualified Stock Options granted under this Plan are subject to the following terms and conditions:

(a) Price. The purchase price per share of Common Stock deliverable upon the exercise of each Non-Qualified Stock Option shall be determined by the Board on the date the option is granted. The purchase price shall not be less than one hundred percent (100%) of the Fair Market Value of the Common Stock on the date of grant or the par value of the Common Stock, whichever is greater. Shares may be purchased only upon full payment of the purchase price.

(b) Terms of Options. The term during which each Non-Qualified Stock Option may be exercised shall be determined by the Board, but in no event shall a Non-Qualified Stock Option be exercisable in whole or in part more than ten (10) years from the date of grant.

(c) Termination of Service. Except as provided herein, unless otherwise determined by the Board, upon the termination of the service of a Participant who is not an employee for any reason other than Disability, death or Termination for Cause, the Participant's Non-Qualified Stock Options shall be exercisable only as to those shares which were immediately exercisable by the participant at the date of termination and only for one (1) year from the date of such termination. In the event of death or termination of service of a Participant who is not an employee as a result of Disability of the Participant, all Non-Qualified Stock Options held by the Participant, whether or not exercisable at such time, shall be exercisable by the Participant or his legal representatives, or beneficiaries of the Participant for one (1) year from the date of such termination. Unless as otherwise determined by the Board, upon the termination of the service of a Participant who is a common law employee of the Bank for any reason other than Disability, death or Termination for Cause, the Participant's Non-Qualified Stock Options shall be exercised only as to those shares which were immediately exercisable by the Participant at the date of termination and only for a period of three (3) months following termination. In the event of death or termination of service of a Participant who is a common law employee of the Bank as a result of Disability of any such Participant, all Non-Qualified Stock Options held by such Participant, whether or not exercisable at such time, shall be exercisable by the Participant or his legal representatives or beneficiaries of the Participant for one (1) year or such longer period as is determined by the Board following the date of the Participant's death or termination of service due to Disability, provided that in no event shall the period extend beyond the expiration of the Non-Qualified Stock Option term. Notwithstanding any other provisions set forth herein to the contrary nor any provision contained in any agreement relating to the award of an option, in the event of a Termination for Cause, all of the Participant's Non-Qualified Stock Options shall immediately expire upon such Termination for Cause and shall not be exercisable, regardless of whether such Non-Qualified Stock Options were vested.

(d) Transferability. Except as provided for hereunder, no Option granted under the Plan shall be assignable or transferable by a Participant, and any attempted disposition thereof shall be null and void and of no effect. Nothing contained herein shall be deemed to prevent transfers by will or by the applicable laws of descent and distribution.

Section 7. Incentive Stock Options

7.1 Grant of Incentive Stock Options.

The Board may, from time to time, grant Incentive Stock Options to Management Officials who are employees of the Bank. Incentive Stock Options granted pursuant to the Plan shall be subject to the following terms and conditions:

(a) Price. The purchase price per share of Common Stock deliverable upon the exercise of each Incentive Stock Option shall be not less than one hundred percent (100%) of the Fair Market Value of the Common Stock on the date of grant or the par value of the Common Stock, whichever is higher. However, if a Participant owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of Common Stock, the purchase price per share of Common Stock deliverable upon the exercise of each Incentive Stock Option shall not be less than one hundred ten percent (110%) of the Fair Market Value of the Common Stock on the date of grant or the par value of the Common Stock, whichever is greater. Shares may be purchased only upon payment of the full purchase price.

(b) Amounts of Options. Incentive Stock Options may be granted to any Management Official who is an employee of the Bank in such amounts as determined by the Board. In the case of an option intended to qualify as an Incentive Stock Option, the aggregate Fair Market Value (determined as of the time the option first becomes exercisable) of the Common Stock with respect to which Incentive Stock Options granted are exercisable for the first time by the Participant during any calendar year shall not exceed \$100,000. The provisions of this Section 7.1(b) shall be construed and applied in accordance with Section 422(d) of the Code and the regulations, if any, promulgated thereunder. To the extent an award is in excess of such limit, it shall be deemed a Non-Qualified Stock Option. The Board shall have discretion to redesignate options granted as Incentive Stock Options as Non-Qualified Options.

(c) Terms of Options. The term during which each Incentive Stock Option may be exercised shall be determined by the Board, but in no event shall an Incentive Stock Option be exercisable in whole or in part more than ten (10) years from the date of grant. If at the time an Incentive Stock Option is granted to an employee, the employee owns Common Stock representing more than ten percent (10%) of the total combined voting power of the Bank (or, under Section 422(d) of the Code, is deemed to own Common Stock representing more than ten percent (10%) of the total combined voting power of all such classes of Common Stock, by reason of the ownership of such classes of Common Stock, directly or indirectly, by or for any brother, sister, spouse, ancestor or lineal descendent of such employee, or by or for any corporation, partnership, estate or trust of which such employee is a shareholder, partner or beneficiary), the Incentive Stock Option granted to such employee shall not be exercisable after the expiration of five (5) years from the date of grant.

(d) Termination of Service. Except as provided in Section 7.1(e) hereof, upon the termination of a Participant's service for any reason other than Disability, death or Termination for Cause, the Participant's Incentive Stock Options which are then exercisable at the date of termination may only be exercised by the Participant for a period of three (3) months following termination. Notwithstanding any provisions set forth herein nor contained in any Agreement relating to an award of an Option, in the event of Termination for Cause all rights under the Participant's Incentive Stock Options shall expire immediately upon termination, and such Incentive Stock Options shall not be exercisable.

Unless otherwise determined by the Board, in the event of death or termination of service as a result of Disability of any Participant, all Incentive Stock Options held by such Participant, whether or not exercisable at such time, shall be exercisable by the Participant or the Participant's legal representatives or beneficiaries of the Participant for one (1) year following the date of the participant's death or termination of employment as a result of Disability. In no event shall the exercise period extend beyond the expiration of the Incentive Stock Option term.

(f) Transferability. No Incentive Option granted under the Plan shall be assignable or transferable by a Participant, except pursuant to the laws of descent and distribution, and any attempted distribution shall be null and void and of no effect.

(g) Compliance with Code. The options granted under this Section 7 of the Plan are intended to qualify as incentive stock options within the meaning of Section 422 of the Code, but the Bank makes no warranty as to the qualification of any option as an incentive stock option within the meaning of Section 422 of the Code. A Participant shall notify the Board in writing in the event that he disposes of Common Stock acquired upon exercise of an Incentive Stock Option within the two-year period following the date the Incentive Stock Option was granted or within the one-year period following the date he received Common Stock upon the exercise of an Incentive Stock Option and shall comply with any other requirements imposed by the Bank in order to enable the Bank to secure the related income tax deduction to which it will be entitled in such event under the Code.

Section 8. Restricted Stock

8.1 Grant of Restricted Stock Awards

(a) Grants. The Board may grant Restricted Stock Awards entitling recipients to acquire shares of Common Stock, subject to the right of the Bank to require forfeiture of such shares from the Participant in the event that conditions specified by the Board in the applicable Restricted Stock Award are not satisfied prior to the end of the applicable restriction period or periods established by the Board for such Restricted Award. During the restricted period, shares constituting a Restricted Stock Award may not be transferred, although a Participant shall be entitled to exercise other indicia of ownership, including the right to vote such shares and receive any dividends declared on such shares.

(b) Terms and Conditions. Subject to Section 8.2, the Board shall determine the terms and conditions of any such Restricted Stock Award, including the conditions for forfeiture.

(c) Stock Certificates. The Bank may cause shares issued as part of a Restricted Stock Award to be issued in either book entry form or certificated form. Shares issued in book entry form will be maintained in an account at the Bank's transfer agent, and only released to a Participant upon satisfaction of any required restrictions. Any stock certificates issued in respect of a Restricted Stock Award shall be registered in the name of the Participant and, unless otherwise determined by the Board, deposited by the Participant, together with a stock power endorsed in blank, with the Bank (or its designee). At the expiration of the applicable restriction periods, the Bank (or such designee) shall deliver the certificates no longer subject to such restrictions to the Participant or if the Participant has died, to the beneficiary designated, in a manner determined by the Board, by a Participant to receive amounts due or exercise rights of the Participant in the event of the Participant's death (the "Designated Beneficiary"). In the absence of an effective designation by a Participant, Designated Beneficiary shall mean the Participant's estate.

8.2 Distribution of Restricted Stock Awards

(a) Restricted Stock Awards shall not be distributed and the restrictions pertaining to such award shall not expire earlier than –

- (1) upon the completion or satisfaction of the conditions specified by the Board in the Award;
- (2) a Participant's separation from service;
- (3) the date a Participant becomes disabled (as defined in Section 8.3(b));
- (4) upon the death of a Participant;
- (5) a change in the ownership or effective control of the Bank, or in the ownership of a substantial portion of the assets of the Bank, as described in Section 10(c) or, if in conflict therewith, to the extent necessary, by the Secretary of Treasury under regulations issued under Code section 409A; or
- (6) upon the occurrence of an unforeseeable emergency.

(b) A payment of a Participant's vested interest in a Restricted Stock Award may, in the discretion of the Board, be made in the event of a Participant's Disability, upon the occurrence of a Change -in -Control (as defined in the Grant Agreement evidencing any Award) or Unforeseeable Emergency (as defined below). Payments in settlement of a Participant's vested interest in a Restricted Stock Award shall be made as soon as practicable after such occurrence or after the Participant otherwise vests in such award. For the purposes of section 409A of the Code, the entitlement to a series of installment payments will be treated as the entitlement to a single payment.

(c) Other provisions of the Plan notwithstanding, if, upon the written application of a Participant, the Board determines that the Participant has an Unforeseeable Emergency (as defined in Section 8.3(b)), the Board may, in its sole discretion, direct the payment to the Participant of all or a portion of the balance of his or her vested interest in a Restricted Stock Award in a lump sum payment, provided that any such withdrawal shall be limited by the Board to the amount reasonably necessary to meet the emergency, including amounts needed to pay any income taxes or penalties reasonably anticipated to result from the payment. No payment may be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the Participant's assets or to the extent the liquidation of such assets would not cause severe financial hardship.

(d) The Board may not otherwise permit the acceleration of the time or schedule of any vesting of a Restricted Stock award scheduled to be paid pursuant to the Plan, unless such acceleration of the time or schedule is (i) necessary to fulfill a domestic relations order (as defined in section 414(p)(1)(B) of the Code) or to comply with a certificate of divestiture (as defined in section 1043(b)(2) of the Code), (ii) de minimis in nature (as defined in regulations promulgated under section 409A of the Code), (iii) to be used for the payment of FICA taxes on amounts deferred under the Plan, or (iv) equal to amounts included in the federal personal taxable income of the Participant under section 409A of the Code.

8.3 Definitions for Restricted Stock Awards

(a) For purposes of this Section 8, the following definitions shall apply-

(1) “Disability” shall mean (i) the inability of a Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, or (ii) if the Participant is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the Bank.

(2) “Unforeseeable emergency” shall mean a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant’s spouse, or a dependent (as defined in Code section 152(a)) of the Participant, loss of the Participant’s property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

Section 9. Extension

The Board may, in its sole discretion, extend the dates during which all or any particular Option or Options granted under the Plan may be exercised; provided, however, that no such extension shall be permitted if it would cause Non-Qualified Stock Options or Incentive Stock Options issued under the Plan to fail to comply with Section 409A or 422 of the Code. An election to defer the lapse of restrictions on a Restricted Stock Award shall not take effect until at least twelve (12) months after the date on which the election is made and in the event that an election to defer the lapse of restrictions is made other than in the event of death, disability or the occurrence of an unforeseeable emergency, payment of such award must be deferred for a period of not less than five (5) years from the date that restrictions would have otherwise lapsed.

Section 10. General Provisions Applicable to Awards

(a) Each Award under the Plan shall be evidenced by a writing delivered to the Participant specifying the terms and conditions thereof and containing such other terms and conditions not inconsistent with the provisions of the Plan as the Board considers necessary or advisable to achieve the purposes of the Plan or comply with applicable tax and regulatory laws and accounting principles.

(b) Each Award may be granted alone, in addition to or in relation to any other Award. The terms of each Award need not be identical, and the Board need not treat Participants uniformly. Except as otherwise provided by the Plan or a particular Award, any determination with respect to an Award may be made by the Board at the time of grant or at any time thereafter.

(c) In the event of a consolidation, reorganization, merger or sale of all or substantially all of the assets of the Bank, in each case in which outstanding shares of Common Stock are exchanged for securities, cash or other property of any other corporation or business entity or in the event of a liquidation of the Bank, the Board will provide for any one or more of the following actions, as to outstanding Awards: (i) provide that such Awards shall be assumed, or equivalent Awards shall be substituted, by the acquiring or succeeding corporation (or an affiliate thereof), provided that any options substituted for Incentive Stock Options shall meet the requirements of Section 424(a) of the Code, (ii) upon written notice to the Participants, provide that all unexercised Options will terminate immediately prior to the consummation of such transaction unless exercised (to the extent then exercisable) by the Participant within a specified period following the date of such notice, (iii) in the event of a merger under the terms of which holders of the Common Stock of the Bank will receive upon consummation thereof a cash payment for each share surrendered in the merger (the "Merger Price"), make or provide for a cash payment to the Participants equal to the difference between (A) the Merger Price times the number of shares of Common Stock subject to outstanding Options (to the extent then exercisable at prices not in excess of the Merger Price) and (B) the aggregate exercise price of all such outstanding Options in exchange for the termination of such Options, or (iv) provide that all or any outstanding Awards shall become exercisable in full, or that the restrictions on such Awards shall lapse, immediately prior to such event.

(d) For purposes of the Plan, the following events shall not be deemed a termination of service of a Participant:

(i) a transfer to the employment of the Bank from a subsidiary or from the Bank to a subsidiary, or from one subsidiary to another, or

(ii) an approved leave of absence for military service or sickness, or for any other purpose approved by the Bank, if the Participant's right to reemployment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Board otherwise so provides in writing.

(e) The Board may at any time, and from time to time, amend, modify or terminate the Plan or any outstanding Award held by a Participant, including substituting therefore another Award of the same or a different type or changing the date of exercise or realization, provided that the Participant's consent to each action shall be required unless the Board determines that the action, taking into account any related action, would not materially and adversely affect the Participant, and further provided that no amendment increasing the number of shares subject to the Plan or decreasing the exercise price for any Option provided for under the Plan may be effectuated without the approval of the shareholders of the Bank; provided, however, that no such amendment or modification will be effective if such amendment or modification would cause the Plan to fail to comply with the requirements of Rule 16b-3 under the Act or any successor or replacement regulation.

(f) Notwithstanding anything in this Plan to the contrary, if the Bank's capital falls below the applicable minimum regulatory requirements, as determined by the Maryland Division of Financial Regulation or the Federal Deposit Insurance Corporation (the "FDIC"), the FDIC may direct the Bank to require the Participants to exercise or forfeit their rights under this Plan and in any agreement relating to an award of an Option (the "FDIC Direction"). The Bank shall cause a notice to be mailed to each Participant at least 20 days prior to the applicable record date for such exercise or forfeiture covered by this Section 10(f), which notice shall set forth the first and last date on which the Participant may exercise outstanding Options and the date that the Options will become null and void. The Bank's failure to give the notice required by this Section 10(f) or any defect therein shall not affect the validity of the FDIC Direction covered by this Section 10(f).

Section 11. Miscellaneous

(a) No person shall have any claim or right to be granted an Award, and the grant of an Award shall not be construed as giving a Participant the right to continued employment or service on the Bank's Board. The Bank expressly reserves the right at any time to dismiss a Participant free from any liability or claim under the Plan, except as expressly provided in the applicable Award.

(b) Nothing contained in the Plan shall prevent the Bank from adopting other or additional compensation arrangements.

(c) Subject to the provisions of the applicable Award, no Participant shall have any rights as a shareholder (including, without limitation, any rights to receive dividends, or non-cash distributions with respect to such shares) with respect to any shares of Common Stock to be distributed under the Plan until he or she becomes the holder thereof.

(d) Notwithstanding anything to the contrary expressed in this Plan, any provisions hereof that vary from or conflict with any applicable Federal or State securities laws (including any regulations promulgated thereunder) shall be deemed to be modified to conform to and comply with such laws.

(e) No member of the Board shall be liable for any action or determination taken or granted in good faith with respect to this Plan nor shall any member of the Board be liable for any agreement issued pursuant to this Plan or any grants under it. Each member of the Board shall be indemnified by the Bank against any losses incurred in such administration of the Plan, unless his action constitutes serious and willful misconduct.

(f) This Plan shall become effective upon its approval by the holders of a majority of the Common Stock of the Bank voting thereon. Prior to such approval, Awards may be granted under the Plan expressly subject to such approval.

(g) Awards may not be granted under the Plan more than ten (10) years after approval of the Plan by the Bank's Shareholders, but then outstanding Awards may extend beyond such date.

(h) To the extent that State laws shall not have been preempted by any laws of the United States, the Plan shall be construed, regulated, interpreted and administered according to the other laws of the State of Maryland.

(i) A Participant in the Plan shall have no right to receive payment (in any form) with respect to his or her restricted Stock award until legal and contractual obligations of the Bank relating to establishment of the Plan and the making of such payments shall have been complied with in full. In addition, the Bank shall impose such restrictions on stock delivered to a Participant hereunder and any other interest constituting a security as it may deem advisable in order to comply with the Securities Act of 1933, as amended, the requirements of any stock exchange or automated quotation system upon which the stock is then listed or quoted, any applicable state securities laws, any provision of the Bank's certificate of incorporation or bylaws, or any other law, regulation, or binding contract to which the Bank is a party.

REVERE BANK**2008 EQUITY COMPENSATION PLAN****Section 1. Purpose**

The Revere Bank 2008 Equity Compensation Plan (the "Plan") is hereby established to foster and promote the long-term success of Revere Bank (the "Bank") and its shareholders by providing members of management, including employees and management officials, with an equity interest in the Bank. The Plan will assist the Bank in attracting and retaining the highest quality of experienced persons to serve as employees and Directors and in aligning the interests of such persons more closely with the interests of the Bank's shareholders by encouraging such parties to maintain an equity interest in the Bank.

Section 2. Definitions

Capitalized terms not specifically defined elsewhere herein shall have the following meaning:

"Act" means the Securities Exchange Act of 1934, as amended from time to time, and any rules and regulations promulgated thereunder.

"Award" means the grant of Options or a Restricted Stock Award hereunder.

"Bank" means Revere Bank and any present or future subsidiary or parent corporations of Revere Bank (as defined in Section 424 of the Code) or any successor to such corporations.

"Board" means the Board of Directors of the Bank.

"Change in Control" means:

- (i) a reorganization, merger, consolidation or sale of all or substantially all of the assets of the Bank, or similar transaction ("collectively, a "Transaction"), in which the shareholders of the Bank prior to such Transaction hold less than 50% of the total voting power of the resulting entity;
- (ii) individuals who constitute the Incumbent Board (as herein defined) of the Bank cease for any reason to constitute a majority thereof.

For these purposes, "Incumbent Board" means the Board of Directors of the Bank on the date hereof, provided that any person becoming a director subsequent to the date hereof whose election was approved by a vote of at least three-quarters of the directors comprising the Incumbent Board, or whose nomination for election by members or stockholders was approved by the same nominating committee serving under an Incumbent Board, shall be considered as though he were a member of the Incumbent Board.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated thereunder.

"Common Stock" or "Stock" means the common stock, \$5.00 per share par value, of the Bank.

"Disability" shall mean, with respect to a Management Official who is an employee, a permanent disability which qualifies as total disability under the terms of the Bank's long-term disability plans and, with respect to a Management Official who is a non-employee member of the Board, permanent and total disability which if the Management Official were an employee of the Bank would be treated as a total disability under the term of the Bank's long-term disability plan for employees as in effect from time to time; provided, however, with respect to a Participant who has been granted an Incentive Stock Option such term shall have the meaning set forth in Section 422(c)(6) of the Code. For purposes of Restricted Stock Awards under Section 8, "Disability" shall be as defined in Section 8.3(a)(1). The determination of whether a Disability exists will be made by the Board.

"Fair Market Value" means, with respect to shares of Common Stock, the fair market value as determined by the Board in good faith and in a manner established by the Board from time to time, taking into account such factors as the Board shall deem relevant, including the book value of the Common Stock and, to the extent there is an established trading market for the Common Stock, the market value of the Common Stock.

"Incentive Stock Option" means an option to purchase shares of Common Stock granted to a Participant under the Plan which is intended to meet the requirements of Section 422 of the Code.

"Management Official" means an employee of the Bank, a non-employee member of the Board, a member of any advisory Board or any other service provider to the Bank.

"Non-Qualified Stock Option" means an option to purchase shares of Common Stock granted to a Participant under the Plan which is not intended to be an Incentive Stock Option.

"Option" means an Incentive Stock Option or a Non-Qualified Stock Option granted hereunder.

"Participant" means a Management Official selected by the Board to receive an Option or Restricted Stock Award under the Plan.

"Plan" means the Revere Bank 2008 Equity Compensation Plan.

"Restricted Stock Award" means a grant of shares of Common Stock pursuant to Section 8 hereof.

"Termination for Cause" means termination because of Participant's intentional failure to perform stated duties, personal dishonesty, willful violation of any law, rule regulation (other than traffic violations or similar offenses) or final cease and desist order issued by any regulatory agency having jurisdiction over the Participant or the Bank.

Section 3. Administration

(a) The Plan shall be administered by the Board. Among other things, the Board shall have authority, subject to the terms of the Plan, to grant Awards, to determine the type of Award granted, to determine the individuals to whom and the time or times at which Awards may be granted, to determine whether Options are to be Incentive Options or Non-Qualified Stock Options (subject to the requirements of the Code, which provide that only employees may receive Incentive Options and subject to the limitation contained in Section 5 regarding the number of Non-Qualified Stock Options which may be granted), to determine the terms and conditions of any Award granted hereunder, including whether to impose any vesting period, and if the Award is an Option, the exercise price thereof, subject to the requirements of this Plan.

(b) Subject to the other provisions of the Plan, the Board shall have authority to adopt, amend, alter and repeal such administrative rules, guidelines and practices governing the operation of the Plan as it shall from time to time consider advisable, to interpret the provisions of the Plan and any Award and to decide all disputes arising in connection with the Plan. The Board may correct any defect or supply any omission or reconcile any inconsistency in the Plan or in any grant agreement in the manner and to the extent it shall deem appropriate to carry the Plan into effect, in its sole and absolute discretion. The Board's decision and interpretations shall be final and binding. Any action of the Board with respect to the administration of the Plan shall be taken pursuant to a majority vote or by the unanimous written consent of its members.

(c) The Board may employ such legal counsel, consultants and agents as it may deem desirable for the administration of the Plan and may rely upon any opinion received from any such counsel or consultant and any computation received from any such consultant or agent.

Section 4. Eligibility and Participation

Management Officials of the Bank shall be eligible to participate in the Plan. The Participants under the Plan shall be selected from time to time by the Board, in its sole discretion, from among those eligible, and the Board shall determine in its sole discretion the numbers of shares to be covered by the Award or Awards granted to each Participant. Options intended to qualify as Incentive Stock Options shall be granted only to persons who are eligible to receive such options under Section 422 of the Code; i.e., employees of the Bank.

Section 5. Shares of Stock Available for Awards

(a) The maximum number of shares of Common Stock which may be issued under the Plan is 294,500 subject to the adjustments as provided in this Section 5 and Section 10, to the extent applicable. If an Award granted under this Plan expires or terminates before exercise or is forfeited for any reason, without a payment in the form of Common Stock being granted to the Participant, the shares of Common Stock subject to such Award, to the extent of such expiration, termination or forfeiture, shall again be available for subsequent Award grant under the Plan.

(b) In the event that any stock dividend, stock split, reverse stock split or combination, extraordinary cash dividend, creation of a class of equity securities, recapitalization, reclassification, reorganization, merger, consolidation, split-up, spin-off, combination, exchange of shares, warrants or rights offering to purchase Common Stock at a price substantially below Fair Market Value, or other similar transaction affects the Common Stock such that an adjustment is required in order to preserve the benefits or potential benefits intended to be granted or made available under the Plan to Participants, the Board shall proportionately and appropriately adjust equitably any or all of (i) the maximum number and kind of shares of Common Stock in respect of which Awards may be granted under the Plan to Participants, (ii) the number and kind of shares of Common Stock subject to outstanding Options held by Participants, and (iii) the exercise price with respect to any Options held by Participants, without changing the aggregate purchase price as to which such Options remain exercisable, and if considered appropriate, the Board may make provision for a cash payment with respect to any outstanding Options held by a Participant, provided that no adjustment shall be made pursuant to this Section if such adjustment would cause the Plan to fail to comply with Section 422 of the Code with regard to any Incentive Stock Options granted hereunder or fail to comply with the requirements of Rule 16b-3 under the Act or any successor or replacement regulation. No fractional Shares shall be issued on account of any such adjustment.

(c) Any adjustments under this Section will be made by the Board, whose determination as to what adjustments, will be made and the extent thereof will be final, binding and conclusive.

Section 6. Non-Qualified Stock Options

6.1 Grant of Non-Qualified Stock Options.

Subject to the provisions hereof, the Board may, from time to time, grant Non-Qualified Stock Options to Participants upon such terms and conditions as the Board may determine, and may grant Non-Qualified Stock Options in exchange for and upon surrender of previously granted Options under this Plan. Non-Qualified Stock Options granted under this Plan are subject to the following terms and conditions:

(a) Price. The purchase price per share of Common Stock deliverable upon the exercise of each Non-Qualified Stock Option shall be determined by the Board on the date the option is granted. The purchase price shall not be less than one hundred percent (100%) of the Fair Market Value of the Common Stock on the date of grant or the par value of the Common Stock, whichever is greater. Shares may be purchased only upon full payment of the purchase price.

(b) Terms of Options. The term during which each Non-Qualified Stock Option may be exercised shall be determined by the Board, but in no event shall a Non-Qualified Stock Option be exercisable in whole or in part more than ten (10) years from the date of grant.

(c) Vesting. Each Non-Qualified Stock Option shall be subject to a minimum vesting schedule, set forth in the grant agreement governing such Option, whereby each Option grant shall vest on a pro rata basis commencing on the first anniversary of the date of the grant and ending no earlier than the fifth anniversary of such grant. Options which have not vested may not be exercised and shall be forfeited if the Participant's service with the Bank ceases, unless otherwise provided for hereunder. The Board retains the right to impose a longer vesting schedule than the minimum provided for above. Once an Option is vested, subject to the terms and conditions of any agreement relating to the award of an Option and this Plan, including specifically Section 6.1(d) hereof, shall remain exercisable for the term set forth in the grant agreement governing the term of such Option.

(d) Termination of Service. (i) Except as provided herein, unless otherwise determined by the Board, upon the termination of the service of a Participant who is not an employee for any reason other than Disability, death, a Change in Control or Termination for Cause, the Participant's Non-Qualified Stock Options shall be exercisable only as to those shares which were immediately exercisable by the participant at the date of termination and only for one (1) year from the date of such termination.

(ii) In the event of death or termination of service of a Participant who is not an employee as a result of a Change in Control or the Disability of any Participant, all Non-Qualified Stock Options held by the Participant, whether or not exercisable at such time, shall immediately become exercisable by the Participant or his legal representatives or beneficiaries of the Participant and shall remain exercisable for one (1) year from the date of such termination.

(iii) Upon the termination of the service of a Participant who is a common law employee of the Bank for any reason other than Disability, death, a Change in Control or Termination for Cause, the Participant's Non-Qualified Stock Options shall be exercised only as to those shares which were immediately exercisable by the Participant at the date of termination and only for a period of three (3) months following termination.

(iv) In the event of death or termination of service of Participant who is a common law employee of the Bank as a result of a Change in Control or the Disability of any such Participant, all Non-Qualified Stock Options held by such Participant, whether or not exercisable at such time, shall immediately become exercisable by the Participant or his legal representatives or beneficiaries of the Participant and shall remain exercisable for a period of six (6) months.

(v) Notwithstanding any other provisions set forth herein to the contrary nor any provision contained in any agreement relating to the award of an Option, in the event of a Termination for Cause, all of the Participant's Non-Qualified Stock Options shall immediately expire upon such Termination for Cause and shall not be exercisable, regardless of whether such Non-Qualified Stock Options were vested.

(e) Transferability. Except as provided for hereunder, no Option granted under the Plan shall be assignable or transferable by a Participant, and any attempted disposition thereof shall be null and void and of no effect. Nothing contained herein shall be deemed to prevent transfers by will or by the applicable laws of descent and distribution.

Section 7. Incentive Stock Options

7.1 Grant of Incentive Stock Options.

The Board may, from time to time, grant Incentive Stock Options to Management Officials who are employees of the Bank. Incentive Stock Options granted pursuant to the Plan shall be subject to the following terms and conditions:

(a) Price. The purchase price per share of Common Stock deliverable upon the exercise of each Incentive Stock Option shall be not less than one hundred percent (100%) of the Fair Market Value of the Common Stock on the date of grant or the par value of the Common Stock, whichever is higher. However, if a Participant owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of Common Stock, the purchase price per share of Common Stock deliverable upon the exercise of each Incentive Stock Option shall not be less than one hundred ten percent (110%) of the Fair Market Value of the Common Stock on the date of grant or the par value of the Common Stock, whichever is greater. Shares may be purchased only upon payment of the full purchase price.

(b) Amounts of Options. Incentive Stock Options may be granted to any Management Official who is an employee of the Bank in such amounts as determined by the Board. In the case of an option intended to qualify as an Incentive Stock Option, the aggregate Fair Market Value (determined as of the time the option first becomes exercisable) of the Common Stock with respect to which Incentive Stock Options granted are exercisable for the first time by the Participant during any calendar year shall not exceed \$100,000. The provisions of this Section 7.1(b) shall be construed and applied in accordance with Section 422(d) of the Code and the regulations, if any, promulgated thereunder. To the extent an award is in excess of such limit, it shall be deemed a Non-Qualified Stock Option. The Board shall have discretion to redesignate options granted as Incentive Stock Options as Non-Qualified Options.

(c) Terms of Options. The term during which each Incentive Stock Option may be exercised shall be determined by the Board, but in no event shall an Incentive Stock Option be exercisable in whole or in part more than ten (10) years from the date of grant. If at the time an Incentive Stock Option is granted to an employee, the employee owns Common Stock representing more than ten percent (10%) of the total combined voting power of the Bank (or, under Section 422(d) of the Code, is deemed to own Common Stock representing more than ten percent (10%) of the total combined voting power of all such classes of Common Stock, by reason of the ownership of such classes of Common Stock, directly or indirectly, by or for any brother, sister, spouse, ancestor or lineal descendent of such employee, or by or for any corporation, partnership, estate or trust of which such employee is a shareholder, partner or beneficiary), the Incentive Stock Option granted to such employee shall not be exercisable after the expiration of five (5) years from the date of grant.

(d) Vesting. Each Incentive Stock Option shall be subject to a minimum vesting schedule, set forth in the grant agreement governing such Option, whereby each Option grant shall vest on a pro rata basis commencing on the first anniversary of the date of the grant and ending no earlier than the fifth anniversary of such grant. Options which have not vested may not be exercised, and shall be forfeited if the Participant's service with the Bank ceases, unless otherwise provided for hereunder. The Board retains the right to impose a longer vesting schedule than the minimum provided for above. Once an Option is vested, subject to the terms and conditions of any agreement relating to the award of an Option and this Plan, including specifically Section 7.1(e) hereof, shall remain exercisable for the term set forth in the grant agreement governing the term of such Option.

(e) Termination of Service. Except as provided in Section 7.1(f) hereof, upon the termination of a Participant's service for any reason other than Disability, death or Termination for Cause, the Participant's Incentive Stock Options which are then exercisable at the date of termination may only be exercised by the Participant for a period of three (3) months following termination. Notwithstanding any provisions set forth herein nor contained in any Agreement relating to an award of an Option, in the event of Termination for Cause all rights under the Participant's Incentive Stock Options shall expire immediately upon termination, and such Incentive Stock Options shall not be exercisable.

Unless otherwise determined by the Board, in the event of death or termination of service as a result of a Change in Control or the Disability of any Participant, all Incentive Stock Options held by such Participant, whether or not exercisable at such time, shall be exercisable by the Participant or the Participant's legal representatives or beneficiaries of the Participant for one (1) year following the date of the participant's death or termination of employment as a result of such death, Change in Control or Disability. In no event shall the exercise period extend beyond the expiration of the Incentive Stock Option term.

(f) Transferability. No Incentive Option granted under the Plan shall be assignable or transferable by a Participant, except pursuant to the laws of descent and distribution, and any attempted distribution shall be null and void and of no effect.

(g) Compliance with Code. The options granted under this Section 7 of the Plan are intended to qualify as incentive stock options within the meaning of Section 422 of the Code, but the Bank makes no warranty as to the qualification of any option as an incentive stock option within the meaning of Section 422 of the Code. A Participant shall notify the Board in writing in the event that he disposes of Common Stock acquired upon exercise of an Incentive Stock Option within the two-year period following the date the Incentive Stock Option was granted or within the one-year period following the date he received Common Stock upon the exercise of an Incentive Stock Option and shall comply with any other requirements imposed by the Bank in order to enable the Bank to secure the related income tax deduction to which it will be entitled in such event under the Code.

Section 8. Restricted Stock

8.1 Grant of Restricted Stock Awards

(a) Grants. The Board may grant Restricted Stock Awards entitling recipients to acquire shares of Common Stock, subject to the right of the Bank to require forfeiture of such shares from the Participant in the event that conditions specified by the Board in the applicable Restricted Stock Award are not satisfied prior to the end of the applicable restriction period or periods established by the Board for such Restricted Award. During the restricted period, shares constituting a Restricted Stock Award may not be transferred, although a Participant shall be entitled to exercise other indicia of ownership, including the right to vote such shares and receive any dividends declared on such shares.

(b) Terms and Conditions. Subject to Section 8.2, the Board shall determine the terms and conditions of any such Restricted Stock Award, including the conditions for forfeiture.

(c) Stock Certificates. The Bank may cause shares issued as part of a Restricted Stock Award to be issued in either book entry form or certificated form. Shares issued in book entry form will be maintained in an account at the Bank's transfer agent, and only released to a Participant upon satisfaction of any required restrictions. Any stock certificates issued in respect of a Restricted Stock Award shall be registered in the name of the Participant and, unless otherwise determined by the Board, deposited by the Participant, together with a stock power endorsed in blank, with the Bank (or its designee). At the expiration of the applicable restriction periods, the Bank (or such designee) shall deliver the certificates no longer subject to such restrictions to the Participant or if the Participant has died, to the beneficiary designated, in a manner determined by the Board, by a Participant to receive amounts due or exercise rights of the Participant in the event of the Participant's death (the "Designated Beneficiary"). In the absence of an effective designation by a Participant, Designated Beneficiary shall mean the Participant's estate.

(d) Vesting. Each Restricted Stock Award shall be subject to a minimum vesting schedule, set forth in the grant agreement governing such Award, whereby each Restricted Stock Award shall vest on a pro rata basis commencing on the first anniversary of the date of the grant and ending no earlier than the third anniversary of such grant. Restricted Stock Awards which have not vested shall be forfeited if the Participant's service with the Bank ceases, unless otherwise provided for hereunder. The Board retains the right to impose a longer vesting schedule than the minimum provided for above. Once a Restricted Stock Award is vested, subject to the terms and conditions of any agreement relating to the award of a Restricted Stock Award and this Plan, including specifically Section 8.2 hereof, shall remain exercisable for the term set forth in the grant agreement governing the term of such Award.

8.2 Distribution of Restricted Stock Awards

(a) Restricted Stock Awards shall not be distributed and the restrictions pertaining to such award shall not expire earlier than –

- (1) upon the completion or satisfaction of the conditions specified by the Board in the Award;
- (2) a Participant's separation from service;
- (3) the date a Participant becomes disabled (as defined in Section 8.3(b));
- (4) upon the death of a Participant;
- (5) a Change in Control or, if in conflict therewith, to the extent necessary, by the Secretary of Treasury under regulations issued under Code section 409A; or
- (6) upon the occurrence of an unforeseeable emergency.

(b) A payment of a Participant's vested interest in a Restricted Stock Award may, in the discretion of the Board, be made in the event of a Participant's Disability, upon the occurrence of a Change in Control or Unforeseeable Emergency. Payments in settlement of a Participant's vested interest in a Restricted Stock Award shall be made as soon as practicable after such occurrence or after the Participant otherwise vests in such award. For the purposes of section 409A of the Code, the entitlement to a series of installment payments will be treated as the entitlement to a single payment.

(c) Other provisions of the Plan notwithstanding, if, upon the written application of a Participant, the Board determines that the Participant has an Unforeseeable Emergency (as defined in Section 8.3), the Board may, in its sole discretion, direct the payment to the Participant of all or a portion of the balance of his or her vested interest in a Restricted Stock Award in a lump sum payment, provided that any such withdrawal shall be limited by the Board to the amount reasonably necessary to meet the emergency, including amounts needed to pay any income taxes or penalties reasonably anticipated to result from the payment. No payment may be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the Participant's assets or to the extent the liquidation of such assets would not cause severe financial hardship.

(d) The Board may not otherwise permit the acceleration of the time or schedule of any vesting of a Restricted Stock award scheduled to be paid pursuant to the Plan, unless such acceleration of the time or schedule is (i) necessary to fulfill a domestic relations order (as defined in section 414(p)(1)(B) of the Code) or to comply with a certificate of divestiture (as defined in section 1043(b)(2) of the Code), (ii) de minimis in nature (as defined in regulations promulgated under section 409A of the Code), (iii) to be used for the payment of FICA taxes on amounts deferred under the Plan, or (iv) equal to amounts included in the federal personal taxable income of the Participant under section 409A of the Code.

8.3 Definitions for Restricted Stock Awards

(a) For purposes of this Section 8, the following definitions shall apply-

(1) “Disability” shall mean (i) the inability of a Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, or (ii) if the Participant is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the Bank.

(2) “Unforeseeable emergency” shall mean a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant’s spouse, or a dependent (as defined in Code section 152(a)) of the Participant, loss of the Participant’s property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

Section 9. Extension

The Board may, in its sole discretion, extend the dates during which all or any particular Option or Options granted under the Plan may be exercised; provided, however, that no such extension shall be permitted if it would cause Non-Qualified Stock Options or Incentive Stock Options issued under the Plan to fail to comply with Section 409A or 422 of the Code. An election to defer the lapse of restrictions on a Restricted Stock Award shall not take effect until at least twelve (12) months after the date on which the election is made and in the event that an election to defer the lapse of restrictions is made other than in the event of death, disability or the occurrence of an unforeseeable emergency, payment of such award must be deferred for a period of not less than five (5) years from the date that restrictions would have otherwise lapsed.

Section 10. General Provisions Applicable to Awards

(a) Each Award under the Plan shall be evidenced by a writing delivered to the Participant specifying the terms and conditions thereof and containing such other terms and conditions not inconsistent with the provisions of the Plan as the Board considers necessary or advisable to achieve the purposes of the Plan or comply with applicable tax and regulatory laws and accounting principles.

(b) Each Award may be granted alone, in addition to or in relation to any other Award. The terms of each Award need not be identical, and the Board need not treat Participants uniformly. Except as otherwise provided by the Plan or a particular Award, any determination with respect to an Award may be made by the Board at the time of grant or at any time thereafter.

(c) In the event of a consolidation, reorganization, merger or sale of all or substantially all of the assets of the Bank, in each case in which outstanding shares of Common Stock are exchanged for securities, cash or other property of any other corporation or business entity or in the event of a liquidation of the Bank, the Board will provide for any one or more of the following actions, as to outstanding Awards: (i) provide that such Awards shall be assumed, or equivalent Awards shall be substituted, by the acquiring or succeeding corporation (or an affiliate thereof), provided that any options substituted for Incentive Stock Options shall meet the requirements of Section 424(a) of the Code, (ii) upon written notice to the Participants, provide that all unexercised Options will terminate immediately prior to the consummation of such transaction unless exercised (to the extent then exercisable) by the Participant within a specified period following the date of such notice, (iii) in the event of a merger under the terms of which holders of the Common Stock of the Bank will receive upon consummation thereof a cash payment for each share surrendered in the merger (the "Merger Price"), make or provide for a cash payment to the Participants equal to the difference between (A) the Merger Price times the number of shares of Common Stock subject to outstanding Options (to the extent then exercisable at prices not in excess of the Merger Price) and (B) the aggregate exercise price of all such outstanding Options in exchange for the termination of such Options, or (iv) provide that all or any outstanding Awards shall become exercisable in full, or that the restrictions on such Awards shall lapse, immediately prior to such event.

(d) The Participant shall pay to the Bank, or make provision satisfactory to the Board for payment of, any taxes required by law to be withheld in respect of Options under the Plan no later than the date of the event creating the tax liability. In the Board's sole discretion, a Participant may elect to have such tax obligations paid, in whole or in part, in shares of Common Stock, including shares retained from the Option creating the tax obligation. For withholding tax purposes, the value of the shares of Common Stock shall be the Fair Market Value on the date the withholding obligation is incurred. The Bank may, to the extent permitted by law, deduct any such tax obligations from any payment of any kind otherwise due to the Participant.

(e) For purposes of the Plan, the following events shall not be deemed a termination of service of a Participant:

(i) a transfer to the employment of the Bank from a subsidiary or from the Bank to a subsidiary, or from one subsidiary to another, or

(ii) an approved leave of absence for military service or sickness, or for any other purpose approved by the Bank, if the Participant's right to reemployment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Board otherwise so provides in writing.

(f) The Board may at any time, and from time to time, amend, modify or terminate the Plan or any outstanding Award held by a Participant, including substituting therefore another Award of the same or a different type or changing the date of exercise or realization, provided that the Participant's consent to each action shall be required unless the Board determines that the action, taking into account any related action, would not materially and adversely affect the Participant, and further provided that no amendment increasing the number of shares subject to the Plan or decreasing the exercise price for any Option provided for under the Plan may be effectuated without the approval of the shareholders of the Bank; provided, however, that no such amendment or modification will be effective if such amendment or modification would cause the Plan to fail to comply with the requirements of Rule 16b-3 under the Act or any successor or replacement regulation.

(g) Notwithstanding anything in this Plan to the contrary, if the Bank's capital falls below the applicable minimum regulatory requirements, as determined by the Maryland Division of Financial Regulation or the Federal Deposit Insurance Corporation (the "FDIC"), the FDIC may direct the Bank to require the Participants to exercise or forfeit their rights under this Plan and in any agreement relating to an award of an Option (the "FDIC Direction"). The Bank shall cause a notice to be mailed to each Participant at least 20 days prior to the applicable record date for such exercise or forfeiture covered by this Section 9(g), which notice shall set forth the first and last date on which the Participant may exercise outstanding Options and the date that the Options will become null and void. The Bank's failure to give the notice required by this Section 9(g) or any defect therein shall not affect the validity of the FDIC Direction covered by this Section 9(g).

Section 11. Miscellaneous

(a) No person shall have any claim or right to be granted an Award, and the grant of an Award shall not be construed as giving a Participant the right to continued employment or service on the Bank's Board. The Bank expressly reserves the right at any time to dismiss a Participant free from any liability or claim under the Plan, except as expressly provided in the applicable Award.

(b) Nothing contained in the Plan shall prevent the Bank from adopting other or additional compensation arrangements.

(c) Subject to the provisions of the applicable Award, no Participant shall have any rights as a shareholder (including, without limitation, any rights to receive dividends, or non-cash distributions with respect to such shares) with respect to any shares of Common Stock to be distributed under the Plan until he or she becomes the holder thereof.

(d) Notwithstanding anything to the contrary expressed in this Plan, any provisions hereof that vary from or conflict with any applicable Federal or State securities laws (including any regulations promulgated thereunder) shall be deemed to be modified to conform to and comply with such laws.

(e) No member of the Board shall be liable for any action or determination taken or granted in good faith with respect to this Plan nor shall any member of the Board be liable for any agreement issued pursuant to this Plan or any grants under it. Each member of the Board shall be indemnified by the Bank against any losses incurred in such administration of the Plan, unless his action constitutes serious and willful misconduct.

(f) This Plan shall become effective upon its approval by the holders of two-thirds (2/3) of the Common Stock of the Bank entitled to vote thereon. Prior to such approval, Awards may be granted under the Plan expressly subject to such approval.

(g) Awards may not be granted under the Plan more than ten (10) years after approval of the Plan by the Bank's Shareholders, but then outstanding Awards may extend beyond such date.

(h) To the extent that State laws shall not have been preempted by any laws of the United States, the Plan shall be construed, regulated, interpreted and administered according to the other laws of the State of Maryland.

(i) A Participant in the Plan shall have no right to receive payment (in any form) with respect to his or her restricted Stock award until legal and contractual obligations of the Bank relating to establishment of the Plan and the making of such payments shall have been complied with in full. In addition, the Bank shall impose such restrictions on stock delivered to a Participant hereunder and any other interest constituting a security as it may deem advisable in order to comply with the Securities Act of 1933, as amended, the requirements of any stock exchange or automated quotation system upon which the stock is then listed or quoted, any applicable state securities laws, any provision of the Bank's certificate of incorporation or bylaws, or any other law, regulation, or binding contract to which the Bank is a party.

**AMENDMENT NO. 1 TO THE REVERE BANK 2008 EQUITY
COMPENSATION PLAN**

WHEREAS, the Board of Directors and the Shareholders of the Bank have previously approved the Revere Bank 2008 Equity Compensation Plan (the “Plan”);

WHEREAS, pursuant to Section 10(f) of the Plan, the Board may amend the Plan;

WHEREAS, after reviewing the terms of the Plan, this Board of Directors has determined that certain amendments to the Plan are appropriate and in the best interests of the Shareholders;

WHEREAS, the Board has previously approved the forging amendments to the Plan;

NOW, THEREFORE, the Plan is hereby amended as follows:

1. Section 6.1(c) of the Plan is hereby deleted in its entirety, and replaced with the following:

“(c) Vesting. Each Non-Qualified Stock Option shall be subject to such vesting period, if any, as shall be imposed by the Board pursuant to Section 3(a) hereof. Options which have not vested may not be exercised and shall be forfeited if the Participant’s service with the Bank ceases, unless otherwise provided for hereunder. Once an Option is vested, subject to the terms and condition of any agreement relating to the award of an Option and this Plan, including specifically Section 6.1(d) hereof, it shall remain exercisable for the time set forth in the Grant Agreement governing such Option.”

2. Section 6.1(d)(i) is hereby deleted in its entirety and replaced with the following:

“(i) Except as provided herein or in the agreement evidencing any Award, unless otherwise determined by the Board, upon the termination of the service of a Participant holding Non-Qualified Stock Options for any reason other than Disability, death, a Change in Control or Termination for Cause, the Participant's Non-Qualified Stock Options shall be exercisable only as to those shares which were immediately exercisable by the participant at the date of termination and only for one (1) year from the date of such termination.”

3. Section 7.1(d) of the Plan is hereby deleted in its entirety and replaced with the following:

“(d) Vesting. Each Incentive Stock Option shall be subject to such vesting period, if any, as the Board shall impose pursuant to Section 3(a) hereof. Options which have not vested may not be exercised, and shall be forfeited if the Participant’s service with the Bank ceases, unless otherwise provided for herein. Once an Award is vested, subject to the terms and conditions of any agreement relating to the award of an Option and this Plan, including specifically Section 7.1(e) hereof, it shall remain exercisable for the term set forth in the Grant Agreement governing the term of such Option.”

4. The first paragraph of Section 7.1(e) of the Plan is hereby deleted in its entirety and replaced with the following:

“(e) Termination of Service. Except as otherwise approved by the Board and reflected in the agreement evidencing any Award, upon the termination of a Participant's service for any reason other than Disability, death or Termination for Cause, the Participant's Incentive Stock Options which are then exercisable at the date of termination may only be exercised by the Participant for a period of three (3) months following termination. Notwithstanding any provisions set forth herein nor contained in any Agreement relating to an award of an Option, in the event of Termination for Cause all rights under the Participant's Incentive Stock Options shall expire immediately upon termination, and such Incentive Stock Options shall not be exercisable.”

5. Section 7.1(g) of the Plan is amended by adding the following after the first sentence thereof:

“In the event any Option granted under this Section 7 shall fail to qualify as an Incentive Stock Option for any reason, such Option shall remain outstanding and valid in accordance with its terms, but shall instead be treated as a Non-Qualified Stock Option, subject to the terms of Section 6 hereof.”

**AMENDMENT NO. 2 TO THE REVERE BANK 2008 EQUITY
COMPENSATION PLAN**

WHEREAS, the Board of Directors and the Shareholders of the Bank have previously approved the Revere Bank 2008 Equity Compensation Plan (as previously amended, the “Plan”);

WHEREAS, pursuant to Section 10(f) of the Plan, the Board may amend the Plan;

WHEREAS, after reviewing the terms of the Plan, this Board of Directors has determined that certain amendments to the Plan are appropriate and in the best interests of the Shareholders;

WHEREAS, the Board has previously approved the forging amendments to the Plan;

NOW, THEREFORE, the Plan is hereby amended as follows:

1. Section 6.1(d) of the Plan is hereby deleted in its entirety, and replaced with the following:

“(d) Termination of Service. Except as otherwise provided herein, and unless otherwise determined by the Board at the time of grant:

(i) Upon the termination of the service of a Participant who is not an employee for any reason other than Disability, death, a Change in Control or Termination for Cause, the Participant's Non-Qualified Stock Options shall be exercisable only as to those shares which were immediately exercisable by the participant at the date of termination and only for one (1) year from the date of such termination.

(ii) In the event of death or termination of service of a Participant who is not an employee as a result of a Change in Control or the Disability of any Participant, all Non-Qualified Stock Options held by the Participant, whether or not exercisable at such time, shall immediately become exercisable by the Participant or his legal representatives or beneficiaries of the Participant and shall remain exercisable for one (1) year from the date of such termination.

(iii) Upon the termination of the service of a Participant who is a common law employee of the Bank for any reason other than Disability, death, a Change in Control or Termination for Cause, the Participant's Non-Qualified Stock Options shall be exercised only as to those shares which were immediately exercisable by the Participant at the date of termination and only for a period of three (3) months following termination.

(iv) In the event of death or termination of service of Participant who is a common law employee of the Bank as a result of a Change in Control or the Disability of any such Participant, all Non-Qualified Stock Options held by such Participant, whether or not exercisable at such time, shall immediately become exercisable by the Participant or his legal representatives or beneficiaries of the Participant and shall remain exercisable for a period of six (6) months.

(v) Notwithstanding any other provisions set forth herein to the contrary nor any provision contained in any agreement relating to the award of an Option, in the event of a Termination for Cause, all of the Participant's Non-Qualified Stock Options shall immediately expire upon such Termination for Cause and shall not be exercisable, regardless of whether such Non-Qualified Stock Options were vested.”

BLUE RIDGE BANK
2008 STOCK OPTION PLAN

ARTICLE 1
ESTABLISHMENT, PURPOSE, AND DURATION

1.1 ESTABLISHMENT OF THE PLAN. BlueRidge Bank, a Maryland-chartered commercial bank (hereinafter referred to as the "Bank"), establishes an equity compensation plan to be known as the BlueRidge Bank 2008 Stock Option Plan (hereinafter referred to as the "Plan"), as set forth in this document.

The Plan permits the grant of Nonqualified Stock Options and Incentive Stock Options.

The Plan is effective as of September 23, 2008 (the "Effective Date") and shall remain in effect as provided in Section 1.3 hereof.

1.2 PURPOSE OF THE PLAN. The purpose of the Plan is to promote the success and enhance the value of the Bank and its Affiliates by linking the personal interests of the Participants to those of the Bank's stockholders, and by providing Participants with an incentive for outstanding performance.

The Plan is further intended to provide flexibility to the Bank in its ability to motivate, attract, and retain the services of Participants upon whose judgment, interest, and special effort the successful conduct of its operation largely is dependent.

1.3 DURATION OF THE PLAN. The Plan shall commence as of the Effective Date, as described in Section 1.1 herein, and shall remain in effect, subject to the right of the Committee or the Board to amend or terminate the Plan at any time pursuant to Article 10 herein, until the earlier of (i) the tenth anniversary of the Effective Date, or (ii) such time as all Shares subject to the Plan have been purchased or acquired according to the Plan's provisions.

ARTICLE 2
DEFINITIONS

Whenever used in the Plan, the following terms shall have the meaning set forth below, and when the meaning is intended, the initial letter of the word shall be capitalized.

"**AFFILIATE**" shall mean any entity that directly, or through one or more intermediaries, controls, is controlled by or is under common control with, the Bank as determined by the Committee.

"**AWARD**" means, individually or collectively, a grant under this Plan of NQSOs or, ISOs in each case subject to the terms of this Plan.

"**AWARD AGREEMENT**" means either (i) a written agreement entered into by the Bank and a Participant setting forth the terms and provisions applicable to Awards granted under this Plan; or (ii) a written statement issued by the Bank to a Participant describing the terms and provisions of such Award.

"BANK" means BlueRidge Bank, a Maryland-chartered commercial bank, and any successor thereto as provided in Article 12 herein.

"BENEFICIAL OWNER" OR "BENEFICIAL OWNERSHIP" shall have the meaning ascribed to such term in rule 13d-3 of the General Rules and Regulations under the Exchange Act.

"BOARD" OR "BOARD OF DIRECTORS" means the Board of Directors of the Bank.

"CAUSE" means (i) the willful failure by the Participant to perform substantially the Participant's duties as an Employee or Director (other than due to physical or mental illness) after reasonable notice to the Participant of such failure, (ii) the Participant's engaging in serious misconduct that is injurious to the Bank or any Affiliate in any way, including, but not limited to, by way of damage to their respective reputations or standings in their respective industries, (iii) the Participant's having been convicted of, or having entered a plea of nolo contendere to, a crime that constitutes a felony or (iv) the breach by the Participant of any written covenant or agreement with the Bank or any Affiliate not to disclose or misuse any information pertaining to, or misuse any property of, the Bank or any Affiliate or not to compete or interfere with the Bank or any Affiliate.

"CHANGE OF CONTROL" shall occur if any of the following events occur:

- (i) Any Person acquires Beneficial Ownership, directly or indirectly, of securities of the Bank representing twenty-five percent (25%) or more of the combined Voting Power of the Bank's securities;
- (ii) Within any twenty-four (24) month period, the individuals who were Directors of the Bank at the beginning of such period (the "Incumbent Directors") shall cease to constitute at least a majority of the Board of Directors or the board of directors of any successor to the Bank; provided, however, that any Director elected or nominated for election to the Board by a majority of the Incumbent Directors then still in office shall be deemed to be an Incumbent Director for purposes of this (ii); or
- (iii) The stockholders of the Bank approve a merger, consolidation, share exchange, division, sale or other disposition of all or substantially all of the assets of the Bank which is consummated (a "Corporate Event"), and immediately following the consummation of which the stockholders of the Bank immediately prior to such Corporate Event do not hold, directly or indirectly, a majority of the Voting Power of (i) in the case of a merger or consolidation, the surviving or resulting corporation, (ii) in the case of a share exchange, the acquiring corporation, or (iii) in the case of a division or a sale or other disposition of assets, each surviving, resulting or acquiring corporation which, immediately following the relevant Corporate Event, holds more than twenty-five percent (25%) of the consolidated assets of the Bank immediately prior to such Corporate Event.

"CHANGE OF CONTROL PRICE" means the highest price per share of Shares offered in conjunction with any transaction resulting in a Change of Control (as determined in good faith by the Committee if any part of the offered price is payable other than in cash) or, in the case of a Change of Control occurring solely by reason of a change in the composition of the Board, the highest Fair Market Value of the common stock on any of the thirty (30) trading days immediately preceding the date on which a Change of Control occurs.

"CODE" means the U.S. Internal Revenue Code of 1986, as amended from time to time, or any successor thereto.

"COMMITTEE" means the Compensation Committee of the Board of Directors, or any other duly authorized committee of the Board appointed by the Board to administer the Plan.

"DIRECTOR" means any individual who is a member of the Board or the Board of Directors of an Affiliate who is also not an employee of the Bank or an Affiliate.

"EMPLOYEE" means any employee of the Bank or an Affiliate. Directors who are not otherwise employed by the Bank or an Affiliate shall not be considered Employees under this Plan.

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended from time to time, or any successor act thereto.

"FAIR MARKET VALUE" or **"FMV"** means a price determined by the Committee based on objective criteria. If Shares are at any time traded on an established stock exchange or market, FMV shall mean the closing selling price of a Share on the applicable date, the preceding trading day, the next succeeding trading day, or an average of trading days, as determined by the Committee in its discretion.

"FISCAL YEAR" means the year commencing on January 1 and ending December 31 or other time period as approved by the Board.

"INCENTIVE STOCK OPTION" or **"ISO"** means an Option to purchase Shares granted under Article 6 herein and that is designated as an Incentive Stock Option and is intended to meet the requirements of Section 422 of the Code, or any successor provision.

"NONQUALIFIED STOCK OPTION" or **"NQSO"** means an Option to purchase Shares, granted under Article 6 herein, which is not intended to be an Incentive Stock Option or that otherwise does not meet such requirements.

"OPTION" means the conditional right to purchase Shares at a stated Option Price for a specified period of time in the form of an Incentive Stock Option or a Nonqualified Stock Option subject to the terms of this Plan.

"OPTION PRICE" means the price at which a Share may be purchased by a Participant pursuant to an Option, as determined by the Committee.

"PARTICIPANT" means an Employee or Director who has been selected to receive an Award, or who has an outstanding Award granted under the Plan.

"PERSON" shall have the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including a "group" as defined in Section 13(d) thereof; provided, however, that "Person" shall not include (i) the Bank or any Affiliate, or (ii) any employee benefit plan (including an employee stock ownership plan) sponsored by the Bank or any Affiliate.

"SHARES" means the shares of common stock of the Bank, \$1.25 par value per Share.

"VOTING POWER" shall mean such number of Voting Securities as shall enable the holders thereof to cast all the votes which could be cast in an annual election of directors of a bank or other corporation.

"VOTING SECURITIES" shall mean all securities entitling the holders thereof to vote in an annual election of directors of a bank or other corporation.

ARTICLE 3 ADMINISTRATION

3.1 GENERAL. The Committee shall be responsible for administering the Plan. The Committee may employ attorneys, consultants, accountants, agents, and other individuals, any of whom may be an Employee or agent, and the Committee, the Bank, and its officers and Directors shall be entitled to rely upon the advice, opinions, or valuations of any such persons. All actions taken and all interpretations and determinations made by the Committee shall be final, conclusive, and binding upon the Participants, the Bank, and all other interested parties.

3.2 AUTHORITY OF THE COMMITTEE. The Committee shall have full and exclusive discretionary power to interpret the terms and the intent of the Plan and any Award Agreement or other agreement ancillary to or in connection with the Plan, to determine eligibility for Awards, and to adopt such rules, regulations, and guidelines for administering the Plan as the Committee may deem necessary or proper. Such authority shall include, but not be limited to, selecting Award recipients, establishing all Award terms and conditions and, subject to Article 10, adopting modifications and amendments to the Plan or any Award Agreement.

3.3 DELEGATION. The Committee may delegate to one or more of its members or to one or more officers of the Bank or its Affiliates, any of its duties or powers as it may deem advisable; provided, however, that the Committee may not delegate any of its non-administrative powers with respect to Awards; and provided further, that such member(s) or officer(s) shall report periodically to the Committee regarding the nature and scope of the Awards granted pursuant to the authority delegated pursuant to this Section 3.3. Subject to the terms of the previous sentence, the Committee may delegate to any individual(s) such administrative duties or powers as it may deem advisable.

ARTICLE 4 SHARES SUBJECT TO THE PLAN AND MAXIMUM AWARDS

4.1 NUMBER OF SHARES AVAILABLE FOR AWARDS. Subject to adjustment as provided in Section 4.2 herein, the number of Shares hereby reserved for issuance to Participants under the Plan shall be 270,000 (such total number of Shares, the "Total Share Authorization").

Any Shares related to Awards that terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such Shares shall be available again for grant under the Plan. Moreover, if the Option Price of any Option granted under the Plan is satisfied by tendering Shares to the Bank (by either actual delivery or by attestation), only the number of Shares issued, net of the Shares tendered, if any, will be deemed delivered for purposes of determining the maximum number of Shares available for issuance under the Plan. The Shares available for issuance under the Plan may be authorized and unissued Shares or treasury Shares. The maximum aggregate number of Shares that may be granted in the form of Options, pursuant to any Award granted in any one Fiscal Year to any one Participant, shall be 100,000.

4.2 ADJUSTMENTS IN AUTHORIZED SHARES. In the event of any corporate event or transaction (including, but not limited to, a change in the Shares of the Bank or the capitalization of the Bank) such as a merger, consolidation, reorganization, recapitalization, separation, stock dividend, extraordinary dividend, stock split, reverse stock split, split up, spin-off, or other distribution of stock or property of the Bank, combination of securities, exchange of securities, dividend in kind, or other like change in capital structure or distribution (other than normal cash dividends) to stockholders of the Bank, or any similar corporate event or transaction, the number and kind of Shares that may be issued under the Plan and the number and kind of Shares subject to outstanding Awards shall automatically be adjusted proportionately.

The Committee, in its sole discretion, may also make other appropriate adjustments in the terms of Awards issued under the Plan and may modify any other terms of outstanding Awards. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Plan Participants.

Subject to the provisions of Article 9 and any applicable law or regulatory requirement, without affecting the number of Shares reserved or available hereunder, the Committee may authorize the issuance, assumption, substitution, or conversion of Awards under this Plan in connection with any such corporate event or transaction upon such terms and conditions as it may deem appropriate. Additionally, the Committee may amend the Plan, or adopt supplements to the Plan, in such manner as it deems appropriate to provide for such issuance, assumption, substitution, or conversion as provided in the previous sentence.

ARTICLE 5 ELIGIBILITY AND PARTICIPATION

5.1 ELIGIBILITY. Individuals eligible to participate in the Plan include all Employees and Directors designated by the Board of Directors as eligible.

5.2 ACTUAL PARTICIPATION. Subject to the provisions of the Plan, the Committee may from time to time, select from all eligible Employees and Directors, those to whom Awards shall be granted and shall determine in its discretion, the nature, terms, and amount of each Award.

ARTICLE 6 STOCK OPTIONS

6.1 GRANT OF OPTIONS. Subject to the terms and provisions of the Plan, Options may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee in its discretion. Notwithstanding the foregoing, no ISOs may be granted more than ten (10) years after the earlier of (a) adoption of the Plan by the Board, and (b) the Effective Date.

6.2 AWARD AGREEMENT. Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the duration of the Option, the number of Shares to which the Option pertains, the conditions upon which an Option shall become vested and exercisable, and any such other provisions as the Committee shall determine. The Award Agreement also shall specify whether the Option is intended to be an ISO or a NQSO.

6.3 OPTION PRICE. The Option Price for each grant of an Option under this Plan shall be determined by the Committee and shall be specified in the Award Agreement. The Option Price shall be not less than one hundred percent (100%) of the FMV of the Shares on the date of grant, provided that, in the case of a Participant who owns more than ten percent (10%) of the total combined voting power of all classes of stock of the Bank, the Option Price shall not be less than 110% of the FMV of the Shares on the date of grant.

6.4 DURATION OF OPTIONS. Each Option granted to a Participant shall expire at such time as the Committee shall determine at the time of grant; provided, however, that no Option shall be exercisable later than the tenth (10th) anniversary date of its grant; provided further, that in the case of a Participant who owns more than ten percent (10%) of the total combined voting power of all classes of stock of the Bank, no option shall be exercisable later than the fourth (5th) anniversary of the date of its grant.

6.5 EXERCISE OF OPTIONS. Options granted under this Article 6 shall be exercisable at such times and on the occurrence of such events, and be subject to such restrictions and conditions, as the Committee shall in each instance approve, which need not be the same for each grant or for each Participant.

6.6 PAYMENT. Options granted under this Article 6 shall be exercised by the delivery of a notice of exercise to the Bank or an agent designated by the Bank in a form specified or accepted by the Committee, or by complying with any alternative procedures which may be authorized by the Committee, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment for the Shares.

The Option Price upon exercise of any Option shall be payable to the Bank in full either: (a) in cash or its equivalent; (b) by tendering (either by actual delivery or attestation) previously acquired Shares having an aggregate FMV at the time of exercise equal to the total Option Price; (c) by a combination of (a) and (b); or (d) any other method approved or accepted by the Committee in its sole discretion subject to such rules and regulations as the Committee may establish. Cashless exercise of the Option is also permissible provided that the Participant concurrently provides irrevocable instructions (i) to his or her broker or dealer to effect the immediate sale of the purchased Shares and remit to the Bank out of sale proceeds available on the settlement date, sufficient funds to cover the Option Price and (ii) to Bank to deliver the certificates for such Shares of Stock directly to such broker or dealer in order to complete the sale.

Subject to Section 6.7 and any governing rules or regulations, as soon as practicable after receipt of a notification of exercise and full payment, the Committee shall cause to be delivered to the Participant Share certificates or evidence of book entry Shares in an appropriate amount based upon the number of Shares purchased under the Option(s). Unless otherwise determined or accepted by the Committee, all payments in cash shall be paid in United States dollars.

6.7 RESTRICTIONS ON SHARE TRANSFERABILITY. The Committee may impose such restrictions on any Shares acquired pursuant to the exercise of an Option granted pursuant to this Plan as it may deem advisable, including, without limitation, requiring the Participant to hold the Shares acquired pursuant to exercise for a specified period of time, or restrictions under applicable laws or under the requirements of any stock exchange or market upon which such Shares are listed and/or traded.

6.8 TERMINATION OF EMPLOYMENT OR SERVICE. Each Participant's Award Agreement shall set forth the extent to which the Participant shall have the right to exercise the Option following termination of the Participant's employment with the Bank or Affiliates. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the Award Agreement entered into with each Participant, need not be uniform among all Options issued pursuant to this Article 6, and may reflect distinctions based on the reasons for termination; provided, however, that no Option shall be exercisable more than three months following a Participant's termination of employment for a reason other than death or disability. If a Participant is terminated as a result of death or disability, no exercise of an Option may occur after the expiration of the one-year period following the termination, or if earlier, the expiration of the term of the Option as provided under Section 6.4.

6.9 NONTRANSFERABILITY OF OPTIONS.

- (a) INCENTIVE STOCK OPTIONS. No ISO granted under the Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, all ISOs granted to a Participant under this Article 6 shall be exercisable during his or her lifetime only by such Participant.

- (b) NONQUALIFIED STOCK OPTIONS. Except as otherwise provided in a Participant's Award Agreement at the time of grant, or thereafter by the Committee, NQSO granted under this Article 6 may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, except as otherwise provided in a Participant's Award Agreement at the time of grant or thereafter by the Committee, all NQSOs granted to a Participant under this Article 6 shall be exercisable during the Participant's lifetime only by such Participant.

6.10 NOTIFICATION OF DISQUALIFYING DISPOSITION. The Participant will notify the Bank upon the disposition of Shares issued pursuant to the exercise of an ISO or Shares received as a dividend on ISO stock. The Bank will use such information to determine whether a disqualifying disposition as described in Section 421(b) of the Code has occurred.

ARTICLE 7 BENEFICIARY DESIGNATION

A Participant's "beneficiary" is the person or persons entitled to receive payments or other benefits or exercise rights that are available under the Plan in the event of the Participant's death. A Participant may designate a beneficiary or change a previous beneficiary designation at such times prescribed by the Committee by using forms and following procedures approved or accepted by the Committee for that purpose. If no beneficiary designated by the Participant is eligible to receive payments or other benefits or exercise rights that are available under the Plan at the Participant's death the beneficiary shall be the Participant's estate.

Notwithstanding the provisions above, the Committee may in its discretion, after notifying the affected Participants, modify the foregoing requirements, institute additional requirements for beneficiary designations, or suspend the existing beneficiary designations of living Participants or the process of determining beneficiaries under this Article 7, or both, in favor of another method of determining beneficiaries.

ARTICLE 8 RIGHTS OF EMPLOYEES AND AGENTS

8.1 EMPLOYMENT. Nothing in the Plan or an Award Agreement shall interfere with or limit in any way the right of the Bank or an Affiliate to terminate any Participant's employment or other service relationship at any time, nor confer upon any Participant any right to continue in the capacity in which he or she is employed or otherwise serves the Bank or an Affiliate.

Neither an Award nor any benefits arising under this Plan shall constitute part of an employment contract with the Bank or an Affiliate and, accordingly, subject to the terms of this Plan, this Plan may be terminated or modified at any time in the sole and exclusive discretion of the Committee without giving rise to liability on the part of the Bank or an Affiliate for severance payments or otherwise except as provided in this Plan.

For purposes of the Plan, unless otherwise provided by the Committee, transfer of employment of a Participant between the Bank and an Affiliate or among Affiliates, shall not be deemed a termination of employment. The Committee may stipulate in a Participant's Award Agreement or otherwise the conditions under which a transfer of employment or Agency to an entity that is spun-off from the Bank or an Affiliate, if any, shall not be deemed a termination of employment for purposes of an Award.

8.2 PARTICIPATION. No Employee or Director shall have the right to be selected to receive an Award. No Employee or Director, having been selected to receive an Award, shall have the right to be selected to receive a future Award or (if selected to receive such a future Award) the right to receive such a future Award on terms and conditions identical or in proportion in any way to any prior Award.

8.3 RIGHTS AS A STOCKHOLDER. Except as specifically provided for in this Plan or an Award Agreement, a Participant shall have none of the rights of a stockholder with respect to Shares covered by any Award until the Participant becomes the record holder of such Shares.

ARTICLE 9 CHANGE OF CONTROL

9.1 ACCELERATED VESTING AND PAYMENT. Subject to the provisions of Section 9.2 or as otherwise provided in the Award Agreement, in the event of a Change of Control, unless otherwise specifically prohibited under law or by the rules and regulations of a national security exchange:

- (a) Any and all Options granted to Employees hereunder shall become immediately exercisable; additionally, if an Employee's employment or service is involuntarily terminated for any reason except Cause within twelve (12) months of such Change of Control, the Employee shall have until the earlier of (i) twelve (12) months following such termination date, or (ii) the term of the Option, to exercise such Options;
- (b) If the Change of Control occurs after the third anniversary of the chartering of the Bank, any and all Options granted to Directors hereunder shall become immediately exercisable; and

- (c) Subject to the provisions of Section 9.1(b), the Committee shall have the ability to unilaterally determine that all outstanding Awards are cancelled upon a Change in Control, and the value of such Awards, as determined by the Committee in accordance with the terms of the Plan and the Award Agreement, be paid out in cash in an amount based on the Change of Control Price within a reasonable time subsequent to the Change in Control; provided, however, that no such payment shall be made on account of an ISO using a value higher than the FMV on the date of settlement.

9.2 ALTERNATIVE AWARDS. Notwithstanding Section 9.1, no cash settlement or other payment shall occur with respect to any Award if the Committee reasonably determines in good faith prior to the occurrence of a Change of Control that such Award shall be honored or assumed, or new rights substituted therefor (such honored, assumed or substituted Award hereinafter called an "Alternative Award") by any successor as described in Article 12; provided that any such Alternative Award must:

- (a) Be based on stock which is traded on an established U.S. securities market, or that the Committee reasonably believes will be so traded within sixty (60) days after the Change of Control;
- (b) Provide such Participant with rights and entitlements substantially equivalent to or better than the rights, terms and conditions applicable under such Award, including, but not limited to, an identical or better exercise or vesting schedule and identical or better timing and methods of payment;
- (c) Have substantially equivalent economic value to such Award (determined at the time of the Change of Control); and
- (d) Have terms and conditions which provide that in the event that the Participant's employment is involuntarily terminated or constructively terminated, any conditions on a Participant's rights under, or any restrictions on transfer or exercisability applicable to, each such Alternative Award shall be waived or shall lapse, as the case may be.

ARTICLE 10 AMENDMENT, MODIFICATION, SUSPENSION, AND TERMINATION

10.1 AMENDMENT, MODIFICATION, SUSPENSION, AND TERMINATION. The Committee or Board may, at any time and from time to time, alter, amend, modify, suspend, or terminate the Plan in whole or in part; provided however, that:

- (a) Without the prior approval of the Bank's stockholders, Options issued under the Plan will not be repriced, replaced, or regranted through cancellation or by lowering the exercise price of a previously granted Option.
- (b) To the extent necessary under any applicable law, regulation or exchange requirement, no amendment shall be effective unless approved by the stockholders of the Bank in accordance with applicable law, regulation, or exchange requirement.

10.2 ADJUSTMENT OF AWARDS UPON THE OCCURRENCE OF CERTAIN UNUSUAL OR NONRECURRING EVENTS. The Committee may make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 4.2 hereof) affecting the Bank or the financial statements of the Bank or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent unintended dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under the Plan.

10.3 AWARDS PREVIOUSLY GRANTED. Notwithstanding any other provision of the Plan to the contrary, no termination, amendment, suspension, or modification of the Plan shall adversely affect in any material way any Award previously granted under the Plan, without the written consent of the Participant holding such Award.

10.4 BANK REGULATION. The terms and conditions of each Award granted shall comply with applicable banking laws and regulations. Awards are subject to exercise or forfeiture upon the direction of the Maryland Commissioner of Financial Regulation or the Federal Deposit Insurance Corporation (or any other state or federal agency having primary regulatory jurisdiction over the Bank) if the Bank's capital falls below applicable minimum regulatory requirements.

ARTICLE 11 WITHHOLDING

The Bank or any Affiliate shall have the power and the right to deduct or withhold, or require a Participant to remit to the Bank or any Affiliate, an amount sufficient to satisfy federal, state, and local taxes, domestic or foreign (including the Participant's FICA obligation), required by law or regulation to be withheld with respect to any taxable event resulting or arising from this Plan. The Committee may provide for Participants to satisfy withholding requirements by having the Bank withhold Shares or the Participant making such other arrangements, in either case on such conditions as the Committee specifies.

ARTICLE 12 SUCCESSORS

Any obligations of the Bank or an Affiliate under the Plan with respect to Awards granted hereunder, shall be binding on any successor to the Bank or Affiliate, respectively, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Bank or Affiliate, as applicable.

ARTICLE 13 GENERAL PROVISIONS

13.1 FORFEITURE EVENTS. Without limiting in any way the generality of the Committee's power to specify any terms and conditions of an Award consistent with law, and for greater clarity, the Committee may specify in an Award Agreement that the Participant's rights, payments, and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture, or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting of an Award. Such events shall include, but shall not be limited to, failure to accept the terms of the Award Agreement, termination of employment or service under certain or all circumstances, violation of material Bank and Affiliate policies, breach of noncompetition, confidentiality, nonsolicitation, noninterference, corporate property protection, or other agreement that may apply to the Participant, or other conduct by the Participant that is detrimental to the business or reputation of the Bank and Affiliates.

13.2 LEGEND. The certificates for Shares may include any legend that the Committee deems appropriate to reflect any restrictions on transfer of such Shares.

13.3 DELIVERY OF TITLE. The Bank shall have no obligation to issue or deliver evidence of title for Shares issued under the Plan prior to:

- (a) Obtaining any approvals from governmental agencies that the Bank determines are necessary or advisable; and

- (b) Completion of any registration or other qualification of the Shares under any applicable national or foreign law or ruling of any governmental body that the Bank determines to be necessary or advisable.

13.4 INVESTMENT REPRESENTATIONS. The Committee may require each Participant receiving Shares pursuant to an Award under this Plan to represent and warrant in writing that the Participant is acquiring the Shares for investment and without any present intention to sell or distribute such Shares.

13.5 UNCERTIFICATED SHARES. To the extent that the Plan provides for issuance of certificates to reflect the transfer of Shares, the transfer of such Shares may be effected on a noncertificated basis to the extent not prohibited by applicable law or the rules of any stock exchange.

13.6 UNFUNDED PLAN. Participants shall have no right, title, or interest whatsoever in or to any investments that the Bank or an Affiliate may make to aid it in meeting its obligations under the Plan. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Bank or an Affiliate and any Participant, beneficiary, legal representative, or any other person. Awards shall be general, unsecured obligations of the Bank, except that if an Affiliate executes an Award Agreement instead of the Bank the Award shall be a general, unsecured obligation of the Affiliate and not any obligation of the Bank. To the extent that any individual acquires a right to receive payments from the Bank or an Affiliate, such right shall be no greater than the right of an unsecured general creditor of the Bank or Affiliate, as applicable. All payments to be made hereunder shall be paid from the general funds of the Bank or Affiliate, as applicable, and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of such amounts except as expressly set forth in the Plan. The Plan is not intended to be subject to ERISA.

13.7 NO FRACTIONAL SHARES. No fractional Shares shall be issued or delivered pursuant to the Plan or any Award Agreement. In such an instance, unless the Committee determines otherwise, fractional Shares and any rights thereto shall be forfeited or otherwise eliminated.

13.8 OTHER COMPENSATION AND BENEFIT PLANS. Nothing in this Plan shall be construed to limit the right of the Bank or an Affiliate to establish other compensation or benefit plans, programs, policies, or arrangements. Except as may be otherwise specifically stated in any other benefit plan, policy, program, or arrangement, no Award shall be treated as compensation for purposes of calculating a Participant's rights under any such other plan, policy, program, or arrangement.

13.9 NO CONSTRAINT ON CORPORATE ACTION. Nothing in this Plan shall be construed (i) to limit, impair or otherwise affect the Bank's or an Affiliate's right or power to make adjustments, reclassifications, reorganizations or changes of its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell, or transfer all or any part of its business or assets, or (ii) to limit the right or power of the Bank or an Affiliate to take any action which such entity deems to be necessary or appropriate.

ARTICLE 14 LEGAL CONSTRUCTION

14.1 GENDER AND NUMBER. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular, and the singular shall include the plural.

14.2 SEVERABILITY. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

14.3 REQUIREMENTS OF LAW. The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required. The Bank or an Affiliate shall receive the consideration required by law for the issuance of Awards under the Plan.

The inability of the Bank or an Affiliate to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Bank's or the Affiliate's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Bank or Affiliate of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

14.4 GOVERNING LAW. The Plan and each Award Agreement shall be governed by the laws of the State of Maryland, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction.

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-235279) pertaining to the employees' compensation Plans of Sandy Spring Bancorp, Inc. of our reports dated February 21, 2020 with respect to the consolidated financial statements of Sandy Spring Bancorp, and the effectiveness of internal control over financial reporting of Sandy Spring Bancorp, included in its Annual Report (Form 10-K) for the year ended December 31, 2019, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

Tysons, Virginia

April 1, 2020
