



**MERCHANTS & MARINE BANCORP, INC.**

**MERCHANTS & MARINE BANCORP, INC.**

**3118 Pascagoula Street**  
**Pascagoula, Mississippi 39567**  
**228-762-3311**

**March 27, 2025**

Dear Shareholder:

You are cordially invited to attend our 2025 annual meeting of shareholders, which will be held at Pelican Landing Conference Center, 6217 Highway 613, Moss Point, Mississippi 39563, on May 1, 2025. We sincerely hope that you will be able to attend the meeting, and we look forward to seeing you. We will also livestream the meeting over the Internet. The morning of the event, a link will be provided on the Investor Relations page of the Bank's website at [www.mandmbank.com/investor-relations/](http://www.mandmbank.com/investor-relations/) to a live stream of the annual meeting where you will be able to view the meeting virtually. You will not be able to vote your proxy on the virtual live stream of the annual meeting.

The attached notice of the annual meeting and proxy statement describes the formal business to be transacted at the meeting. We will also report on our operations for the year ended December 31, 2024, as well as our plans for the future. Your attention is directed to the proxy statement accompanying this letter. Please take this opportunity to be involved in the affairs of Merchants & Marine Bancorp, Inc.

**Whether or not you expect to be present at the meeting, please vote and submit your proxy as soon as possible. You may vote by mailing the enclosed proxy card (which you must sign) to us in the envelope provided or over the Internet or by telephone, in each case by following the instructions in the enclosed proxy card.** This will not prevent you from voting in person at the meeting but will help to secure a quorum and avoid added solicitation costs. If you submit your proxy and later decide to attend the meeting in person, you may withdraw your proxy at any time and vote your shares in person at the meeting. In addition, this will not prevent you from changing your vote. If you submit your proxy and later decide to change your vote, you may revoke your proxy at any time as provided in the accompanying proxy statement.

Thank you for your continued support.

Sincerely,

Royce Cumbest  
Chairman of the Board of Directors

Clayton L. Legear  
President and Chief Executive Officer



**MERCHANTS & MARINE BANCORP, INC.**

**3118 Pascagoula Street**  
**Pascagoula, Mississippi 39567**  
**228-762-3311**

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**NOTICE OF THE ANNUAL MEETING OF SHAREHOLDERS**  
**TO BE HELD MAY 1, 2025**

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The annual meeting (together with any adjournment or postponement thereof, the "Meeting") of shareholders of Merchants & Marine Bancorp, Inc. (the "Company") will be held on May 1, 2025, at 10:00 A.M. Central Daylight Time at Pelican Landing Conference Center, 6217 Highway 613, Moss Point, Mississippi 39563, for the following purposes:

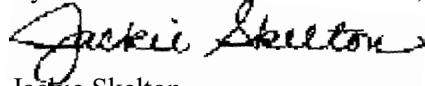
1. To elect three nominees to the Company's Board of Directors to serve for a term of office expiring at the 2028 Annual Meeting of Shareholders, and, in each case, until their respective successors are duly elected and qualified;
2. To ratify the appointment of T.E. Lott & Company as the Company's independent auditor for the year ending December 31, 2025;
3. To approve an amendment to the Company's Articles of Incorporation to set the minimum number of directors at five by amending in its entirety Section (a) of Article EIGHTH of the Articles of Incorporation
4. To approve the Merchants & Marine Bancorp, Inc. 2025 Equity Incentive Plan; and
5. To transact such other business as may properly come before the Meeting.

The Company's Board of Directors has set the close of business on March 12, 2025, as the record date for determining the shareholders who are entitled to notice of, and to vote at the Meeting or any postponement or adjournment thereof.

The Company hopes that you will be able to attend the Meeting. The Company asks, however, whether or not you plan to attend the Meeting that you **vote and submit your proxy as soon as possible. You may vote by mailing the enclosed proxy card (which you must sign) to the Company in the envelope provided or you may vote over the Internet or by telephone, in each case by following the instructions in the enclosed proxy card.** Promptly voting and submitting your proxy will help ensure that the greatest number of shareholders are present whether in person or by proxy.

If you attend the Meeting in person, you may revoke your proxy at the Meeting and vote your shares in person. You may revoke your proxy at any time before the proxy is exercised. Should you desire to revoke your proxy other than in person at the Meeting, you may do so as provided in the accompanying proxy statement.

By order of the Board of Directors,



Jackie Skelton

Secretary to the Board of Directors

Pascagoula, Mississippi  
March 27, 2025



**PROXY STATEMENT  
FOR  
ANNUAL MEETING OF SHAREHOLDERS  
OF MERCHANTS & MARINE BANCORP, INC.**

**TO BE HELD ON MAY 1, 2025**

**INTRODUCTION**

This proxy statement is furnished to shareholders of Merchants & Marine Bancorp, Inc., a Mississippi corporation (the “Company”), in connection with the solicitation of proxies by the Company’s Board of Directors (the “Board of Directors” or the “Board”) for use at the Company’s 2025 Annual Meeting of Shareholders to be held at 10:00 A.M. Central Daylight Time at Pelican Landing Conference Center, 6217 Highway 613, Moss Point, Mississippi 39563 on May 1, 2025, and at any adjournments or postponements thereof (the “Annual Meeting”), for the purposes set forth in the foregoing Notice of the Annual Meeting of Shareholders. This proxy statement was mailed to shareholders of the Company on or about March 27, 2025.

The following proposals will be considered and voted upon at the Annual Meeting:

- (1) Election of three nominees to the Company’s Board of Directors, each to serve for a term of office expiring at the 2028 Annual Meeting of Shareholders, and, in each case, until their respective successors are duly elected and qualified;
- (2) Ratification of the appointment of T.E. Lott & Company as the Company’s independent auditor for 2025;
- (3) Approval of the amendment to the Company’s Articles of Incorporation to set the minimum number of directors at five by amending in its entirety Section (a) of Article EIGHTH of the Articles of Incorporation;
- (4) Approval of the Merchants & Marine Bancorp, Inc. 2025 Equity Incentive Plan; and
- (5) Transaction of such other business as may properly come before the Annual Meeting.

**IMPORTANT MEETING AND VOTING INFORMATION**

*Proxy Voting Procedures*

If you vote and submit and do not revoke your proxy, the persons appointed as proxies will vote your shares according to the instructions you have specified on the proxy card. If you submit your executed proxy card but do not specify how the persons appointed as proxies are to vote your shares, your proxy will be voted as follows:

- FOR the election of all nominees for election as directors;
- FOR the ratification of T.E. Lott & Company as the Company’s independent auditor for the year ending December 31, 2025;

- FOR the approval of the amendment to the Company's Articles of Incorporation to set the minimum number of directors at five by amending in its entirety Section (a) of Article EIGHTH of the Articles of Incorporation;
- FOR the approval of the Merchants & Marine Bancorp, Inc. 2025 Equity Incentive Plan; and
- In the best judgment of the persons appointed as proxies as to all other matters properly brought before the Annual Meeting.

If any nominee for election to the Board named in this proxy statement becomes unavailable to serve for any reason, the proxy may be voted FOR a substitute nominee selected by the Board or a vacancy will occur on the Board of Directors, which, if not eliminated by the directors by reducing the size of the Board, may be filled later by action of the shareholders.

You can revoke your proxy at any time before it is voted by (i) delivering to Jackie Skelton, Secretary, Merchants & Marine Bancorp, Inc., either a written revocation of the proxy or a duly executed proxy card bearing a later date or (ii) submitting a new proxy over the Internet or by telephone (only your last proxy submitted prior to the Annual Meeting will count). You may also revoke your proxy by attending the Annual Meeting in person and voting by written ballot.

#### *Quorum Requirements*

The presence, in person or by proxy, of the holders of at least a majority of the shares of the Company's common stock outstanding and entitled to vote at the Annual Meeting will constitute a quorum for the transaction of business at the Annual Meeting. The aggregate number of votes entitled to be cast by all shareholders present in person or represented by proxy at the Annual Meeting, whether those shareholders vote "for", "against", "withhold authority" or "abstain" from voting, will be counted for purposes of determining whether a quorum is present.

#### *Impact of Broker Non-Votes*

A "non-vote" occurs when a nominee holding shares for a beneficial owner votes on one (1) proposal, but does not vote on another proposal because the nominee does not have discretionary voting power and has not received instructions from the beneficial owner. Pursuant to the rules of the New York Stock Exchange (the "NYSE"), if you hold your shares in "street name" through a broker or other nominee and your broker does not receive voting instructions from you, your broker will not be able to vote your shares in the election of directors, the amendment of the Company's Articles of Incorporation or the adoption of the Company's 2025 Equity Incentive Plan, resulting in a broker non-vote on these proposals. So long as a quorum is present, a "non-vote" will have no effect on the approval of the nominees to the Company's Board of Directors, the approval of the amendment to the Company's Articles of Incorporation to set the minimum number of directors at five (5), the adoption of the Company's 2025 Equity Incentive Plan or the approval of any other proposal that properly comes before the Annual Meeting. Approval of the ratification of T. E. Lott & Company as the Company's independent auditor is a routine matter on which brokers may vote without specific instructions from shareholders.

#### *Shareholder Proposals for Next Year's Meeting*

Shareholders that desire to submit director nominees or matters for consideration at a meeting of shareholders must comply with the Company's bylaws. To be timely with respect to the 2026 annual meeting of shareholders, a shareholder's notice must be delivered to the Secretary of the Company not later than the close of business on January 31, 2026, nor earlier than the close of business on January 1, 2026. If any proposal is not provided by that date, the Chief Executive Officer or President of the Company or

the Chairman of the 2026 annual meeting of shareholders may exclude such proposal from being acted upon at such annual meeting. In addition, the Board of Directors may exclude shareholder proposals that it does not believe are proper.

## ITEM 1 – ELECTION OF DIRECTORS

The Company’s Articles of Incorporation currently provide for a Board consisting of at least nine members; however, if Item 3 is approved at the Annual Meeting, the minimum number of directors will be reduced to five members. The Board of Directors has the authority, from time to time, to change the number of directors so long as there is a minimum of nine directors thereof, though, if Item 3 is approved, the minimum number of directors will be reduced to five members. The Company’s current Board of Directors consists of eleven members. Pursuant to the classified board provision of the Company’s Articles of Incorporation, the Board is divided into three classes, with directors of one of the three classes elected annually for three-year terms. The term of three directors of the class elected in 2022 to serve until 2025 is due to expire with the Annual Meeting. Three of the directors currently serving in this class have been nominated by the Board for reelection for terms that will expire at the 2028 annual meeting of shareholders and until their successors are duly elected and qualified. These nominees are William Russell Buster IV, Frank J. Hammond III and T. Bragg Van Antwerp Jr.

L. Royce Cumbest and Paul H. (Hal) Moore Jr., M.D. are currently members of the class elected in 2022, but each has reached the mandatory retirement age of 72 and therefore cannot stand for reelection.

In addition, Amy St. Pé tendered her resignation from the Board of Directors effective January 1, 2025, due to her election as a Mississippi Court of Appeals Judge.

Should any nominee be unable to serve as a director for any reason, of which none is presently foreseen, it is intended that the proxies will be voted “FOR” the election of such substitute nominee(s) as the current Board may designate. Alternatively, the Board may determine to reduce the size of the board by the number of persons who become unable to serve to eliminate such vacancies. If the Board does not take either such action, any such vacancies may be filled by later action of the shareholders.

The following table sets forth certain information regarding the three nominees for election to the Board at the Annual Meeting and the incumbent directors whose terms of office will continue after the Annual Meeting.

### DIRECTORS

<u>Name and Principal Occupation (if other than with Company)</u>	<u>Age</u>	<u>Company Position</u>	<u>Director Since</u>	<u>Term Expires</u>
William Russell Buster IV Owner C-Sharpe Co, LLC	45	Director	2018	2025
Frank J. Hammond III Attorney Watkins & Eager PLLC	71	Director	1997	2025
T. Bragg Van Antwerp Jr. Managing Director Mitchell McLeod Pugh & Williams	48	Director	2024	2025

Abe L. Harper Jr. President Harper Technologies, LLC	42	Director	2021	2026
Alan K. Sudduth Public & Government Affairs Manager Chevron Pascagoula Refinery	57	Director	2016	2026
Henry G. (Hank) Torjusen Jr. Co-owner Fletcher Construction Co., Inc.	57	Director	2016	2026
Diann M. Payne Executive Director LifeWise	67	Director	2009	2027
Julius A. (Jay) Willis Jr., D.M.D. Owner Willis & Associates, LLC	72	Director	2007	2027
Clayton L. Legear	40	President and Chief Executive Officer of the Company; Director	2022	2027

Information concerning the nominees for election as the Company's directors at the Annual Meeting and the incumbent directors whose term of office will continue after the Annual Meeting is set forth below. The information describing the current position and prior business experience of each of the nominees and continuing directors below contains information regarding the person's service as a director, public reporting company director positions held currently or at any time during the last five years and the experiences, qualifications, attributes or skills that caused the Board to determine that the person should serve as a director for the Company.

William Russell Buster IV – Mr. Buster owns and manages C-Sharpe Co. which is a general contractor specializing in complex building restoration. He holds a Bachelor of Science degree in Building Science from Auburn University. He resides in Fairhope, Alabama with his wife and five children. He currently serves on the board at Bayside Academy. Mr. Buster's associations in the Baldwin County area provide valuable insight about the retail and industrial sectors of the community and his experience as a business owner gives Mr. Buster a clear view into all aspects of strategic planning, operations and administration. He has served as a Director of the Company since April 2018.

Frank J. Hammond III – Mr. Hammond is a member of Watkins & Eager, PLLC, a law firm in Jackson, Mississippi. He has degrees in accounting, law and a Master of Laws in Taxation. Mr. Hammond has practiced law for almost fifty years in Pascagoula and Jackson, Mississippi and has represented a broad array of corporations and individuals with an emphasis on banking, business and estate planning. He is able to contribute to the Board through the breadth and depth of his experience in a broad range of business, corporations, real estate, legal and regulatory matters. Mr. Hammond has been a Director of the Company since 1997.

T. Bragg Van Antwerp Jr. – Mr. Van Antwerp was born in Mobile, Alabama. He and his family also lived in Pascagoula, Mississippi for three years. After graduating from the University of Virginia in 2000, Mr. Van Antwerp pursued a career on Wall Street, accepting a position with Deutsche Bank in New York, New York as an Associate in global, institutional equity sales and trading before being promoted to Vice President in 2003. In June of 2004, Mr. Van Antwerp accepted a job with Alliance Bernstein, also in

New York. At Alliance Bernstein, he continued to work in equity sales and trading before ultimately assuming relationship management responsibilities for a diverse group of institutional clients, including traditional money managers, quantitative investment managers, hedge funds and state pension funds. He was named a director at Alliance Bernstein in 2011. In 2013, Mr. Van Antwerp returned to Mobile and joined Mitchell McLeod Pugh & Williams (“MMPW”) as an Investment Advisor. He is now a shareholder and Managing Director of the firm. MMPW currently manages over \$2 billion in assets for clients across the country. Mr. Van Antwerp serves on the Board of Trustees at St. Paul’s Episcopal School in Mobile and is also President of the Mobile Carnival Association. Additionally, Mr. Van Antwerp serves as the Junior Warden for Finance at Christ Church Cathedral in Mobile. He and his wife have three sons and one daughter. Mr. Van Antwerp brings valuable insight into the business community in Mobile and relationships with clients of the Bank. Mr. Van Antwerp served as an Advisory Member of the Board of the Company from April 2018 until becoming a Director of the Company in May 2024. Mr. Van Antwerp provides the Board with financial management and client advisory experience as well as expertise related to securities trading and capital markets. He currently serves as Chairman of the Audit Committee.

Abe L. Harper Jr. – Mr. Harper is President of Harper Technologies, LLC and is skilled in many different areas of the Information Technology industry, including Data Analytics, Cyber Security/Forensics, IT Consulting, and Infrastructure Construction. Mr. Harper graduated from the Alabama School of Math and Science and later attended both Florida A&M University and the University of South Alabama before venturing out as an entrepreneur and launching Harper Technologies. His community involvement includes serving as a Board Member for Innovate Alabama (Formerly The Alabama Innovation Corporation) as an appointee of Governor Kay Ivey. He is also active with City Hope Church as an Elder, Chairman of Prichard Preparatory School, Board Member for The Innovation Portal, as well as a Board Member for the Mobile Airport Authority. Mr. Harper served as an Advisory Member of the Board from 2018 until becoming a Director of the Company in April 2021. He currently serves as Chairman of the Information Technology Committee. Mr. Harper provides the Board with valuable entrepreneurial experience, technology expertise and insight.

Alan K. Sudduth – Mr. Sudduth holds a Bachelor of Science degree in Industrial Engineering from Mississippi State University, a Juris Doctor from the University of Mississippi, and a Master of Business Administration from William Carey University. He represents Chevron as the Corporate Affairs Manager in Mississippi, Belle Chasse, Louisiana, and Pasadena, Texas. In this role, Alan manages a full range of public and government affairs activities, including media relations, community engagement, political advocacy, crisis communication, external and internal communications, and business development. Mr. Sudduth previously served as Special Counsel to the Jackson County Board Attorney and formerly practiced law with Brown, Watt, & Buchanan in Pascagoula. He has also served as a Sergeant with the Mississippi Army National Guard, 134<sup>th</sup> Engineering Company, and was activated during Desert Storm/Shield. Mr. Sudduth currently serves on the Executive Committees of the Southeast Oil & Gas Association, the Mississippi Energy Institute, The Nature Conservancy of Mississippi, the United Way for Jackson, George and Greene Counties and the Business and Industry Political Education Committee (BIPEC), and on the Operating Board of the Mississippi Economic Council (MEC). He is also a member of the Mississippi Manufacturers Association Board of Directors, the William Carey University Board of Trustees, and the Mississippi Department of Environmental Quality’s Title V Air Advisory Council. Mr. Sudduth was recognized as a Distinguished Fellow of Mississippi State University’s Bagley College of Engineering in 2022, inducted into the William Carey University Alumni Hall of Fame in 2016 and was selected for the Mississippi Gulf Coast Chamber of Commerce’s “One Coast Community Leader” Class of 2015. Mr. Sudduth served as an Advisory Member of the Board from August 6, 2013, until becoming a Director of the Company in April 2016.

Henry G. (Hank) Torjusen Jr. – Mr. Torjusen is co-owner of Fletcher Construction Co., Inc. which provides him with an exceptional small business perspective. He has over 30 years construction experience and provides the Company with solid occupational business insight. He received a degree in Construction

Engineering Technology from the University of Southern Mississippi. He resides in Pascagoula with his wife and children. Mr. Torjusen served as an Advisory Member of the Board from July 16, 2013, until becoming a Director of the Company in April 2016.

Diann M. Payne –Ms. Payne served as the executive director of the Jackson County Civic Action Committee for over twenty years, receiving awards for her leadership abilities and volunteer activities. With a Bachelor of Science in accounting and Master of Business Administration in finance, her experience in the banking industry as a bank examiner for the FDIC and later an analyst for a financial institution provides the Board with valuable insight. She began her career in nonprofit work as a finance director in 1984 and served as a fiscal officer for thirteen years. Ms. Payne served as an Advisory Member of the Board from July 2007 until becoming a Director of the Company in April 2009. She currently serves as Chairperson of the Governance Succession and Compensation Committee.

Julius A. (Jay) Willis Jr., D.M.D. – Currently Mayor of the City of Pascagoula, Dr. Jay Willis practiced dentistry in the community for 35 years before retiring to form Willis & Associates, a dental practice transition consulting and brokerage firm that matches sellers and buyers of dental practices across Mississippi, Alabama, and Louisiana. Dr. Willis is a frequent guest lecturer in the area of practice management at the University of Mississippi School of Dentistry. A lifelong resident of our community, Dr. Willis offers valuable business experience from his many years as a small businessman and owner of a successful dental practice and from his service as an involved civic leader in various capacities. He served as a member and president of the local school board of the Pascagoula Municipal Separate School District, guiding the district's operations including a successful bond issue campaign and the construction of two new high schools for our community. His leadership experience includes participation as a member of the boards of directors of the Jackson County Economic Development Foundation, the local Chamber of Commerce, the United Way, the Regional YMCA, the Gulf Coast Community Foundation, First Presbyterian Church, and serving also as President of the Coast Dental Society and the University of Mississippi School of Dentistry Alumni Association. Dr. Willis has been a Director of the Company since 2007.

Clayton L. Legear – Mr. Legear has served as President and Chief Executive Officer of the Company and its wholly owned bank subsidiary Merchants & Marine Bank (the "Bank") since July 2019. He joined the Bank in 2011, having previously served as Compliance Manager, Chief Risk Officer, Chief Operating Officer and President. Prior to joining the Bank, he served as a Financial Institution Examiner and Deposit Insurance Claims Specialist for the Federal Deposit Insurance Corporation (FDIC). Mr. Legear holds a Bachelor of Science Degree in Business Administration from Troy University, where he graduated with Magna Cum Laude honors. He is also a graduate of the Graduate School of Banking of the South at Louisiana State University. Mr. Legear is an alumnus of both Leadership Jackson County and Leadership Mississippi, and he has been recognized as one of the Top 10 Business Leaders Under 40 by the Mississippi Gulf Coast Chamber of Commerce. He serves as Vice Chairman of the Mississippi Board of Banking Review, as a member of the Federal Reserve Bank of Atlanta's Community Depository Institution Advisory Council, and as a member of the Conference of State Bank Supervisors Bankers Advisory Board. He is actively engaged in numerous other professional, civic, trade and charitable organizations throughout the company's footprint. Mr. Legear provides the board with valuable knowledge and insight into the day-to-day operations of the Company and its banking and non-banking divisions. He has served as a Director of the Company since May 2022.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" EACH OF THE NOMINEES.**

Directors are elected by a plurality of the votes cast. A properly executed proxy marked "WITHHOLD AUTHORITY" with respect to the election of one or more directors will not be voted with respect to the director or directors indicated, although it will be counted in determining whether there is a

quorum. Therefore, so long as a quorum is present, withholding authority will have no effect on whether one or more directors are elected.

## **EXECUTIVE OFFICERS**

The following are the current executive officers of the Company and the Bank who are not also directors or nominees to the Board.

<b>Name</b>	<b>Age</b>	<b>Position(s) with Company</b>	<b>Executive Officer Since</b>
Antonio J. Davis	40	Senior Vice President/Chief Risk Officer	2023
Casey B. Hill	41	Executive Vice President/Chief Financial Officer	2020
William G. Hodges	45	Executive Vice President/Chief Banking Officer	2020
Jeffery S. Trammell	58	Executive Vice President/Chief Operations Officer	2019

## **ITEM 2 – RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITOR**

The Audit Committee of the Board of Directors has appointed T.E. Lott & Company as the Company’s independent auditor to examine the financial statements of the Company for the year ending December 31, 2025 and to perform other appropriate accounting services. T.E. Lott & Company has served as the Company’s independent auditor for each of the last ten years.

**THE BOARD RECOMMENDS THAT YOU VOTE “FOR” THE RATIFICATION OF THE APPOINTMENT OF T.E. LOTT & COMPANY AS THE COMPANY’S INDEPENDENT AUDITOR FOR THE YEAR ENDING DECEMBER 31, 2025.**

The ratification of the appointment of T.E. Lott & Company as the Company’s independent auditor for the year ending December 31, 2025, will be approved if the number of shares of Company common stock voted in favor of the proposal exceeds the number of shares of Company common stock voted against it. A properly executed proxy marked “ABSTAIN” with respect to this proposal will not be voted on this proposal, although it will be counted in determining whether there is a quorum. Therefore, abstaining from voting on the ratification of the appointment of T.E. Lott & Company as the Company’s independent auditor will have no effect on whether the proposal is approved so long as a quorum is present.

## **ITEM 3 – AMENDMENT TO THE COMPANY’S ARTICLES OF INCORPORATION TO SET THE MINIMUM NUMBER OF DIRECTORS AT FIVE**

### **Description of the Proposal**

Upon approval by the holders of the Company’s Common Stock, this proposal would amend the Company’s Articles of Incorporation to reduce the required minimum number of directors from nine (9) to five (5) by amending and restating in its entirety Section (a) of Article EIGHTH of the Articles of Incorporation.

Set forth below is the text of revised Section (a) of Article EIGHTH of the Articles of Incorporation after giving effect to this amendment:

“EIGHTH: (a) The number of directors of the Corporation shall not be less than five. Subject to such limitation, the number of directors to serve on the Board may be increased or decreased from time to time by action of the Board.”

This amendment will provide the Board of Directors with greater flexibility and discretion to meet its future composition needs particularly in light of the mandatory retirement age for members of the Board, reducing the risk of having unfulfilled vacancies even as it provides the Board of Directors with flexibility to recruit additional qualified directors. The Board of Directors has unanimously approved and recommends to the holders of the Company’s Common Stock the amendment to the Company’s Articles of Incorporation to set the minimum number of directors at five.

A copy of the proposed amendment is attached hereto as Annex A.

### **Recommendation and Vote Required**

The proposed amendment to the Company’s Articles of Incorporation to set the minimum number of directors at five by amending Section (a) of Article EIGHTH in its entirety will be approved if the votes cast by the holders of the Company’s Common Stock in favor of the amendment exceed the votes cast by the holders of the Company’s Common Stock against the amendment. A properly executed proxy marked “ABSTAIN” with respect to this proposal will not be voted on this proposal, although it will be counted in determining whether there is a quorum. A broker non-vote will not count as a vote cast on this proposal. As such, abstentions and broker non-votes will have no effect on whether the amendment to the Company’s Articles of Incorporation is approved so long as a quorum of the holders of the Company’s Common Stock is present at the Meeting.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE “FOR” APPROVAL OF THE AMENDMENT TO THE COMPANY’S ARTICLES OF INCORPORATION TO SET THE MINIMUM NUMBER OF DIRECTORS AT FIVE.**

### **ITEM 4 – APPROVAL OF THE MERCHANTS & MARINE BANCORP, INC. 2025 EQUITY INCENTIVE PLAN**

The Company’s Board of Directors has adopted and recommends that you approve the Merchants & Marine Bancorp, Inc. 2025 Equity Incentive Plan (the “Equity Incentive Plan”). If approved by shareholders, the Equity Incentive Plan will authorize awards in respect of an aggregate of 133,000 newly authorized shares of Common Stock. If approved by the Company’s shareholders, the Equity Incentive Plan will be effective as of May 1, 2025.

The primary purpose of the Equity Incentive Plan is to promote the interests of the Company and its shareholders by, among other things, (i) attracting and retaining key officers, employees and directors of, and consultants to, the Company and its subsidiaries and affiliates, (ii) enabling such individuals to participate in the long-term growth and financial success of the Company, (iii) encouraging ownership of stock in the Company by such individuals, and (iv) linking these individuals’ compensation to the long-term interests of the Company and its shareholders.

The Company’s believes that the use of long-term, stock-based incentive compensation should strengthen and align the interests of the Company’s and its subsidiaries’ and affiliates’ officers, directors and employees with its shareholders. The Company believes that the utilization of stock incentives will be

effective over the years in enabling the Company to attract and retain the talent critical to the Company. The Company believes that stock ownership will focus the Company's and its subsidiaries' and affiliates' key employees on improving the Company's performance and will help to create a culture that encourages employees to think and act as shareholders. Participants in the Company's long-term incentive compensation program will generally include its officers and other key employees. Directors may also receive awards as a component of their board compensation.

The Equity Incentive Plan is intended to facilitate the Company's efforts to better align the Company's long-term awards structure with its business and talent needs and its shareholders' interests. The Equity Incentive Plan includes a variety of award types that the Company may grant under the Equity Incentive Plan, including shares of restricted stock, restricted stock units, performance awards, and stock appreciation rights.

The Company believes that the shares of Common Stock reserved for issuance under the Equity Incentive Plan authorization will enable it to implement the Company's long-term stock incentive program over the next six to eight years, possibly longer.

If the Equity Incentive Plan is not approved, the Company will not be able to provide long-term, stock-based incentives to present and future employees of the Company and its subsidiaries and affiliates consistent with its desires but will be limited to continuing to use limited synthetic equity-like awards that don't translate to actual share ownership.

The Company believes that the Equity Incentive Plan is important to the Company's ability to achieve its corporate performance goals in the years ahead. The Company believes that the ability to attract, retain and motivate talented employees is integral to the Company's long-term performance and shareholder returns. The Company believes that the Equity Incentive Plan will allow it the flexibility to implement the Company's long-term incentive philosophy in future years as it seeks to further better align executive and shareholder interests. For these reasons, the Company considers approval of the Equity Incentive Plan important to the Company's future success.

The following is a brief summary of the principal features of the Equity Incentive Plan, which is qualified in its entirety by reference to the Equity Incentive Plan itself, a copy of which is attached hereto as Annex B and incorporated herein by reference.

Shares Available for Awards under the Plan. Under the Equity Incentive Plan, awards may be made in Common Stock of the Company. Subject to adjustment as provided by the terms of the Equity Incentive Plan, the maximum number of shares of Common Stock with respect to which awards may be granted under the Equity Incentive Plan is 133,000.

Shares of Common Stock subject to an award under the Equity Incentive Plan but which terminate, expire unexercised or are settled for cash, or are forfeited, cancelled or withheld without delivery of the shares, including shares of Common Stock withheld or surrendered in payment of any exercise or purchase price of an award or taxes relating to an award, remain available for awards under the Equity Incentive Plan. Shares of Common Stock issued under the Equity Incentive Plan may be either newly issued shares or shares which have been reacquired by the Company. Shares issued by the Company as substitute awards granted solely in connection with the assumption of outstanding awards previously granted by a company acquired by the Company, or with which the Company combines, ("Substitute Awards") do not reduce the number of shares available for awards under the Equity Incentive Plan. Nor would shares reserved for issuance under equity incentive plans assumed by the Company in connection with acquisitions it may make.

With certain limitations, awards made under the Equity Incentive Plan may be adjusted by the Governance Succession and Compensation Committee of the Board of Directors (the “Committee”), or with respect to awards granted to non-employee directors, the Board of Directors, in its discretion or to prevent dilution or enlargement of benefits or potential benefits intended to be made available under the Equity Incentive Plan in the event of any stock dividend, reorganization, recapitalization, stock split, combination, merger, consolidation, change in laws, regulations or accounting principles or other relevant unusual or nonrecurring event affecting the Company.

Eligibility and Administration. Current and prospective officers and employees, and directors of, and consultants to, the Company and its subsidiaries and affiliates are eligible to be granted awards under the Equity Incentive Plan. The Company has not yet determined who will receive the shares of Common Stock that will be authorized for issuance under the Equity Incentive Plan or how they will be allocated though the Company does anticipate that awards under the Equity Incentive Plan will likely be made to the Company’s and the Bank’s senior executive officers and that a portion of the Board’s compensation may be paid going forward in equity-based awards. For the senior executive officers to whom the Board decides to make awards, the awards may either be made as a portion of the individuals’ recurring compensation with vesting provisions that provide for pro rata vesting of the award over a period of years or as a special compensatory or retentive award that may include a single vesting period rather than a pro-rated vesting schedule. The Committee will administer the Equity Incentive Plan, except with respect to awards to non-employee directors, for which the Equity Incentive Plan will be administered by the Board. Subject to the terms of the Equity Incentive Plan, the Committee is authorized to select participants, determine the type and number of awards to be granted, determine and later amend (subject to certain limitations) the terms and conditions of any award, interpret and specify the rules and regulations relating to the Equity Incentive Plan, and make all other determinations which may be necessary or desirable for the administration of the Equity Incentive Plan.

Stock Options and Stock Appreciation Rights. The Committee is authorized to grant stock options, including both incentive stock options, which can result in potentially favorable tax treatment to the participant, and non-qualified stock options. The Committee may specify the terms of such grants subject to the terms of the Equity Incentive Plan. The Committee is also authorized to grant SARs, either with or without a related option. The exercise price per share subject to an option is determined by the Committee, but may not be less than the fair market value of a share of Common Stock on the date of the grant, except in the case of awards issued in substitution for awards issued by companies acquired by the Company. The maximum term of each option or SAR, the times at which each option or SAR will be exercisable, and the provisions requiring forfeiture of unexercised options or SARs at or following termination of employment generally are fixed by the Committee, except that no option or SAR relating to an option may have a term exceeding ten years. Stock options that are intended to qualify as incentive stock options under applicable provisions of the United States Tax Code of 1986, as amended (the “Tax Code”) shall comply with all requirements applicable thereto under the Tax Code.

A stock option or SAR to be settled in stock may be exercised in whole or in part at any time, with respect to whole shares only, within the period permitted thereunder for the exercise thereof. Stock options and SARs shall be exercised by written notice of intent to exercise the stock option or SAR and, with respect to options, payment in full to the Company of the amount of the option price for the number of shares with respect to which the option is then being exercised.

Payment of the option price must be made in the manner set out in an award agreement as determined by the Committee which may include cash or cash equivalents or by transfer, either actually or by attestation, to the Company of unencumbered shares that have previously been acquired by the participant which have a fair market value on the date of exercise equal to the option price, together with any applicable withholding taxes, or by a combination of such cash or cash equivalents and such shares. Payment of the option price may be made in such other method as the Committee shall approve including

withholding shares of Common Stock issuable upon exercise of an option having a fair market value equal to the option price together with any applicable withholding taxes. Subject to applicable securities laws and Company policy, the Company may permit an option to be exercised by delivering a notice of exercise and simultaneously selling the shares thereby acquired, pursuant to a brokerage or similar agreement approved in advance by proper officers of the Company, using the proceeds of such sale as payment of the option price, together with any applicable withholding taxes. Until the participant has been issued the shares subject to such exercise, he or she shall possess no rights as a shareholder with respect to such shares.

Restricted Shares and Restricted Share Units. The Committee is authorized to grant restricted shares of Common Stock and restricted share units. Restricted shares are shares of Common Stock subject to transfer restrictions as well as forfeiture upon certain terminations of employment prior to the end of one or several restricted periods or other conditions specified by the Committee in the award agreement. A participant granted restricted shares of Common Stock generally has most of the rights of a shareholder of the Company with respect to the restricted shares, including the right to receive dividends and the right to vote such shares. None of the restricted shares may be transferred, encumbered or disposed of during the restricted period or until after fulfillment of the restrictive conditions.

Each restricted share unit has a value equal to the fair market value of a share of Common Stock on the date of grant. The Committee determines, in its sole discretion, the restrictions applicable to the restricted share units and whether a participant will be credited with dividend equivalents on any vested restricted share units at the time of any payment of dividends to shareholders on shares of Common Stock. Except as determined otherwise by the Committee, restricted share units may not be transferred, encumbered or disposed of, and such units shall terminate, without further obligation on the part of the Company, unless the participant remains in continuous employment of the Company or any subsidiary or affiliate of the Company for the restricted period and any other restrictive conditions relating to the restricted share units are met.

Performance Awards. Performance awards may also be granted under the Equity Incentive Plan. A performance award consists of a right that is denominated in cash or shares of Common Stock, valued, as determined by the Committee, in accordance with the achievement of certain performance goals during certain performance periods as established by the Committee, and payable at such time and in such form as the Committee shall determine. Performance awards may be paid in a lump sum or in installments following the close of a performance period or on a deferred basis, as determined by the Committee. Except as otherwise determined by the Committee, termination of employment prior to the end of any performance period, other than for reasons of death or disability, will result in the forfeiture of the performance award. The Committee may in its discretion waive any performance goals or other terms and conditions relating to a performance award. A participant's rights to any performance award may not be transferred, encumbered or disposed of in any manner, except by will or the laws of descent and distribution or as the Committee may otherwise determine.

Other Stock-Based Awards. The Committee is authorized to grant any other type of awards that are denominated or payable in, valued by reference to, or otherwise based on or related to shares of Common Stock. The Committee will determine the terms and conditions of such awards, consistent with the terms of the Equity Incentive Plan.

Non-Employee Director Awards. The Board may provide that all or a portion of a non-employee director's annual retainer and/or meeting fees or other awards or compensation as determined by the Board be payable in non-qualified stock options, SARs, restricted shares, restricted share units and/or other stock-based awards, including unrestricted shares, either automatically or at the option of the non-employee directors. The Board will determine the terms and conditions of any such awards, including those that apply upon the termination of a non-employee director's service as a member of the Board. Non-employee directors are also eligible to receive other awards pursuant to the terms of the Equity Incentive Plan,

including options and SARs, restricted shares and restricted share units, and other stock-based awards upon such terms as the Committee may determine; provided, however, that with respect to awards made to members of the Committee, the Equity Incentive Plan will be administered by the Board.

Termination of Employment. The Committee will determine the terms and conditions that apply to any award upon the termination of employment with the Company, its subsidiaries or affiliates, and provide such terms in the applicable award agreement or in its rules or regulations.

Change in Control. The Committee may (in accordance with Section 409A, to the extent applicable), in its discretion, in the event of a change in control, take such actions as it deems appropriate to provide for the acceleration of the exercisability, vesting and/or settlement in connection with such change in control of each or any outstanding award under the Equity Incentive Plan or portion thereof and the shares acquired pursuant thereto upon such conditions (if any), including termination of the participant's service prior to, upon, or following such change in control, to such extent as the Committee shall determine. The Committee may in its discretion and without the consent of any participant, determine that, upon the occurrence of a change in control, each or any award or a portion thereof outstanding immediately prior to the change in control and not previously exercised or settled will be canceled in exchange for a payment with respect to each vested share subject to such award in cash, shares, shares of a corporation or other business entity a party to the change in control, or other property which, in any such case, will be in an amount having a fair market value equal to the fair market value of the consideration to be paid per share in the change in control, reduced by the exercise or purchase price per share, if any, under such award.

Amendment and Termination. The Board may amend, alter, suspend, discontinue or terminate the Equity Incentive Plan or any portion of the Equity Incentive Plan at any time, except that shareholder approval must be obtained for any such action if such approval is necessary to comply with any tax or regulatory requirement with which the Board deems it desirable or necessary to comply. The Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate any award, either prospectively or retroactively. The Committee does not have the power, however, to amend the terms of previously granted options to reduce the exercise price per share subject to such option or to cancel such options and grant substitute options with a lower exercise price per share than the cancelled options. The Committee also may not materially and adversely affect the rights of any award holder without the award holder's consent.

Other Terms of Awards. The Company may take action, including the withholding of amounts from any award made under the Equity Incentive Plan, to satisfy withholding and other tax obligations. The Committee may provide for additional cash payments to participants to defray any tax arising from the grant, vesting, exercise or payment of any award. Except as permitted by the applicable award agreement, awards granted under the Equity Incentive Plan generally may not be pledged or otherwise encumbered and are not transferable except by will or by the laws of descent and distribution, or as permitted by the Committee in its discretion.

Certain Federal Income Tax Consequences. The following is a brief description of the Federal income tax consequences generally arising with respect to awards under the Equity Incentive Plan.

Tax consequences to the Company and to participants receiving awards will vary with the type of award. Generally, a participant will not recognize income, and the Company is not entitled to take a deduction, upon the grant of an incentive stock option, a nonqualified option, a SAR or a restricted share award. A participant will not have taxable income upon exercising an incentive stock option (except that the alternative minimum tax may apply). Upon exercising an option other than an incentive stock option, the participant must generally recognize ordinary income equal to the difference between the exercise price and fair market value of the freely transferable and non-forfeitable shares of Common Stock acquired on the date of exercise.

If a participant sells shares of Common Stock acquired upon exercise of an incentive stock option before the end of two years from the date of grant and one year from the date of exercise, the participant must generally recognize ordinary income equal to the difference between (i) the fair market value of the shares of Common Stock at the date of exercise of the incentive stock option (or, if less, the amount realized upon the disposition of the incentive stock option shares of Common Stock), and (ii) the exercise price. Otherwise, a participant's disposition of shares of Common Stock acquired upon the exercise of an option (including an incentive stock option for which the incentive stock option holding period is met) generally will result in short-term or long-term capital gain or loss measured by the difference between the sale price and the participant's tax basis in such shares of Common Stock (the tax basis generally being the exercise price plus any amount previously recognized as ordinary income in connection with the exercise of the option).

The Company generally will be entitled to a tax deduction equal to the amount recognized as ordinary income by the participant in connection with an option. The Company generally is not entitled to a tax deduction relating to amounts that represent a capital gain to a participant. Accordingly, the Company will not be entitled to any tax deduction with respect to an incentive stock option if the participant holds the shares of Common Stock for the incentive stock option holding periods prior to disposition of the shares.

Similarly, the exercise of an SAR will result in ordinary income on the value of the stock appreciation right to the individual at the time of exercise. The Company will be allowed a deduction for the amount of ordinary income recognized by a participant with respect to an SAR. Upon a grant of restricted shares, the participant will recognize ordinary income on the fair market value of the Common Stock at the time restricted shares vest unless a participant makes an election under Section 83(b) of the Code to be taxed at the time of grant. A participant that is awarded a restricted stock unit will recognize ordinary income tax when the shares of Common Stock, cash or other property issued in settlement of the units are delivered to the participant. The participant also is subject to capital gains treatment on the subsequent sale of any Common Stock acquired through the exercise of an SAR, restricted share award or restricted stock unit. For this purpose, the participant's basis in the Common Stock is its fair market value at the time the SAR is exercised, the restricted share becomes vested or shares of Common Stock are issued in settlement of the restricted share unit (or, in the case of restricted share awards, the award is granted, if an election under Section 83(b) is made). Payments made under performance awards settled in cash are taxable as ordinary income at the time an individual attains the performance goals and the payments are made available to, and are transferable by, the participant.

The foregoing discussion is general in nature and is not intended to be a complete description of the Federal income tax consequences of the Equity Incentive Plan. This discussion does not address the effects of other Federal taxes or taxes imposed under state, local or foreign tax laws. Participants in the Equity Incentive Plan are urged to consult a tax advisor as to the tax consequences of participation.

The Equity Incentive Plan is not intended to be a "qualified plan" under Section 401(a) of the Code.

### **Recommendation and Vote Required**

The Merchants & Marine Bancorp 2025 Equity Incentive Plan will be approved if the votes cast by the holders of the Company's Common Stock in favor of approval of the plan exceed the votes cast by the holders of the Company's Common Stock against approval of the plan. A properly executed proxy marked "ABSTAIN" with respect to this proposal will not be voted on this proposal, although it will be counted in determining whether there is a quorum. A broker non-vote will not count as a vote cast on this proposal. As such, abstentions and non-votes will have no effect on whether the Company's 2025 Equity Incentive Plan is approved so long as a quorum of the holders of the Company's Common Stock is present at the Meeting.

**THE BOARD RECOMMENDS THAT YOU VOTE “FOR” APPROVAL OF THE  
MERCHANTS & MARINE BANCORP, INC. 2025 EQUITY INCENTIVE PLAN**

**OTHER MATTERS**

The Board knows of no other matters that may be brought before the Annual Meeting. If, however, any matters other than those set forth in this proxy statement should properly come before the Annual Meeting, votes will be cast pursuant to the proxies in accordance with the best judgment of the proxy holders.

**SOLICITATION OF PROXIES**

The expense of soliciting proxies in the form accompanying this proxy statement will be paid by the Company. Directors, officers and employees of the Company may solicit proxies personally or by mail or telephone. The Company does not expect to pay any compensation for the solicitation of proxies, but may reimburse, on request brokers, custodians, nominees and other persons holding shares in their names or in the names of nominees for their reasonable expenses in sending proxy materials to principals and obtaining their instructions.

**Whether or not you expect to be present at the Annual Meeting, please vote and submit your proxy as soon as possible. You may vote by mailing the enclosed proxy card (which you must sign) to us in the envelope provided or over the Internet or by telephone, in each case by following the instructions in the enclosed proxy card. This will not prevent you from voting in person at the Annual Meeting or from changing your vote prior to the Annual Meeting.**

**ANNEX A**

**ARTICLES OF AMENDMENT  
TO THE ARTICLES OF INCORPORATION  
OF  
MERCHANTS & MARINE BANCORP, INC.**

In accordance with the provisions of Section 79-4-10.06 of the Mississippi Business Corporation Act, the undersigned corporation adopts the following Articles of Amendment (the "Articles of Amendment") to its Articles of Incorporation (the "Articles of Incorporation"):

1. Name of Corporation. The name of the Corporation is Merchants & Marine Bancorp, Inc.
2. Section (a) of Article EIGHTH of the Articles of Incorporation is hereby deleted in its entirety and replaced with the following:  
  
“EIGHTH: (a) The number of directors of the Corporation shall not be less than five. Subject to such limitation, the number of directors to serve on the Board may be increased or decreased from time to time by action of the Board.”
3. Except as amended by these Articles of Amendment, the Articles of Incorporation of the Corporation shall remain in full force and effect.
4. Adoption. These Articles of Amendment were duly adopted by the Board of Directors of the Corporation in accordance with the requirements of the Mississippi Business Corporation Act and the Articles of Incorporation on February 18, 2025, and by the shareholders of the Corporation in accordance with the requirements of the Mississippi Business Corporation Act and the Articles of Incorporation on May 1, 2025.
5. Effective Date. These Articles of Amendment will be effective when filed with the Secretary of State of the State of Mississippi.

Date: May \_\_, 2025

MERCHANTS & MARINE BANCORP, INC.

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Name: Clayton Legear  
Title: President and Chief Executive Officer

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**ANNEX B**

**MERCHANTS & MARINE BANCORP, INC.  
2025 EQUITY INCENTIVE PLAN**

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**MERCHANTS & MARINE BANCORP, INC.**  
**2025 EQUITY INCENTIVE PLAN**

**Section 1. Purpose.**

This plan shall be known as the “The Merchants & Marine Bancorp, Inc. 2025 Equity Incentive Plan” (the “Plan”). The purpose of the Plan is to promote the interests of Merchants & Marine Bancorp, Inc., a Mississippi corporation (the “Company”) and its shareholders by (i) attracting and retaining key officers, employees and directors of, and consultants to, the Company and its Subsidiaries and Affiliates; (ii) enabling such individuals to participate in the long-term growth and financial success of the Company; (iii) encouraging ownership of stock in the Company by such individuals; and (iv) linking their compensation to the long-term interests of the Company and its shareholders.

**Section 2. Definitions.**

As used in the Plan, the following terms shall have the meanings set forth below:

2.1 **“Affiliate”** means any Person that directly or indirectly controls, is controlled by or is under common control with the Company. The term “control” (including, with correlative meaning, the terms “controlled by” and “under common control with”), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting or other securities, by contract or otherwise.

2.2 **“Applicable Law”** means each applicable law, rule, regulation and requirement, including, but not limited to, each applicable U.S. federal, state or local law, any rule or regulation of the applicable securities exchange or inter-dealer quotation system on which the securities of the Company may be listed or quoted and each applicable law, rule or regulation of any other country or jurisdiction where Awards are granted under the Plan or Participants reside or provide services, as each such law, rule and regulation shall be in effect from time to time.

2.3 **“Award”** means, individually or collectively, any Option, Stock Appreciation Right, Restricted Share, Performance Award, Restricted Share Unit, or Other Stock-Based Award granted under the Plan.

2.4 **“Award Agreement”** means the document or documents by which each Award is evidenced, which may be in written or electronic form.

2.5 **“Board”** means the Board of Directors of the Company.

2.6 **“Cause”** means, as to any Participant, unless otherwise defined in the applicable Award Agreement, (a) “Cause,” as defined in any employment, severance, consulting or other similar agreement between the Participant and the Service Recipient in effect at the time of such Termination; or (b) in the absence of any definition of “Cause” in any such agreement, the Participant’s (i) willful dishonesty towards, fraud upon, or deliberate injury or attempted injury to, the Company or any Subsidiary; (ii) willful breach of any employment agreement between Participant and the Service Recipient which has resulted in material injury to the Service Recipient; (iii) continued or repeated failure or inability to satisfactorily perform the duties assigned to Participant by the Service Recipient, including negligence or recklessness in the performance of Participant’s duties; (iv) conviction of a felony or a crime involving dishonesty; or (v) suspension or removal by federal or state banking regulatory authorities or Participant’s material violation of any banking law or regulation, memorandum of understanding, cease and desist order, or other agreement with any federal or state banking regulatory authority.

2.7 **“Change in Control”** means, unless otherwise provided herein or in the applicable Award Agreement, the happening of one of the following events:

- (1) the time that the Company first determinates that any person and all other persons who constitute a group (within the meaning of Section 13(d)(3) of the Exchange Act) have acquired direct or indirect beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of fifty percent (50%) or more of the total fair market value or total voting power of the Company’s outstanding common stock;

- (2) when there is consummated any merger or consolidation which would result in an event described in Section 2.7(1);
- (3) the adoption of any plan or proposal for the liquidation of the Company;
- (4) the sale of substantially all of the assets of the Company to any entity, person or group of persons; or
- (4) a majority of the members of the Company's Board is replaced during any twelve-month period by directors whose appointment or election is not endorsed by a majority of the Company's Board before the date of appointment or election;

provided, however, that the Company's IPO, any subsequent public offering or another capital raising event, acquisition by an employee benefit plan (or a trust forming a part thereof) maintained by the Company or any Subsidiary shall not constitute a Change in Control. A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transactions. In addition, if any Person (as defined above) is considered to be in effective control of the Company, the acquisition of additional securities of the Company by the same Person will not be considered to cause a Change in Control. If required for compliance with Section 409A of the Code, in no event will a Change in Control be deemed to have occurred if such transaction is not also a "change in the ownership or effective control of" the Company or "a change in the ownership of a substantial portion of the assets of" the Company as determined under Treasury Regulations Section 1.409A-3(i)(5) (without regard to any alternative definition thereunder). No Award Agreement shall define a Change in Control in such a manner that a Change in Control would be deemed to occur prior to the actual consummation of the event or transaction that results in a change of control of the Company (e.g., upon the announcement, commencement, or stockholder approval of any event or transaction that, if completed, would result in a change in control of the Company).

2.8 **"Code"** means the Internal Revenue Code of 1986, as amended from time to time.

2.9 **"Committee"** means the Compensation Committee of the Board or such other committee as the Board may so designate with responsibility for administering the Plan. If no such committee exists, "Committee" shall mean the Board. If at any time the Company's Shares become registered with the SEC under the Exchange Act, the Committee shall thereafter be composed of not less than two Non-Employee Directors, at least two of whom shall be a "non-employee director" for purposes of Exchange Act Section 16 and Rule 16b-3 thereunder.

2.10 **"Consultant"** means any natural person that provides bona fide services to the Company (or a Subsidiary) or Affiliate thereof, and such services are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities.

2.11 **"Date of Grant"** means, in respect of the grant of an Option or SAR, the date on which the Committee by resolution, written consent or other appropriate action determines to grant such Option or SAR for a particular number of Shares to a particular Participant at a particular Option Price or Grant Price, as the case may be, or such later date as the Committee shall specify in such resolution, written consent or other appropriate action.

2.12 **"Director"** means a member of the Board or a member of the board of directors of any Subsidiary or Affiliate of the Company.

2.13 **"Disability"** means, unless otherwise defined in the applicable Award Agreement or other contractual agreement between the Participant and the Service Recipient in effect at the time of Termination, a disability that would qualify as a total and permanent disability under the Company's then current long-term disability plan. With respect to Awards subject to Section 409A of the Code, the term "Disability" shall have the meaning set forth in Section 409A of the Code or the Treasury Regulations promulgated thereunder, including Treasury Regulations Section 1.409A-3(i)(4).

2.14 **“Early Retirement”** means, unless otherwise provided in the applicable Award Agreement or other contractual agreement between the Participant and the Service Recipient in effect at the time of Termination, retirement of a Participant with the express consent of the Committee at or before the time of such retirement, from active employment with the Company and any Subsidiary prior to age 65, in accordance with any applicable early retirement policy of the Company then in effect, if any, or as may be approved by the Committee.

2.15 **“Effective Date”** has the meaning provided in Section 15.1 of the Plan.

2.16 **“Employee”** means a current or prospective officer or employee of the Company or of any Subsidiary or Affiliate thereof.

2.17 **“Exchange Act”** means the Securities Exchange Act of 1934, as amended from time to time.

2.18 **“Fair Market Value”** means, as of any date, the fair market value of a Share, as reasonably determined by the Committee and consistently applied for purposes of the Plan, which may include, without limitation, the closing sales price (or the mean of the closing bid and asked prices of a Share if the Share price is so quoted) on the trading day immediately prior to or on such date, or a trailing average of previous closing prices prior to such date, in each case as reported by such source as the Committee deems reliable.

2.19 **“Good Reason”** means, as to any Participant, unless otherwise defined in the applicable Award Agreement, (a) “Good Reason” as defined in any employment, severance, consulting or other similar agreement between the Participant and the Service Recipient at the time of such termination; or (b) (i) a material diminution in a Participant’s position, title or responsibilities following a Change in Control; (ii) a material reduction in the Participant’s base salary or a material reduction in the Participant’s total compensation, in each case, following a Change in Control; (iii) a material breach by the Company or any Subsidiary of the employment agreement, if any, between the Company or such Subsidiary and the Participant; or (iv) a relocation of a Participant’s primary place of employment to a location more than fifty (50) miles from the Participant’s primary place of employment immediately prior to a Change in Control.

2.20 **“Grant Price”** means the price established at the time of grant of an SAR that is used to determine whether there is any payment due upon exercise of the SAR.

2.21 **“Incentive Stock Option”** means an Option which is designated by the Committee as an incentive stock option as described in Section 422 of the Code and otherwise meets the requirements set forth in the Plan.

2.22 **“Initial Public Offering”** or **“IPO”** means the consummation of the first firm commitment underwritten public offering pursuant to an effective registration statement under the Securities Act covering the offer and sale by the Company of its equity securities, as a result of or following which the Shares shall be publicly held.

2.23 **“Non-Employee Director”** means a member of the Board who is not an officer or employee of the Company or any Subsidiary of the Company.

2.24 **“Non-Qualified Stock Option”** means an Option which is not designated as an Incentive Stock Option by the Committee.

2.25 **“Normal Retirement”** means, unless otherwise defined in the applicable Award Agreement or other contractual agreement between the Participant and the Service Recipient in effect at the time of Termination, the retirement of a Participant from active employment with the Company or any of its Subsidiaries or Affiliates on or after such Participant’s 65th birthday.

2.26 **“Option”** means an Award granted under Section 6 of the Plan that is not a Stock Appreciation Right.

2.27 **“Option Price”** means the purchase price payable to purchase one Share upon the exercise of an Option.

- 2.28 **“Other Stock-Based Award”** means any Award granted under Section 9 of the Plan.
- 2.29 **“Outside Director”** means, with respect to the grant of an Award, a member of the Board then serving on the Committee.
- 2.30 **“Participant”** means any Employee, Director, Consultant or other Person who receives, or is eligible to receive, an Award under the Plan.
- 2.31 **“Performance Award”** means any Award granted under Section 8 of the Plan.
- 2.32 **“Performance Share”** means an Award granted under Section 8.4 of the Plan.
- 2.33 **“Performance Unit”** means right to receive a designated dollar value or number of shares granted pursuant to Section 8.5 which is contingent on the achievement of certain performance goals during a specified performance period each as set forth in an Award Agreement.
- 2.34 **“Person”** means any individual, corporation, partnership, limited liability company, association, joint-stock company, trust, unincorporated organization, government or political subdivision thereof or other entity.
- 2.35 **“Restricted Share”** means a Share, subject to certain specified restrictions (which may include, without limitation, a requirement that the Participant remain continuously employed or provide continuous services for a specified period of time), granted under Section 7 or Section 10 of the Plan.
- 2.36 **“Restricted Share Unit”** means an unfunded, unsecured right to deliver Shares, cash, other securities or other property, subject to certain restrictions (which may include, without limitation, a requirement that the Participant remain continuously employed or provide continuous services for a specified period of time), granted under Section 7 or Section 10 of the Plan.
- 2.37 **“Retirement”** means Normal or Early Retirement.
- 2.38 **“SEC”** means the Securities and Exchange Commission or any successor thereto.
- 2.39 **“Section 16”** means Section 16 of the Exchange Act and the rules promulgated thereunder and any successor provision thereto as in effect from time to time.
- 2.40 **“Securities Act”** means the Securities Act of 1933, as amended from time to time.
- 2.41 **“Separation from Service”** or **“Separates from Service”** shall have the meaning ascribed to such term pursuant to Section 409A of the Code and the Treasury Regulations promulgated thereunder, including Treasury Regulations Section 1.409A-1(h).
- 2.42 **“Service Recipient”** means, with respect to a Participant holding a given Award, the Company or the Subsidiary or Affiliate by which the original recipient of such Award is, or following a Termination was most recently, principally employed or to which such original recipient provides, or following a Termination was most recently providing, services, as applicable.
- 2.43 **“Shares”** means shares of the common stock, par value \$2.50 per share, of the Company, or any security into which such shares may be converted by reason of any event of the type referred to in Sections 4.2, 12.2, and 13.3 and which constitutes “service recipient stock” within the meaning of Treasury Regulation Section 1.409A-1(b)(5)(iii) with regard to Options and SARs or with regard to other Awards as may be necessary to comply with Section 409A of the Code.
- 2.44 **“Share Reserve”** has the meaning set forth in Section 4.1 hereof.

2.45 “**Specified Employee**” has the meaning ascribed to such term pursuant to Section 409A of the Code and the Treasury Regulations promulgated thereunder, including Treasury Regulations Section 1.409A-1(i).

2.46 “**Stock Appreciation Right**” or “**SAR**” means an Award designated in an applicable Award Agreement as a stock appreciation right that entitles the holder to receive, with respect to each Share subject to the exercise of such SAR, the excess of the Fair Market Value of such Share, in cash or shares (or a combination thereof), on the date of exercise over the Grant Price of the SAR, or such other amount, in cash or shares (or a combination thereof) set forth in the applicable Award Agreement.

2.47 “**Subsidiary**” means, with respect to the Company: (a) any corporation, association or other business entity of which more than 50% of the total voting power of shares of such entity’s voting securities (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders’ agreement that effectively transfers voting power) is at the time owned or controlled, directly or indirectly, by the Company or one or more of the other Subsidiaries of the Company (or a combination thereof), and (b) any partnership (or any comparable entity), the controlling general partner (or functional equivalent thereof) or managing member of which is the Company or a Subsidiary of the Company.

2.48 “**Substitute Award**” means an Award granted solely in assumption of, or in substitution for, outstanding awards previously granted by an entity acquired by the Company or with which the Company combines.

2.49 “**Termination**” means the termination of a Participant’s employment or service, as applicable, with the Service Recipient for any reason (including Retirement, death or Disability).

2.50 “**Treasury Regulations**” means the regulations promulgated by the U.S. Department of Treasury under the Code, as amended.

### **Section 3. Administration.**

3.1 *Authority of Committee.* The Plan shall be administered by the Board, or at the direction of the Board, by the Committee, which shall be appointed by and serve at the pleasure of the Board; provided, however, with respect to Awards to Outside Directors, all references in the Plan to the Committee shall be deemed to be references to the Board. Subject to the terms of the Plan and Applicable Law, and in addition to other express powers and authorizations conferred on the Committee by the Plan, the Committee shall have full and final power and authority in its discretion (and in accordance with Section 409A of the Code with respect to Awards subject thereto) to: (i) designate Participants; (ii) determine eligibility for participation in the Plan and decide all questions concerning eligibility for and the amount of Awards under the Plan; (iii) determine the type or types of Awards to be granted to a Participant, if any; (iv) determine the number of Shares to be covered by, or with respect to which payments, rights or other matters are to be calculated in connection with Awards; (v) determine the timing, terms, and conditions of any Award; (vi) accelerate the time at which all or any part of an Award may be settled or exercised; (vii) determine whether, to what extent, and under what circumstances Awards may be settled or exercised in cash, Shares, other securities, other Awards or other property, or canceled, forfeited or suspended and the method or methods by which Awards may be settled, exercised, canceled, forfeited or suspended; (viii) determine whether, to what extent, and under what circumstances cash, Shares, other securities, other Awards, other property, and other amounts payable with respect to an Award shall be deferred either automatically or at the election of the holder thereof or of the Committee; (ix) grant Awards as an alternative to, or as the form of payment for, grants or rights earned or payable under, other bonus or compensation plans, arrangements or policies of the Company or a Subsidiary; (x) grant Substitute Awards; (xi) make all determinations under the Plan concerning any Participant’s Separation from Service with the Company or a Subsidiary, including whether such separation occurs by reason of Cause, Good Reason, Disability, Retirement, or in connection with a Change in Control and whether a leave constitutes a Separation from Service; (xii) interpret and administer the Plan and any instrument or agreement relating to, or Award made under, the Plan; (xiii) extend the period in which an Option or SAR may be exercised; (xiv) impose any limitations on Awards, including limitations on transfers, repurchase provisions and the like, and to exercise repurchase rights or obligations; (xv) except to the extent prohibited by any provision of the Plan, amend or modify the terms of any Award at or after grant with or without the consent of the holder of the Award; (xvi) establish, amend, suspend or waive such rules and

regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; (xvii) adopt special guidelines and provisions for Persons who are residing in, employed in or subject to the taxes of any domestic or foreign jurisdiction to comply with Applicable Law; and (xviii) correct any defect, supply any omission, or reconcile any inconsistency in the Plan or in any agreement related thereto or make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan, subject to the exclusive authority of the Board under Section 13 hereunder to amend or terminate the Plan. The express grant in the Plan of any specific power to the Committee shall not be construed as limiting any power or authority of the Committee; provided that the Committee may not exercise any right or power reserved to the Board.

3.2 *Committee Discretion Binding.* Unless otherwise expressly provided in the Plan or by Applicable Law, all designations, determinations, interpretations, and other decisions under or with respect to the Plan or any Award shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive, and binding upon all Persons, including the Company, any Subsidiary or Affiliate, any Participant and any holder or beneficiary of any Award. The Committee shall have no obligation to treat Participants or eligible Participants uniformly, and the Committee may make determinations under the Plan selectively among Participants who receive, or Employees or Directors who are eligible to receive, Awards (whether or not such Participants or eligible Employees or Directors are similarly situated). A Participant or other holder of an Award may contest a decision or action by the Committee with respect to such person or Award only on the grounds that such decision or action was arbitrary or capricious or was unlawful, and any review of such decision or action shall be limited to determining whether the Committee's decision or action was arbitrary or capricious or was unlawful.

3.3 *Delegation.* Subject to Applicable Law, the Committee, in its discretion, may delegate to the Chief Executive Officer of the Company the power to designate non-officer employees to be recipients of Awards, and to determine the number of such Awards to be received by such employees; provided, however, that the resolution so authorizing the Chief Executive Officer shall specify the total number of Awards the Chief Executive Officer may so award and may not delegate to the Chief Executive Officer the authority to set the exercise price or the vesting terms of such Awards. Any such delegation by the Committee shall also provide that the Chief Executive Officer may not grant Awards to himself or herself (or other executive officers) without the approval of the Committee. The Committee may revoke or amend the terms of a delegation at any time but such action shall not invalidate any prior actions of the Committee's delegate that were consistent with the terms of the Plan.

3.4 *No Liability.* No member of the Board or Committee shall be liable for any action taken or determination made in good faith with respect to the Plan or any Award granted hereunder.

#### **Section 4. Shares Available for Awards.**

##### *4.1 Shares Available.*

(a) Subject to the provisions of Section 4.2 below, the maximum aggregate number of Shares reserved and available for distribution under the Plan shall not exceed 133,000 Shares. The number of Shares with respect to which Incentive Stock Options may be granted under this Plan shall be no more than 133,000 (the "ISO Limit").

(b) At all times the Company will reserve and keep available a sufficient number of Shares as will be required to satisfy the requirements of all Awards granted and outstanding under this Plan. In the event that the Share Reserve is increased, the ISO Limit shall be automatically increased by such number of Shares. If, after the Effective Date, any Award granted under this Plan shall expire, terminate, be settled for cash or for a net number of Shares or otherwise be forfeited or canceled (including in connection with Section 14.6) for any reason before it has vested or been exercised in full, then the Shares covered by such Award, or to which such Award relates, or the number of Shares otherwise counted against the Share Reserve, to the extent of any such forfeiture, termination, settlement, expiration or cancellation, shall be added back to the Share Reserve. Additionally, if an Option or SAR is exercised, in whole or in part, by tender of Shares, or if the Company's tax withholding obligation for any Award is satisfied by withholding Shares, the number of Shares available for Awards under the Plan shall be increased by the number of Shares so surrendered or withheld. The Committee may make such other determinations regarding the counting of Shares issued

pursuant to this Plan as it deems necessary or advisable, provided that such determinations shall be permitted by Applicable Law.

(c) Substitute Awards shall not reduce the Shares available for grant under the Plan, nor shall Shares subject to a Substitute Award again be available for Awards under the Plan to the extent of any forfeiture, expiration or cash settlement as provided in paragraph (b) above. Additionally, in the event that a company acquired by the Company or any Subsidiary or which the Company or any Subsidiary combines has shares available under a pre-existing plan approved by stockholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) may be used for Awards under the Plan and shall not reduce the Shares authorized for grant under the Plan; provided that Awards using such available shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not Employees or Directors of the Company or any Subsidiary or Affiliate prior to such acquisition or combination.

4.2 *Adjustments.* Notwithstanding any other provision in the Plan to the contrary, in the event of (i) any change in the capital structure of the Company by reason of any extraordinary dividend or other distribution (whether in the form of cash, Shares, other securities or other property, but other than a normal cash dividend), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company, or other corporate transaction or event having an effect similar to the foregoing, or (ii) unusual or nonrecurring events affecting the Company, including changes in applicable rules, rulings, regulations or other requirements, that the Committee determines, in its sole discretion, could result in substantial dilution or enlargement of the rights intended to be granted to, or available for, Participants (any event in (i) or (ii), an “Adjustment Event”), the Committee shall make such proportionate adjustment or substitution, if any, as it deems equitable, to any or all of: (a) the aggregate number of Shares or other securities of the Company (or number and kind of other securities or property) with respect to which Awards may be granted under the Plan; (b) the number of Shares or other securities of the Company (or number and kind of other securities or property) subject to outstanding Awards under the Plan; (c) the limits on the number of Shares or Awards that may be granted to Participants under the Plan in any calendar year; or (d) the terms of any outstanding Award, including, without limitation, (1) the Option Price or Grant Price with respect to any Option or SAR, as applicable, or any amount payable as a condition of issuance of Shares (in the case of any other Award), (2) any applicable performance measures, (3) the provision for an equivalent award in respect of securities of the surviving entity of any merger, consolidation or other transaction or event having a similar effect, or (4) the provision for a cash payment to the holder of an outstanding Award; *provided*, that in the case of any “equity restructuring” (within the meaning of the Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor pronouncement thereto)), the Committee shall make an equitable or proportionate adjustment to outstanding Awards to reflect such equity restructuring.

4.3 *Substitute Awards.* Any Shares issued by the Company as Substitute Awards in connection with the assumption or substitution of outstanding grants from any acquired corporation shall not reduce the Shares available for Awards under the Plan to the extent that the rules and regulations of any stock exchange or other trading market on which the Shares are listed or traded provide an exemption from shareholder approval for assumption, substitution, conversion, adjustment, or replacement of outstanding awards in connection with mergers, acquisitions, or other corporate combinations.

4.4 *Sources of Shares Deliverable under Awards.* Any Shares delivered pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares or of issued Shares which have been reacquired by the Company.

## **Section 5. Eligibility.**

Any current or prospective Employee, Director or Consultant shall be eligible to be designated a Participant; provided, that the vesting and exercise of an Award to a prospective Employee, Director or Consultant are conditioned upon such individual attaining such status.

## **Section 6. Stock Options and Stock Appreciation Rights.**

6.1 *Grant.* Subject to the provisions of the Plan, the Committee shall have sole and complete authority to determine the Participants to whom Options and SARs shall be granted, the number of Shares subject to each Award, the Option Price or Grant Price and the conditions and limitations applicable to the exercise of each Option and SAR. All Options granted under the Plan shall be Nonqualified Stock Options unless the applicable Award Agreement expressly states that the Option is intended to be an Incentive Stock Option. Incentive Stock Options may be granted only to Participants who are Employees of the Company or a Subsidiary, and the terms and conditions of any such grants shall be subject to and comply with Section 422 of the Code and the Treasury Regulations promulgated thereunder. Any Award intended to qualify as an Incentive Stock Option which does not qualify (in whole or in part) as an Incentive Stock Option for any reason, shall be regarded as a Nonqualified Stock Option appropriately granted under the Plan to the extent of such non-qualification.

6.2 *Price.* Except in the case of Substitute Awards, the Option Price of an Option may not be less than the Fair Market Value of a Share on the Date of Grant, and the Grant Price of an SAR may not be less than the Fair Market Value of a Share on the Date of Grant. In the case of Substitute Awards or Awards granted in the form of Options or SARs in connection with an Adjustment Event, such Awards shall have an Option Price (or Grant Price) per Share that is intended to maintain the economic value of the Award that was replaced or adjusted as determined by the Committee. Notwithstanding the foregoing and except as permitted by the provisions of Section 4.2 hereof, the Committee shall not have the power to (i) lower the Option Price of an Option after it is granted, (ii) lower the Grant Price of an SAR after it is granted, (iii) cancel an Option when the Option Price exceeds the Fair Market Value of the underlying Shares in exchange for cash or another Award (other than in connection with a Change in Control or a Substitute Award) and grant substitute Options with a lower Option Price than the cancelled Options, (iv) cancel an SAR when the Grant Price exceeds the Fair Market Value of the underlying Shares in exchange for cash or another Award (other than in connection with a Change in Control or a Substitute Award) and grant substitute SARs with a Grant Price that is lower than the cancelled SAR's Grant Price, or (v) take any other action with respect to an Option or SAR that would be treated as a "repricing" under the rules and regulations of the principal securities exchange on which the Shares are actively traded, if so traded, in each case without the approval of the Company's shareholders.

6.3 *Term.* Each Option and SAR and all rights and obligations thereunder shall expire on the date determined by the Committee, whether in an Award Agreement or otherwise (the "Expiration Date"); provided, that any extension of the term of an Option or SAR shall be consistent with Section 409A of the Code to the extent necessary to avoid taxation thereunder. The Committee shall be under no duty to provide terms of like duration for Options or SARs granted under the Plan. Notwithstanding the foregoing, but subject to Section 6.4(a) of the Plan, no Option or SAR shall be exercisable after the expiration of ten (10) years from its Date of Grant.

### *6.4 Exercise.*

(a) Each Option and SAR shall be exercisable at such times and subject to such terms and conditions as the Committee may, in its sole discretion, specify in the applicable Award Agreement or thereafter. The Committee may provide, at or after the grant, that the period of time over which an Option, other than an Incentive Stock Option, or SAR may be exercised shall be automatically extended if on the scheduled expiration of such Award, the Participant's exercise of such Award would violate Applicable Law; provided, however, that during the extended exercise period the Option or SAR may only be exercised to the extent such Award was exercisable in accordance with its terms immediately prior to such scheduled expiration date; provided further, however, that such extended exercise period shall end not later than thirty (30) days after the exercise of such Option or SAR first would no longer violate such Applicable Law.

(b) The Committee may impose such conditions with respect to the exercise of Options or SARs, including without limitation, any relating to the application of federal, state or foreign securities laws or the Code, as it may deem necessary or advisable.

(c) An Option or SAR exercisable for Shares may be exercised in whole or in part at any time, with respect to whole Shares only, within the period permitted thereunder for the exercise thereof, and shall be exercised by written notice of intent to exercise the Option or SAR, delivered to the Company at its principal office, and, in the case of an Option, payment in full to the Company of the aggregate Option Price for the number of Shares with respect to which the Option is then being exercised. Notwithstanding the foregoing, an Award Agreement may provide, or be amended to provide, that if on the last day of the term of an Option or SAR the Fair Market Value of one Share exceeds the Option Price or Grant Price, as applicable, of such Award by an amount as may be determined by the Committee, the Participant has not exercised the Option or SAR and the Option or SAR has not otherwise expired, the Option or SAR shall be deemed to have been exercised by the Participant on such day with payment of the Option Price made by withholding Shares otherwise issuable in connection with the exercise of the Option. In such event, the Company shall deliver to the Participant the number of Shares for which the Option was deemed exercised, less the number of Shares required to be withheld for the payment of the total purchase price and required withholding taxes, and any fractional Share shall be settled in cash; and in the case of an SAR, the net number of Shares that the Participant would have received had the Participant actually exercised such SAR on such date (or, in the case of a cash-settled SAR, cash in an amount equal to the Fair Market Value of the net number of Shares a Participant would have received if such SAR had been a stock-settled SAR).

(d) Payment of the Option Price shall be made in (i) cash or cash equivalents, (ii) at the discretion of the Committee, by transfer, either actually or by attestation, to the Company of unencumbered Shares previously acquired by the Participant, valued at the Fair Market Value of such Shares on the date of exercise (or next succeeding trading date, if the date of exercise is not a trading date), together with any applicable withholding taxes (which taxes may be satisfied in accordance with Section 14.6 of the Plan), such transfer to be upon such terms and conditions as determined by the Committee, (iii) by a combination of (i) or (ii), or (iv) by any other method approved or accepted by the Committee in its sole discretion, including, if the Committee so determines, (x) a cashless (broker-assisted) exercise that complies with applicable laws or (y) with respect to Options other than Incentive Stock Options, withholding Shares (net-exercise) otherwise deliverable to the Participant pursuant to the Option having an aggregate Fair Market Value at the time of exercise equal to the total Option Price together with any applicable withholding taxes (which taxes may be satisfied in accordance with Section 14.6). Until the Participant has been issued the Shares subject to such exercise, such Participant shall possess no rights as a shareholder with respect to such Shares. The Company reserves, at any and all times in the Company's sole discretion, the right to establish, decline to approve or terminate any program or procedures for the exercise of Options by means of a method set forth in subsection (iv) above, including with respect to one or more Participants specified by the Company notwithstanding that such program or procedures may be available to other Participants.

(e) At the Committee's discretion, the amount payable as a result of the exercise of an SAR may be settled in cash, Shares or a combination of cash and Shares. A fractional Share shall not be deliverable upon the exercise of a SAR but a cash payment will be made in lieu thereof. Unless otherwise determined by the Committee at or after grant, the exercise of a SAR shall entitle a Participant to a cash payment, for each such SAR exercised, equal to an amount equal to the excess of (i) the Fair Market Value of a Share on the exercise date over (ii) the Grant Price of the SAR as reflected in the applicable Award Agreement.

6.5 *Separation from Service.* Except as otherwise provided in the applicable Award Agreement, an Option or SAR (a) may be exercised only to the extent that it is then exercisable, and if at all times during the period beginning with the Date of Grant (or if later, the date on which the Participant first became an Employee, Director or Consultant) and ending on the date of exercise of such Award the Participant is an Employee, Non-Employee Director or Consultant, and (b) shall terminate immediately upon a Separation from Service by the Participant; provided, that subject to Section 6.3, the Committee may determine in its discretion that an Option or SAR may be exercised following any such Separation from Service, whether or not exercisable at the time of such separation.

6.6 *Ten Percent Stock Rule.* Notwithstanding any other provisions in the Plan, an Incentive Stock Option that is granted to a Participant who owns directly or indirectly (within the meaning of Section 424(d) of the Code) Shares of the Company possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company (a) shall have an Option Price that is not less than one hundred ten percent (110%) of the Fair

Market Value of a Share on the Date of Grant, and (b) by its terms shall not be exercisable after the expiration of five (5) years from the Date of Grant.

## **Section 7. Restricted Shares and Restricted Share Units.**

7.1 *Grant.* Each grant of Restricted Shares and Restricted Share Units shall be evidenced by an Award Agreement in such form as the Committee shall from time to time approve. Each Restricted Share and Restricted Share Unit so granted shall be subject to the terms and conditions of the Plan and any additional terms and conditions established by the Committee that are not inconsistent with the terms of the Plan. Each Award of Restricted Shares and Restricted Share Units shall be for such number of Shares determined by the Committee and set forth in the applicable Award Agreement. Such agreement shall set forth a period of time during which the Participant must remain in the continuous employment (or other service-providing capacity) of the applicable Service Recipient in order for the forfeiture and transfer restrictions to lapse. If the Committee so determines, the restrictions may lapse during such restricted period in installments with respect to specified portions of the Shares covered by the Award of Restricted Shares or Restricted Share Units. The Award Agreement may also set forth performance or other conditions that will subject the Shares to forfeiture and transfer restrictions. The Committee may, in its sole discretion, waive all or any part of the restrictions applicable to any or all outstanding Restricted Shares or Restricted Share Units.

7.2 *Delivery of Shares.* Upon the grant of Restricted Shares, the Committee shall cause a stock certificate representing the number of Shares awarded thereunder to be registered in the name of the Participant to be issued, or shall cause Shares to be registered in the name of the Participant and held in book-entry form subject to the Company's directions and, if the Committee determines that the Restricted Shares shall be held by the Company or in escrow rather than issued to the Participant pending the release of the applicable restrictions, the Committee may require the Participant to additionally execute and deliver to the Company (i) an escrow agreement satisfactory to the Committee, if applicable, and (ii) the appropriate stock power (endorsed in blank) with respect to the Restricted Shares covered by such agreement. Any certificate so issued shall be held by the Company or any custodian appointed by the Company for the account of the Participant subject to the terms and conditions of the Plan, and shall bear such a legend setting forth the restrictions imposed thereon as the Committee, in its discretion, may determine. The holding of Restricted Shares by the Company or such an escrow holder, or the use of book entries to evidence the ownership of Restricted Shares, shall not affect the rights of the Participant as an owner of the Restricted Shares, nor affect the restrictions applicable to such Shares under the Award Agreement or the Plan.

7.3 *Rights as a Shareholder.* Unless otherwise provided in the applicable Award Agreement, a Participant shall have all rights and privileges of a shareholder with respect to Restricted Shares, including the right to receive dividends and the right to vote such Shares, subject to the following restrictions: (i) the Participant shall not be entitled to delivery of the stock certificate (or unrestricted book entry position) until the expiration of the restricted period and the fulfillment of any other restrictive conditions set forth in the Award Agreement with respect to such Shares; (ii) none of the Shares may be sold, assigned, transferred, pledged, hypothecated or otherwise encumbered or disposed of during such restricted period or until after the fulfillment of any such other restrictive conditions; (iii) the Committee shall determine whether and under what conditions during the restricted period the Participant shall have the right to vote such shares or to receive dividends, or whether such dividends on Restricted Shares shall be held in escrow; and (iv) except as otherwise determined by the Committee at or after grant, all of the Shares (and any escrowed dividends) shall be forfeited and all rights of the Participant to such Shares shall terminate, without further obligation on the part of the Company, unless the Participant remains in the continuous employment (or other service-providing capacity) of the Service Recipient for the entire restricted period in relation to which such Shares were granted and unless any other restrictive conditions relating to the Restricted Share Award are met. A Participant shall have no rights or privileges as a shareholder as to Restricted Share Units. Notwithstanding the foregoing, upon a Participant's Separation from Service, the Company will recoup, recapture, recover or set off (out of amounts otherwise payable or paid to such Participant) or otherwise require the repayment of the amount of all dividends previously paid to such Participant on any Restricted Shares forfeited upon such Separation from Service.

7.4 *Termination of Restrictions.* At the end of the restricted period and provided that any other restrictive conditions of the Restricted Share Award are met, or at such earlier time as otherwise determined by the Committee, all restrictions set forth in the Award Agreement or in the Plan relating to the Restricted Shares shall lapse as to the Restricted Shares subject thereto, and a stock certificate for the appropriate number of Shares, free of the restrictions and restricted stock legend, shall be delivered to the Participant or the Participant's beneficiary or estate, as the case

may be (or, in the case of book-entry Shares, such restrictions and restricted stock legend shall be removed from the confirmation and account statements delivered to the Participant or the Participant's beneficiary or estate, as the case may be, in book-entry form).

7.5 *Settlement of Restricted Share Units; Dividend Equivalents.* Unless otherwise provided by the Committee in an Award Agreement or otherwise, upon the expiration of the restricted period applicable to a Participant's outstanding Restricted Share Units, the Company shall issue to the Participant or the Participant's beneficiary, one Share (or other securities or other property, as applicable) for each such outstanding Restricted Share Unit; *provided, however*, that the Committee may, in its sole discretion, elect to (a) pay cash or part cash and part Shares in lieu of issuing only Shares in respect of such Restricted Share Units; or (b) defer the issuance of Shares (or cash or part cash and part Shares, as the case may be) beyond the expiration of the applicable restricted period if such extension would not cause adverse tax consequences under Section 409A of the Code. If a cash payment is made in lieu of issuing Shares in respect of such Restricted Share Units, the amount of such payment shall be equal to the Fair Market Value per Share as of the date on which the restricted period lapsed with respect to such Restricted Share Units. Except as otherwise provided in the applicable Award Agreement, no dividends shall be payable, and no dividend rights shall accrue, in respect of Restricted Share Units. Except as otherwise determined by the Committee at or after grant, Restricted Share Units may not be sold, assigned, transferred, pledged, hypothecated or otherwise encumbered or disposed of, and all Restricted Share Units and all rights of the grantee to such Restricted Share Units shall terminate, without further obligation on the part of the Company, unless the Participant remains in continuous employment (or other service-providing capacity) of the Service Recipient for the entire restricted period in relation to which such Restricted Share Units were granted and unless any other restrictive conditions relating to the Restricted Share Units are met.

## **Section 8. Performance Awards.**

8.1 *Grant.* The Committee shall have sole and complete authority to determine the Participants who shall receive a Performance Award, which shall consist of a right that is (i) denominated in cash or Shares (including but not limited to Restricted Shares or Restricted Share Units), (ii) valued, as determined by the Committee, in accordance with the achievement of such performance goals during such performance periods as the Committee shall establish, and (iii) payable at such time and in such form as the Committee shall determine.

8.2 *Terms and Conditions.* Subject to the terms of the Plan and any applicable Award Agreement, the Committee shall determine the performance goals to be achieved during any performance period, the length of any performance period, the amount of any Performance Award and the amount and kind of any payment or transfer to be made pursuant to any Performance Award, and may amend specific provisions of the Performance Award; *provided*, however, that such amendment may not adversely affect existing Performance Awards made within a performance period commencing prior to implementation of the amendment.

8.3 *Payment of Performance Awards.* Performance Awards may be paid in a lump sum or in installments following the close of the performance period or, in accordance with the procedures established by the Committee, on a deferred basis. Except as otherwise determined by the Committee at or after grant, Separation from Service prior to the end of any performance period, other than for reasons of death or Disability, will result in the forfeiture of the Performance Award, and no payments will be made. Notwithstanding the foregoing, the Committee may in its discretion, waive any performance goals and/or other terms and conditions relating to a Performance Award. A Participant's rights to any Performance Award may not be sold, assigned, transferred, pledged, hypothecated or otherwise encumbered or disposed of in any manner, except by will or the laws of descent and distribution, and/or except as the Committee may determine at or after grant.

### **8.4 *Performance Shares.***

(a) Employees and Directors shall be eligible to receive Performance Share Awards. Subject to the provisions of the Plan, the Committee shall have sole and complete authority to determine the Participants to whom Performance Share Awards shall be granted, the number of Performance Shares to be granted to each Participant, the performance targets and goals to be satisfied, the duration of the period during which, and the conditions under which, the Performance Shares may be forfeited to the Company, and the other terms and conditions of such Awards. The Performance Share Awards shall be evidenced by Award

Agreements in such form as the Committee shall from time to time approve, which agreements shall comply with and be subject to the terms and conditions provided hereunder and any additional terms and conditions established by the Committee that are consistent with the terms of the Plan.

(b) Each Performance Share Award made under the Plan shall be for such number of Shares as shall be determined by the Committee and set forth in the Award Agreement containing the terms of such Performance Share Award.

8.5 *Performance Units.* Employees and Directors shall be eligible to receive Performance Unit Awards. Subject to the provisions of the Plan, the Committee shall have sole and complete authority to determine the Participants to whom Performance Units shall be granted. Performance Units shall consist of a right that is (i) denominated in cash or shares, (ii) valued, as determined by the Committee, in accordance with the achievement of such performance goals during such performance periods as the Committee shall establish, and (iii) payable at such time and in such form as the Committee shall determine. Subject to the terms of the Plan and any applicable Award Agreement, the Committee shall determine the performance goals to be achieved during any performance period, the length of any performance period, the amount of any Performance Unit Award and the amount and kind of any payment or transfer to be made pursuant to any Performance Unit Award. The Performance Unit Awards shall be evidenced by Award Agreements in such form as the Committee shall from time to time approve, which agreements shall comply with and be subject to the terms and conditions provided hereunder and any additional terms and conditions established by the Committee that are consistent with the terms of the Plan. The applicable Award Agreement shall set forth (i) the dollar value or number of Performance Units granted to the Participant; (ii) the performance period and performance goals with respect to each such Award; and (iii) any other terms and conditions as the Committee determines in its sole and absolute discretion.

## **Section 9. Other Stock-Based Awards.**

The Committee shall have the authority to determine the Participants who shall receive Other Stock-Based Awards, which shall consist of any right that is (i) not an Award described in Sections 6, 7 or 8 above and (ii) an Award of Shares or an Award denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Shares (including, without limitation, securities convertible into Shares), as deemed by the Committee to be consistent with the purposes of the Plan. Subject to the terms of the Plan and any applicable Award Agreement, the Committee shall determine the terms and conditions of any such Other Stock-Based Award.

## **Section 10. Non-Employee Director and Outside Director Awards.**

10.1 *Non-Employee Director Awards.* The Board may provide that all or a portion of a Non-Employee Director's annual retainer, meeting fees and/or other awards or compensation as determined by the Board, be payable (either automatically or at the election of a Non-Employee Director) in the form of Awards granted pursuant to Sections 6, 7 or 9 of the Plan, including unrestricted Shares. The Board shall determine the terms and conditions of any such Awards, including the terms and conditions which shall apply upon a termination of the Non-Employee Director's service as a member of the Board, and shall have full power and authority in its discretion to administer such Awards, subject to the terms of the Plan and applicable law.

10.2 *Outside Director Awards.* The Board may also grant Awards to Outside Directors pursuant to the terms of the Plan, including any Award described in Sections 6, 7, 8 and 9 above. With respect to such Awards, all references in the Plan to the Committee shall be deemed to be references to the Board.

## **Section 11. Separation from Service.**

11.1 *Committee Authority.* The Committee shall have the full power and authority to determine the terms and conditions that shall apply to any Award upon a Separation from Service with any Service Recipient, including a separation with or without Cause, by a Participant voluntarily, including for Good Reason, or by reason of death, Disability, or Retirement, and may provide such terms and conditions in the Award Agreement or in such rules and regulations as it may prescribe.

11.2 *Forfeiture as Default.* Unless otherwise provided in this Plan, an Award Agreement, or by a contractual agreement between a Service Recipient and a Participant, if a Participant's employment with or service to all Service Recipients terminates before the restrictions imposed on the Award lapse, the performance goals have been satisfied or the Award otherwise vests, such Award shall be forfeited.

## **Section 12. Change in Control.**

12.1 *Accelerated Vesting.* The Committee or, with respect to Awards granted pursuant to Section 10, the Board, may (in accordance with Section 409A, to the extent applicable), in its discretion, provide in any Award Agreement, or, in the event of a Change in Control, may take such actions as it deems appropriate to provide, for the acceleration of the exercisability, vesting and/or settlement in connection with such Change in Control of each or any outstanding Award or portion thereof and Shares acquired pursuant thereto upon such conditions (if any), including termination of the Participant's service prior to, upon, or following such Change in Control, to such extent as the Committee, or with respect to Awards granted under Section 10, the Board, shall determine. In the event of a Change of Control, and without the consent of any Participant, the Committee, or with respect to Awards granted under Section 10, the Board, may, in its discretion, provide that for a period of at least fifteen (15) days prior to the Change in Control, any Options or Stock Appreciation Rights shall be exercisable as to all Shares subject thereto and that upon the occurrence of the Change in Control, such Stock Options or Stock Appreciation Rights shall terminate and be of no further force and effect.

12.2 *Assumption, Continuation or Substitution.* In the event of a Change in Control, the surviving, continuing, successor, or purchasing corporation or other business entity or parent thereof, as the case may be (the "Acquiror"), may (in accordance with Section 409A, to the extent applicable), without the consent of any Participant, either assume or continue the Company's rights and obligations under each or any Award or portion thereof outstanding immediately prior to the Change in Control or substitute for each or any such outstanding Award or portion thereof a substantially equivalent award with respect to the Acquiror's stock, as applicable; provided, that in the event of such an assumption, the Acquiror must modify the terms of any such assumed Award to provide that if the Participant's employment (or, in the case of a Director, service on the Board) with the Company, the Acquiror or any Subsidiary or Affiliate of the Company or the Acquiror is terminated for any reason within twelve months following the Change in Control, such assumed Award shall vest, become immediately exercisable and payable and all restrictions with respect thereto shall be lifted in each case upon the such termination. For purposes of this Section, if so determined by the Committee, or with respect to Awards granted under Section 10, the Board, in its discretion, an Award denominated in Shares shall be deemed assumed if, following the Change in Control, the Award (as adjusted, if applicable, pursuant to Section 4.2 hereof) confers the right to receive, subject to the terms and conditions of the Plan and the applicable Award Agreement, for each Share subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash, other securities or property or a combination thereof) to which a holder of a Share on the effective date of the Change in Control was entitled; provided, however, that if such consideration is not solely common stock of the Acquiror, the Committee, or with respect to Awards granted under Section 10, the Board, may, with the consent of the Acquiror, provide for the consideration to be received upon the exercise or settlement of the Award, for each Share subject to the Award, to consist solely of common stock of the Acquiror equal in Fair Market Value to the per share consideration received by holders of Shares pursuant to the Change in Control.

12.3 *Cash-Out of Awards.* The Committee, or with respect to Awards granted under Section 10, the Board, may (in accordance with Section 409A, to the extent applicable), in its discretion at or after grant and without the consent of any Participant, determine that, upon the occurrence of a Change in Control, each or any Award or a portion thereof outstanding immediately prior to the Change in Control and not previously exercised or settled shall be canceled in exchange for a payment with respect to each vested Share including pursuant to Section 12.1 subject to such Award in (i) cash, (ii) stock of the Company or of a corporation or other business entity a party to the Change in Control, or (iii) other property which, in any such case, shall be in an amount having a Fair Market Value equal to the Fair Market Value of the consideration to be paid per Share in the Change in Control, reduced by the exercise or purchase price per share, if any, under such Award (which payment may, for the avoidance of doubt, be \$0, in the event the per share exercise or purchase price of an Award is greater than the per share consideration in connection with the Change in Control). In the event such determination is made by the Committee, or with respect to Awards granted under Section 10, the Board, the amount of such payment (reduced by applicable withholding taxes, if any), if any, shall be paid to Participants in respect of the vested portions of their canceled Awards as soon as practicable

following the date of the Change in Control and may be paid in respect of the unvested portions of their canceled Awards in accordance with the vesting schedules applicable to such Awards.

12.4 *Performance Awards.* The Committee may (in accordance with Section 409A, to the extent applicable), in its discretion at or after grant, provide that in the event of a Change in Control, (i) any outstanding Performance Awards relating to performance periods ending prior to the Change in Control which have been earned but not paid shall become immediately payable, (ii) all then-in-progress performance periods for Performance Awards that are outstanding shall end, and either (A) any or all Participants shall be deemed to have earned an award equal to the relevant target award opportunity for the performance period in question, or (B) at the Committee's discretion, the Committee shall determine the extent to which performance criteria have been met with respect to each such Performance Award, if at all, and (iii) the Company shall cause to be paid to each Participant such partial or full Performance Awards, in cash, Shares or other property as determined by the Committee, within thirty (30) days of such Change in Control, based on the Change in Control consideration, which amount may be zero if applicable. In the absence of such a determination, any Performance Awards relating to performance periods that will not have ended as of the date of a Change in Control shall be terminated and canceled for no further consideration.

### **Section 13. Amendment and Termination.**

13.1 *Amendments to the Plan.* The Board may amend, alter, suspend, discontinue or terminate the Plan or any portion thereof at any time (and in accordance with Section 409A of the Code with regard to Awards subject thereto); provided that no such amendment, alteration, suspension, discontinuation or termination shall be made without shareholder approval if such approval is necessary to comply with Applicable Law.

13.2 *Amendments to Awards.* Subject to the terms of the Plan, the Committee may waive any conditions or rights under, amend any terms of or alter, suspend, discontinue, cancel or terminate, any Award theretofore granted, prospectively or retroactively in time (and in accordance with Section 409A of the Code with regard to Awards subject thereto); provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely affect the rights of any Participant or any holder or beneficiary of any Award theretofore granted shall not to that extent be effective without the consent of the affected Participant, holder or beneficiary.

### **Section 14. General Provisions.**

14.1 *Limited Transferability of Awards.* Except as otherwise provided in the Plan, an Award Agreement or by the Committee at or after grant, no Award shall be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant, except by will or the laws of descent and distribution. No transfer of an Award by will or by laws of descent and distribution shall be effective to bind the Company unless the Company shall have been furnished with written notice thereof and an authenticated copy of the will and/or such other evidence as the Committee may deem necessary or appropriate to establish the validity of the transfer. No transfer of an Award for value shall be permitted under the Plan.

14.2 *Dividend Equivalents.* In the sole and complete discretion of the Committee, an Award may provide the Participant with dividends or dividend equivalents, payable in cash, Shares, other securities or other property on a current or deferred basis. All dividend or dividend equivalents which are not paid currently may, at the Committee's discretion, accrue interest, be reinvested into additional Shares, or, in the case of dividends or dividend equivalents credited in connection with Performance Awards, be credited as additional Performance Awards and paid to the Participant if and when, and to the extent that, payment is made pursuant to such Award. The Share Reserve shall not be reduced to reflect any dividends or dividend equivalents that are reinvested into additional Shares or credited as Performance Awards. Notwithstanding the foregoing, with respect to an Award subject to Section 409A of the Code, the payment, deferral or crediting of any dividends or dividend equivalents shall conform to the requirements of Section 409A of the Code and such requirements shall be specified in writing.

14.3 *Compliance with Section 409A of the Code.* This Plan and all Awards granted hereunder are intended to comply with, or satisfy an exemption from, Section 409A of the Code and will be interpreted in a manner intended to comply with, or be exempt from, Section 409A of the Code. In furtherance of the foregoing:

(a) Notwithstanding anything herein to the contrary, (a) if at the time of the Participant's Separation from Service with any Service Recipient the Participant is a "specified employee" as defined in Section 409A of the Code, and the deferral of the commencement of any payments or benefits otherwise payable hereunder as a result of such Separation from Service is necessary in order to prevent the imposition of any accelerated or additional tax under Section 409A of the Code, then the Company will defer the commencement of the payment of any such payments or benefits hereunder (without any reduction in such payments or benefits ultimately paid or provided to the Participant) until the date that is six months and one day following the Participant's Separation from Service with all Service Recipients (or the earliest date as is permitted under Section 409A of the Code).

(b) Solely with respect to any Award that constitutes nonqualified deferred compensation subject to Section 409A of the Code and that is payable on account of a Change in Control (including any installments or stream of payments that are accelerated on account of a Change in Control), a Change in Control shall occur only if such event also constitutes a "change in the ownership," "change in effective control," and/or a "change in the ownership of a substantial portion of assets" of the Company as those terms are defined under Treasury Regulation §1.409A-3(i)(5), but only to the extent necessary to establish a time and form of payment that complies with Section 409A of the Code, without altering the definition of Change in Control for any purpose in respect of such Award.

(c) Notwithstanding anything in this Plan or any Awards to the contrary, the Committee may, without a Participant's prior consent, amend this Plan and/or any Awards, adopt policies and procedures, or take any other actions (including amendments, policies, procedures and actions with retroactive effect) as are necessary or appropriate to preserve the intended tax treatment of Awards under the Plan, including without limitation, any such actions intended to (a) exempt this Plan and/or any Award from the application of Section 409A of the Code, and/or (b) comply with the requirements of Section 409A of the Code, including without limitation any such regulations, guidance, compliance programs and other interpretative authority that may be issued after the date of grant of any Award. The Company makes no representations or warranties as to the tax treatment of any Award under Section 409A or otherwise. The Company shall not be liable to any Participant for any tax, interest, or penalties that Participant might owe as a result of the grant, holding, vesting, exercise, or payment of any Award under the Plan. The Company shall not be liable to any Participant for any tax, interest, or penalties that Participant might owe as a result of the grant, holding, vesting, exercise, or payment of any Grant under the Plan.

14.4 *No Rights to Awards.* No Person shall have any claim to be granted any Award, and there is no obligation for uniformity of treatment of Participants or holders or beneficiaries of Awards. The terms and conditions of Awards need not be the same with respect to each Participant. The grant of an Award pursuant to the Plan shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure, to merge or consolidate or to dissolve, liquidate, sell or transfer all or any part of its business or assets.

14.5 *Share Certificates.* All certificates for Shares or other securities of the Company or any Subsidiary delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations and other requirements of the SEC or any state securities commission or regulatory authority, any stock exchange or other market upon which such Shares or other securities are then listed, and any applicable Federal or state laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

14.6 *Tax Withholding.* A Participant shall, no later than the date as of which the value of an Award or of any Shares or other amounts received thereunder first becomes includable in the gross income of the Participant for income tax purposes, pay to the Service Recipient, or make arrangements satisfactory to the Committee regarding payment of, any Federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such income. The Company and any Subsidiary shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the Participant. The Company's obligation to deliver stock certificates (or evidence of book entry) to any Participant is subject to and conditioned on any such tax withholding obligations being satisfied by the Participant. Without limiting the generality of the foregoing, the Committee may in its discretion permit a Participant to satisfy or arrange to satisfy, in whole or in part, the tax obligations incident to an

Award by: (i) electing to have the Company withhold Shares or other property otherwise deliverable to such Participant pursuant to the Award (provided, however, that the amount of any Shares so withheld shall not exceed the amount necessary to satisfy required federal, state, local and foreign withholding obligations using the maximum statutory rate for federal, state, local and/or foreign tax purposes, including payroll taxes, that are applicable to supplemental taxable income or such other rate as would be required to avoid adverse accounting treatment to the Company); (ii) tendering to the Company Shares owned by such Participant (or by such Participant and his or her spouse jointly) and purchased or held for the requisite period of time as may be required to avoid the Company's or the Affiliates' or Subsidiaries' incurring adverse accounting charges, based, in each case, on the Fair Market Value of the Shares on the payment date as determined by the Committee; and/or (iii) having the Company cause its transfer agent to sell a number of Shares with an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the withholding amount due and remitting the proceeds from such sale to the Company.

14.7 *Award Agreements.* Each Award hereunder shall be evidenced by an Award Agreement that shall be delivered (including, but not limited to, through an online equity incentive plan management portal) to the Participant and may specify the terms and conditions of the Award and any rules applicable thereto. In the event of a conflict between the terms of the Plan and any Award Agreement, the terms of the Plan shall prevail. The Committee shall, subject to applicable law, determine the date an Award is deemed to be granted. The Committee or, except to the extent prohibited under applicable law, its delegate(s) may establish the terms of agreements or other documents evidencing Awards under this Plan and may, but need not, require as a condition to any such agreement's or document's effectiveness that such agreement or document be executed by the Participant, including by electronic signature or other electronic indication of acceptance, and that such Participant agree to such further terms and conditions as specified in such agreement or document. The grant of an Award under this Plan shall not confer any rights upon the Participant holding such Award other than such terms, and subject to such conditions, as are specified in this Plan as being applicable to such type of Award (or to all Awards) or as are expressly set forth in the agreement or other document evidencing such Award.

14.8 *Other Compensation Arrangements.* Nothing contained in the Plan shall prevent the Company or any Subsidiary or Affiliate from adopting or continuing in effect other compensation arrangements, which may, but need not, provide for the grant of Options, Restricted Shares, Restricted Share Units, Other Stock-Based Awards or other types of Awards provided for hereunder. No payment under the Plan shall be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare or benefit plan of the Company or any Subsidiary unless provided otherwise in such other plan.

14.9 *No Right to Employment.* The grant of an Award shall not be construed as giving a Participant the right to be retained in the employ of, or other service-providing capacity to, the Company or any Subsidiary or Affiliate. Further, the Company or a Subsidiary or Affiliate may at any time dismiss a Participant from employment, free from any liability or any claim under the Plan, unless otherwise expressly provided in an Award Agreement.

14.10 *No Rights as Shareholder.* Subject to the provisions of the Plan and the applicable Award Agreement, no Participant or holder or beneficiary of any Award shall have any rights as a shareholder with respect to any Shares to be distributed under the Plan until such person has become a holder of such Shares. Notwithstanding the foregoing, in connection with each grant of Restricted Shares hereunder, the applicable Award Agreement shall specify if and to what extent the Participant shall not be entitled to the rights of a shareholder in respect of such Restricted Shares.

14.11 *Governing Law.* The validity, construction and effect of the Plan and any rules and regulations relating to the Plan and any Award Agreement shall be determined in accordance with the laws of the State of Mississippi without giving effect to conflicts of laws principles.

14.12 *Data Privacy.* As a condition for receiving any Award, each Participant explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of personal data as described in this subsection by and among the Company and its Subsidiaries and affiliates exclusively for implementing, administering and managing the Participant's participation in the Plan. The Company and its Subsidiaries and affiliates may hold certain personal information about a Participant, including the Participant's name, address and telephone number; birthdate; social security, insurance number or other identification number; salary; nationality; job title(s); any Shares held in the Company or its Subsidiaries and affiliates; and Award details, to implement, manage and

administer the Plan and Awards (the “Data”). The Company and its Subsidiaries and affiliates may transfer the Data amongst themselves as necessary to implement, administer and manage a Participant’s participation in the Plan, and the Company and its Subsidiaries and affiliates may transfer the Data to third parties assisting the Company with Plan implementation, administration and management. These recipients may be located in the Participant’s country, or elsewhere, and the Participant’s country may have different data privacy laws and protections than the recipients’ country. By accepting an Award, each Participant authorizes such recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, to implement, administer and manage the Participant’s participation in the Plan, including any required Data transfer to a broker or other third party with whom the Company or the Participant may elect to deposit any Shares. The Data related to a Participant will be held only as long as necessary to implement, administer, and manage the Participant’s participation in the Plan. A Participant may, at any time, view the Data that the Company holds regarding such Participant, request additional information about the storage and processing of the Data regarding such Participant, recommend any necessary corrections to the Data regarding the Participant or refuse or withdraw the consents in this subsection in writing, without cost, by contacting the local human resources representative. The Company may cancel Participant’s ability to participate in the Plan and, in the Committee’s discretion, the Participant may forfeit any outstanding Awards if the Participant refuses or withdraws the consents in this subsection. For more information on the consequences of refusing or withdrawing consent, Participants may contact their local human resources representative.

14.13 *Severability.* If any provision of the Plan or any Award is, or becomes, or is deemed to be invalid, illegal or unenforceable in any jurisdiction or as to any Person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award and the remainder of the Plan and any such Award shall remain in full force and effect.

14.14 *Other Laws.* The Company will not be obligated to issue, deliver or transfer any Shares pursuant to the Plan or to remove restrictions from Shares previously delivered pursuant to the Plan until: (a) all conditions of the applicable Award Agreement have been met or removed to the satisfaction of the Committee; (b) all other legal matters, including receipt of consent or approval of any regulatory body and compliance with any state or federal securities or other law, in connection with the issuance and delivery of such Shares have been satisfied; (c) the Participant or holder or beneficiary of the Shares or Award has executed and delivered to the Company such representations or agreements as the Committee may consider appropriate to satisfy the requirements of any state or federal securities or other law; and (d) if the Company is then subject to such rules and regulations such issuance would not entitle the Company to recover amounts under Section 16(b) of the Exchange Act from such Participant or holder or beneficiary of the Shares or Award. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company’s counsel necessary to the lawful issuance of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue the Shares as to which such requisite authority shall not have been obtained.

14.15 *No Trust or Fund Created.* Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Subsidiary or Affiliate and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company or any Subsidiary or Affiliate pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company or any Subsidiary or Affiliate.

14.16 *No Fractional Shares.* No fractional Shares shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash, other securities or other property shall be paid or transferred in lieu of any fractional Shares or whether such fractional Shares or any rights thereto shall be canceled, terminated or otherwise eliminated.

14.17 *No Effect on Retirement and Other Benefit Plans.* Except as specifically provided in a retirement or other benefit plan of the Company or Subsidiary, Awards shall not be deemed compensation for purposes of computing benefits or contributions under any retirement plan, and shall not affect any benefits under any other benefit plan of any kind or any benefit plan subsequently instituted under which the availability or amount of benefits is related to level of compensation. The Plan is not a “Pension Plan” or “Welfare Plan” under the Employee Retirement Income Security Act of 1974, as amended. Neither the adoption of the Plan by the Board, the submission of the Plan

to the shareholders of the Company for approval, nor any provision of the Plan will be construed as creating any limitations on the power of the Board to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of Awards otherwise than under the Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

14.18 *Recoupment of Awards.* Any Award granted pursuant to this Plan shall be subject to mandatory repayment by the Participant to the Company (i) to the extent set forth in any Award Agreement, (ii) to the extent that such Participant is, or in the future becomes, subject to (A) any “clawback” or recoupment policy adopted by the Company or any Affiliate thereof to comply with the requirements of any applicable laws, rules or regulations, including pursuant to final rules adopted by the SEC pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, or otherwise, or (B) any applicable laws which impose mandatory recoupment, under circumstances set forth in such applicable laws, including the Sarbanes-Oxley Act of 2002.

14.19 *Headings.* Headings are given to the sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

14.20 *Trading Policy Restrictions.* Option exercises and other Awards under the Plan shall be subject to the Company’s insider trading policy-related restrictions, terms and conditions as may be established by the Committee, or in accordance with policies set by the Committee, from time to time.

14.21 *Designation of Beneficiary.* Each Participant to whom an Award has been made under the Plan may designate a beneficiary or beneficiaries to exercise any Award on or after the Participant’s death or receive any payment under any Award payable on or after the Participant’s death. Any such designation shall be on a form provided for that purpose by the Committee and shall not be effective until received by the Committee. If no beneficiary has been designated by a deceased Participant, or if the designated beneficiaries have predeceased the Participant, the beneficiary shall be the Participant’s estate.

## **Section 15. Term of the Plan.**

15.1 *Effective Date.* The Plan shall be effective as of May 1, 2025 provided it has been approved by the shareholders of the Company.

15.2 *Expiration Date.* No new Awards shall be granted under the Plan after the tenth (10<sup>th</sup>) anniversary of the Effective Date. Unless otherwise expressly provided in the Plan or in an applicable Award Agreement, any Award granted hereunder may, and the authority of the Board or the Committee to amend, alter, adjust, suspend, discontinue or terminate any such Award or to waive any conditions or rights under any such Award shall, continue after the tenth (10<sup>th</sup>) anniversary of the Effective Date.