

CRAFT BANCSHARES, INC.
1575 Northside Drive Northwest
Building 100, Suite 200
Atlanta, Georgia 30318

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS AND PROXY STATEMENT

To Be Held on October 29, 2024

Dear Shareholder:

The Annual Meeting of Shareholders (the “Annual Meeting”) of Craft Bancshares, Inc., a Georgia corporation (the “Company”), will be held both through a remote communication in a virtual meeting format via the Internet and in person at the Company’s office located at 1575 Northside Drive Northwest, Building 100, Suite 200, Atlanta, Georgia 30318, on October 29, 2024, at 3:30 p.m., Eastern Time, for the following purposes:

1. To consider and elect 11 members of our board of directors to serve for a term of one year, and until their successors are elected and qualified;
2. To ratify the appointment of Nichols, Cauley & Associates, LLC as our external auditors for the fiscal year 2024; and
3. To approve the Amended and Restated Craft Bancshares, Inc. 2019 Stock Incentive Plan.

In addition, the shareholders may transact any other business that may properly come before the Annual Meeting or any adjournment or postponement thereof.

You will be able to attend the Annual Meeting in person or online and submit your questions during the meeting by visiting <https://tinyurl.com/ymza6hk9>. Your virtual attendance will be counted as attendance in-person.

The board of directors of the Company (the “Board”) has fixed September 16, 2024, as the record date for the determination of shareholders entitled to vote at the Annual Meeting. Only shareholders of record at the close of business on that date will be entitled to notice of, and to vote at, the Annual Meeting or any adjournment thereof. A majority of the outstanding shares of common stock represented at the meeting, in person or by proxy, will constitute a quorum. The holders of shares of the Company’s common stock are entitled to one vote per share on all matters presented at the meeting for action by shareholders. The Company’s Proxy, solicited by the Board, is enclosed herewith. **The Board recommends that you vote for each of the proposals.**

Your vote is important. Whether or not you plan to attend the Annual Meeting in person or virtually, you are urged to complete, sign, date and promptly return the enclosed Proxy as promptly as possible in the enclosed postage paid envelope. If a proxy is received and no instructions are indicated, such shares of the common stock will be voted “FOR” each of the proposals in this proxy statement and in accordance with the recommendations of the Board as to any other matter which may properly come before the shareholders’ meeting. Should you choose to attend the Annual Meeting, you may, if you wish, revoke the Proxy and vote your shares during the Annual Meeting.

By Order of the Board,



Marc Greene
Chairman of the Board

September 16, 2024

PROPOSAL 1: ELECTION OF DIRECTORS

Shareholders will elect at the Annual Meeting 11 nominees as directors to serve until his successor is elected and qualified or until his earlier death, resignation or removal. The directors shall be elected by majority vote at the annual meeting.

Set forth below is a list of the nominees. Duly elected directors will serve until the next annual meeting of shareholders, or until their respective successors are duly elected and qualified.

David K. Alexander
Marc J. Greene
Byron L. Holmes
Michael I. Jacobson
Thomas B. Lamb
John W. Mangham
J. Marshall Martin, III
J. Paul Masters
J. Ross Mynatt
Douglas L. Rieder
William O. Wingate, IV

THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE “FOR” THE ELECTION OF THE 11 NOMINEES NAMED ABOVE.

PROPOSAL 2: RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

The Board has appointed Nichols, Cauley & Associates, LLC (“Nichols Cauley”) as the Company’s independent auditors for the fiscal year ending December 31, 2024. Ratification of this appointment requires the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote. Shareholder ratification of the selection of Nichols Cauley as our independent auditors is not required but is being presented to our shareholders as a matter of good corporate practice. Notwithstanding shareholder ratification of the appointment of Nichols Cauley, the Board, in its discretion, may direct the appointment of a new independent registered public accounting firm if the Board believes that such a change would be in the best interests of the Company and its shareholders. If shareholders fail to ratify the appointment of Nichols Cauley, other independent auditors will be considered by the Board. But the appointment of Nichols Cauley will nevertheless be permitted to stand unless the Board, on reconsideration, finds other compelling reasons for making a change.

THE BOARD RECOMMENDS A VOTE “FOR” RATIFICATION OF THE APPOINTMENT OF NICHOLS CAULEY AS THE COMPANY’S INDEPENDENT AUDITORS.

PROPOSAL 3: APPROVAL OF THE CRAFT BANCSHARES, INC. AMENDED AND RESTATED 2019 STOCK INCENTIVE PLAN

In connection with Craft Bank’s reorganization into a holding company structure effective January 1, 2023, the Company assumed sponsorship of the Craft Bank 2019 Stock Incentive Plan, and the Company now wishes to amend and restate the Plan as the Amended and Restated Craft Bancshares, Inc. 2019 Stock Incentive Plan (the “Plan”), and submit the Plan to the shareholders for approval.

The following information describes the material terms and conditions of the Plan. The Company is now asking Company shareholders to approve the Plan, so that shares of the common stock of the Company might be available for the

grant of options and other awards (collectively “awards”) in the same manner and to the same extent as such awards were available for grant by the Bank prior to the Reorganization. If the shareholders do not approve the Plan, there will not be any shares of Company common stock available for awards to achieve the Company’s incentive, recruiting and retention objectives. Awards, other than restricted shares, may be granted under the Plan on and after the effective date of the Plan, but no such awards may be exercised, vested, paid, or otherwise settled, or any shares issued with respect thereto, unless and until the shareholders of the Company approve the Plan. If the shareholders do not approve the Plan, no further awards may be granted under the Plan or the prior plan thereafter, and all awards granted on and after the Board’s approval of the amendment and restatement of the Plan shall be forfeited without further consideration.

The following description of the Plan is a summary, does not purport to be a complete description of the Plan and is qualified in its entirety by the full text of the Plan. The Company’s shareholders are encouraged to read the Plan in its entirety, which is set forth in Appendix A to this Proxy Statement. References to the Plan shall include the Plan prior to its amendment and restatement by the Board unless the context clearly indicates otherwise.

Outstanding Awards

As of September 10, 2024, an aggregate of 233,528 shares of common stock under the Plan were subject to outstanding awards granted under the Plan by the Company, leaving a total of 96,472 shares available for future issuance under the Plan. Based on 2,601,300 shares of common stock issued and outstanding as of September 10, 2024, the shares subject to existing awards and the additional shares available for issuance under the Plan, following approval by the shareholders, would represent approximately 11.26% of the outstanding shares of common stock of the Company when fully issued in accordance with the Plan.

General

The Plan gives the Board, or a committee of the Board, the flexibility to grant stock options and other awards to officers, employees, non-employee consultants and non-employee directors of the Company and its affiliates for the purpose of giving them an equity interest in, and to encourage them to remain in the employ or service of, the Company and its affiliates; provided, however, a non-employee director may not be granted awards during any single fiscal year of the Company that, taken together with any cash fees paid to such non-employee director during such fiscal year in respect of the non-employee director’s service as a member of the Board during such fiscal year, exceeds \$250,000 in total value (calculating the value of any such awards based on the grant date fair value of such awards for financial accounting purposes). The Board has reserved 330,000 shares of Company common stock for issuance pursuant to awards under the Plan (which includes awards granted prior to the Board’s amendment and restatement of the Plan).

Shares of Company common stock covered by an award shall only be counted as used to the extent actually used. A share of Company common stock issued in connection with an award under the Plan shall reduce the total number of shares of Company common stock available for issuance under the Plan by one.

If any award under the Plan terminates without the delivery of shares, whether by lapse, forfeiture, cancellation or otherwise, the shares subject to such award, to the extent of any such termination, shall again be available for grant under the Plan. Subject to applicable law, if any shares subject to an award granted under the Plan are withheld or applied as payment in connection with the exercise of the award or the withholding or payment of taxes related thereto or separately surrendered by the grantee for any such purpose, such returned shares also will again be available for grant under the Plan. The number of shares available for issuance under the Plan may not be increased through the purchase of shares on the open market with the proceeds obtained from the exercise of any options or purchase rights granted hereunder. In the case of any substitute award granted in assumption of or in substitution for an acquired entity award, shares delivered or deliverable in connection with such substitute award shall not be counted against the number of shares reserved under the Plan (to the extent permitted by the rules of any other stock exchange or automated quotation system upon which the shares may be listed or quoted), and available shares of stock under a shareholder-approved plan of an acquired entity (as appropriately adjusted to reflect the transaction) also may be used for awards under the Plan, which shall not reduce the number of shares otherwise available under the Plan (subject to applicable requirements of any other stock exchange or automated quotation system upon which the shares may be listed or quoted).

If a dividend or other distribution (whether in cash, shares or other property), recapitalization, forward or reverse stock split, subdivision, consolidation or reduction of capital, reorganization, merger, consolidation, scheme of arrangement, split-up, spin-off or combination involving the Company or repurchase or exchange of Company shares or other securities, or other rights to purchase shares of Company securities or other similar transaction or event affects Company shares, such that the Committee (as hereinafter defined) determines that an adjustment is appropriate in order to prevent dilution or enlargement of

the benefits (or potential benefits) intended to be made available under the Plan, the Committee shall make an equitable change or adjustment as it deems appropriate to (i) the number and type of shares (or other securities or property) with respect to which awards may be granted, (ii) the number and type of shares (or other securities or property) subject to outstanding awards, (iii) the exercise price with respect to any award or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding award, (iv) the number and kind of shares of outstanding restricted shares, or the shares underlying any award of restricted stock units and (v) any other terms and conditions of the award. Notwithstanding the foregoing, no such adjustment shall be authorized with respect to any options to the extent that such adjustment would cause the option (determined as if such option was an ISO (as hereinafter defined)) to violate Section 424(a) of the Internal Revenue Code (the "Code") or with respect to any awards to the extent such adjustment would subject any grantee to taxation under Section 409A of the Code, and the number of shares subject to any award denominated in shares shall always be a whole number.

Administration

The Board, or a committee appointed by the Board, will administer the Plan (the "Committee"). The Committee has the authority to grant awards under the Plan; to determine the terms of each award; to interpret the provisions of the Plan; to determine whether or not to prescribe, amend or rescind the rules and regulations relating to the Plan; and to make all other determinations that it may deem necessary or advisable to administer the Plan. The Committee's decisions relating to the administration of the Plan and grants of awards will be final and binding upon all persons. The Company will bear all expenses of administering the Plan.

The Plan permits the Committee to grant awards to eligible officers, employees, non-employee consultants and non-employee directors of the Company and its affiliates, except that incentive stock options ("ISOs") may only be granted to employees (including officers) of the Company and its subsidiaries. The Committee may grant awards on an individual basis or design a program providing for grants of awards to a group of eligible persons. The Committee will determine, within the limits of the Plan, the number of shares of common stock subject to an award, to whom an award is granted, the Exercise Price (as hereinafter defined), if any, of the award, the forfeiture or termination provisions of the award and all other terms of each award, to the extent not otherwise inconsistent with the terms of the Plan. In certain circumstances, the Company's regulators may require a holder of an award to exercise or forfeit the award issued to the holder.

Types of Awards

The Plan permits the grant of any or all of the following types of awards to all eligible persons: options, including non-qualified options and ISOs; restricted shares; and restricted stock units.

Generally, awards under the Plan are granted for no consideration other than prior and/or future services. Awards granted under the Plan may, in the discretion of the Committee, be granted alone or in addition to, in tandem with or in substitution for, any other award under the Plan. The material terms of each award will be set forth in a written or electronic award agreement between the grantee and the Company. The written agreements will specify when the award may become vested, exercisable or payable. No right or interest of a grantee in any award will be subject to any lien, obligation or liability of the grantee. The laws of the State of Georgia govern the Plan. The Plan is unfunded, and the Company will not segregate any assets for grants of awards under the Plan.

Options

The Committee is authorized to grant stock options (including ISOs except that an ISO may only be granted to an employee of the Company and its subsidiaries). A stock option allows a grantee to purchase a specified number of shares of Company common stock at a predetermined price per share (the "Exercise Price") during a fixed period measured from the date of grant. Options may be exercised by payment of the purchase price through one or more of the following means: payment in cash (including personal check or wire transfer), or, with the approval of the Committee, by delivering shares previously owned by the grantee, by delivery of shares to be acquired upon the exercise of such option or by delivering restricted shares. In the case of ISOs, the aggregate fair market value (determined as of the date of grant) of Company common stock with respect to which an ISO may become exercisable for the first time during any calendar year cannot exceed \$100,000; and if this limitation is exceeded, the ISOs which cause the limitation to be exceeded will be treated as nonqualified options.

Restricted Stock Units

The Committee may also grant restricted stock unit awards. A restricted stock unit award is the grant of a right to receive a specified number of shares of Company common stock (or the cash value thereof) upon lapse of a specified forfeiture condition (such as completion of a specified period of employment or other service or achievement of certain specified performance objectives). If the service condition and/or specified performance objectives are not satisfied during the restriction period, the award will lapse without the issuance of the shares underlying such award (or payment of the cash value thereof).

Restricted stock units carry no voting or other rights associated with stock ownership of the underlying shares. Unless the award agreement eliminates such rights, a grantee receiving restricted stock units will have the right to receive any dividends payable on such restricted stock units if and at the time the restricted stock units vest (such dividends to either be deemed reinvested into additional restricted stock units subject to the same terms as the restricted stock units to which such dividends relate or accumulated and paid in cash when the restricted stock units vest).

Restricted Stock

The Committee may also grant restricted shares consisting of shares of Company common stock which remain subject to a risk of forfeiture and may not be disposed of by grantees until certain restrictions established by the Committee lapse. The vesting conditions may be service-based (i.e., requiring continuous service for a specified period) or performance-based (i.e., requiring achievement of certain specified performance objectives) or both. If the service condition and/or specified performance objectives are not satisfied during the restriction period, the award will lapse and the restricted shares will be forfeited without the issuance of the shares underlying such award (or payment of the cash value thereof).

Restricted stock has all voting rights associated with stock ownership of the underlying shares. Unless the award agreement eliminates such rights, a grantee receiving restricted shares will have the right to receive any dividends payable on such restricted shares if and at the time the restricted shares vest (such dividends to either be deemed reinvested into additional restricted shares subject to the same terms as the restricted shares to which such dividends relate or accumulated and paid in cash when the restricted shares vest).

Termination of Awards

The terms of particular awards may provide that they terminate, among other reasons, upon the holder's termination of employment or other status with the Company and its affiliates, upon a specified date, upon the holder's death or disability, or upon the occurrence of a Change in Control of the Company (as defined in the Plan). An award agreement may provide that if the holder dies or becomes disabled, the holder's estate or personal representative may exercise the award. A grantee shall forfeit any and all rights under an award upon notice of termination by the Company for "Cause" as such term is defined in the Plan.

Change in Control

If there is a merger or consolidation of the Company with or into another corporation or a sale of substantially all of the Company's shares (a "Corporate Transaction") that results in a Change in Control (as defined in the Plan), and the outstanding awards are not assumed by the surviving company (or its parent company) or replaced with economically equivalent awards granted by the surviving company (or its parent company), the Committee will cancel any outstanding awards that are not vested and nonforfeitable as of the consummation of such Corporate Transaction (unless the Committee accelerates the vesting of any such awards) and with respect to any vested and nonforfeitable awards, the Committee may either (i) allow all grantees to exercise such awards in the nature of options to the extent then exercisable or to become exercisable upon the Corporate Transaction within a reasonable period prior to the consummation of the Corporate Transaction and cancel any awards in the nature of options that remain unexercised upon consummation of the Corporate Transaction, or (ii) cancel any or all of such outstanding awards in exchange for a payment (in cash and/or in securities and/or other property) in an amount equal to the amount that the grantee would have received (net of the Exercise Price with respect to any awards in the nature of options) and on the same terms (including without limitation any earn-out, escrow or other deferred consideration provisions) as if such vested awards were settled or distributed or such awards in the nature of vested options were exercised immediately prior to the consummation of the Corporate Transaction. Notwithstanding the foregoing, if an option is not assumed by the surviving company or replaced with an equivalent award issued by the surviving company and the Exercise Price with respect to any outstanding option equals or exceeds the amount payable per share in the Corporate Transaction, such awards shall be cancelled without any payment to the grantee. In connection with any Corporate Transaction that results in a Change in Control, the Committee may, in the exercise of its sole discretion, cause awards to be vested and nonforfeitable, earned and payable and cause any conditions on any such award to lapse, as to all or any part of such award, including shares as to which the award would not otherwise be exercisable or nonforfeitable or earned and payable and allow all grantees to exercise such awards of options within a reasonable period prior to the consummation of such proposed action. Any awards that remain unexercised or outstanding upon consummation of such proposed action shall be cancelled without any further consideration therefor.

As set forth in the form award agreements currently in place as of the date of this proposal, the Committee has exercised its discretion under the Plan to provide for the accelerated vesting of outstanding (i) options on the earlier of the date

of the Change in Control or the date the option is to be terminated in connection with the Change in Control and (ii) restricted stock units and restricted stock on the date of the Change in Control.

Amendment and Termination of the Plan

The Board has the authority to amend or terminate the Plan. Once the Company's shareholders approve the Plan, the Board is not required to obtain further shareholder approval to amend or terminate the Plan, unless such approval of an amendment or alteration is required by law or regulation or under the rules of any stock exchange or automated quotation system on which Company shares of common stock are then listed or quoted. The Board may, in its discretion, determine to submit other such amendments or alterations to shareholders for approval.

Subject to the terms of the Plan or an award agreement, no amendment, termination, or modification of the Plan may materially and adversely affect any award previously granted under the Plan, without the written consent of the grantee of such award.

Unless earlier terminated by the Board, the Plan will terminate when all shares subject to the Plan have been issued and the restrictions on all shares granted under the Plan have lapsed or, if earlier, on the day immediately preceding the tenth anniversary of approval of the amended and restated Plan by the Board.

Shareholder Rights

No grantee shall have any rights as a shareholder of the Company with respect to the shares of Company common stock (other than restricted stock units and/or restricted shares as described above) which may be deliverable upon exercise or payment of an award until such shares of Company common stock have been delivered to the grantee.

Transferability

Generally, an award is non-transferable except by will or the laws of descent and distribution, and during the lifetime of the grantee to whom the award is granted, the award may only be exercised by, or payable to, the grantee or, if permissible under applicable law, by the grantee's guardian or legal representative or by a transferee receiving such award pursuant to a domestic relations order. However, the Committee may provide that awards (other than ISOs) may be transferred by a grantee, without consideration, to a Permitted Transferee (as defined in the Plan). If so determined by the Committee, a grantee may, in the manner established by the Committee, designate a beneficiary or beneficiaries to exercise the rights of the grantee, and to receive any distribution with respect to any award, upon the death of the grantee. A transferee, beneficiary, guardian, legal representative or other person claiming any rights under the Plan from or through any grantee shall be subject to the provisions of the Plan and any applicable award agreement, except to the extent the Plan and award agreement otherwise provide with respect to such persons, and to any additional restrictions or limitations deemed necessary or appropriate by the Committee.

No Repricing

Notwithstanding any other provision of the Plan, no option may be amended to reduce the Exercise Price nor cancelled in exchange for other options with a lower Exercise Price or for a cash payment (or shares of Company common stock having a fair market value) in an amount greater than the excess of the fair market value of the shares underlying such cancelled option over the aggregate Exercise Price of such option, without shareholder approval. These restrictions shall not apply unless the Company has a class of shares or stock that is registered under Section 12 of the Securities Exchange Act, or with respect to any adjustment specifically permitted under the Plan.

Compliance with Applicable Law

No award shall be exercisable, vested or payable except in compliance with all applicable federal and state laws and regulations (including, without limitation, tax and securities laws), any listing agreement with any stock exchange to which the Company is a party, and the rules of all domestic stock exchanges on which the Company's shares may be listed.

No Employment Rights

Awards do not confer upon any individual any right to continue in the employ or service of the Company or any affiliate thereof.

U.S. Federal Income Tax Consequences

The grant of an option will create no tax consequences for the grantee or the Company at the time of the grant. A grantee will have no taxable income upon exercise of an ISO except that a grantee must recognize income equal to the fair market value of the shares acquired minus the Exercise Price for alternative minimum tax purposes. Upon exercise of an option (other than an ISO), a grantee generally must recognize ordinary income equal to the fair market value of the shares acquired minus the exercise or grant price. Upon a disposition of shares acquired by exercise of an ISO on or before the earlier of the second anniversary of the grant of such ISO or the first anniversary of the exercise of such option, the grantee generally must recognize ordinary income equal to the lesser of (1) the fair market value of the shares at the date of exercise minus the Exercise Price or (2) the amount realized upon the disposition of the ISO shares minus the Exercise Price. Otherwise, a grantee's disposition of shares acquired upon the exercise of an option (including an ISO for which the ISO holding periods are met) generally will result in only capital gain or loss.

Any other awards under the Plan, including restricted shares and restricted stock units will generally result in ordinary income to the grantee equal to the cash or the fair market value of the shares or other property (minus the amount, if any, paid by the grantee for shares or other property) at the time such cash, shares or other property is received by the grantee or, in case of restricted shares, at the time that the substantial risk of forfeiture of such shares lapses.

The Company is generally entitled to claim a tax deduction with respect to an award granted under the Plan when the grantee recognizes ordinary income with respect to the award in an amount equal to the ordinary income that is recognized by the grantee. The Company is not entitled to claim any tax deduction for any amount recognized by a grantee as capital gains.

The Company is permitted to withhold from any award granted under the Plan any required withholding taxes. Payment of withholding taxes may be made through one or more of the following means: payment of an amount in cash (including cash obtained through the sale of shares of Company stock acquired on exercise of an option or upon the lapse of restrictions on restricted shares); delivering part or all of the amount to be withheld in the form of shares of Company common stock; requesting the Company to withhold from those shares of Company common stock that would otherwise be received upon exercise of the option, upon the lapse of restrictions on restricted shares, or upon the transfer of shares, a number of shares having a fair market value equal to the amount to be withheld; or withholding from any compensation otherwise due to the grantee.

Section 83(b) of the Code

A grantee may elect under Section 83(b) of the Code to be taxed at the time of grant of restricted shares on the fair market value of the shares at that time rather than to be taxed when the risk of forfeiture lapses on the value of the shares at that time, and the Company would have a deduction available at the same time and in the same amount as the grantee recognizes income. If a grantee files an election under Section 83(b) of the Code and the grantee subsequently forfeits the restricted shares, he or she would not be entitled to any tax deduction, including as a capital loss, for the value of the shares on which he or she previously paid tax. A grantee who files an election under Section 83(b) of the Code generally must pay any required withholding taxes in cash. Except as discussed below, the Company generally will be entitled to a tax deduction at the time and equal to the amount recognized as ordinary income by the grantee in connection with an option or other award, but will be entitled to no tax deduction relating to amounts that represent a capital gain to a grantee. Thus, the Company will not be entitled to any tax deduction with respect to an ISO if the grantee holds the shares for the ISO holding periods.

Section 409A of the Code

It is intended that awards granted under the Plan will be exempt from treatment as "deferred compensation" subject to Section 409A of the Code.

THE BOARD RECOMMENDS A VOTE "FOR" APPROVAL OF THE AMENDED AND RESTATED CRAFT BANCSHARES, INC. 2019 STOCK INCENTIVE PLAN.

Appendix A

Amended and Restated Craft Bancshares, Inc. 2019 Stock Incentive Plan

[attached]

**AMENDED AND RESTATED
CRAFT BANCSHARES, INC.
2019 STOCK INCENTIVE PLAN**

**Article 1
Effective Date, Objectives and Duration**

1.1 Establishment of the Plan. Craft Bancshares, Inc., a Georgia corporation (the “Company”), hereby amends and restates the Craft Bank 2019 Stock Incentive Plan (prior to this amendment and restatement, the “Prior Plan” and after this amendment and restatement, the Amended and Restated Craft Bancshares, Inc. 2019 Stock Incentive Plan (the “Plan”), effective as of July 16, 2024 (the “Effective Date”). References herein to the Plan shall include the Prior Plan unless the context clearly indicates otherwise.

1.2 Adoption of the Plan. The Prior Plan was adopted by Board of Directors of Craft Bank, a Georgia bank (the “Bank”) on July 20, 2020, with the approval of the Bank’s shareholders. In connection with the Bank’s reorganization into a holding company structure effective January 1, 2023, the Company assumed sponsorship of the Prior Plan, and now the Board of Directors of the Company (the “Board”) hereby amends and restates the Plan, subject to approval by the shareholders of the Company within twelve (12) months after the Effective Date. The terms of the Plan are set forth herein. Awards, other than Restricted Shares, may be granted on and after the Effective Date; but, no such Awards may be exercised, vested, paid or otherwise settled, or any Shares issued with respect thereto, unless and until the shareholders of the Company approve the Plan. Restricted Shares may only be granted if and after the shareholders of the Company approve the Plan.

1.3 Duration of the Plan. The Plan commenced on the date of adoption of the Plan by the Board, subject to approval by the shareholders of the Company within twelve (12) months after the Board’s adoption of the Plan. If the shareholders of the Company approve the Plan, the Plan shall remain in effect, subject to the right of the Board to amend or terminate the Plan at any time pursuant to Article 10 hereof, until the earlier of 11:59 p.m. (ET) on July 16, 2034, or the date all Shares subject to the Plan shall have been issued and the restrictions on all Restricted Shares granted under the Plan shall have lapsed, according to the Plan’s provisions. If the shareholders of the Company do not approve the Plan within twelve (12) months after the Effective Date, no further Awards may be issued under the Plan or the Prior Plan thereafter, and all Awards granted on and after the Effective Date shall be forfeited without further consideration.

**Article 2
Definitions**

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

2.1 “Affiliate” means any corporation, trade or business or other entity, including but not limited to partnerships, limited liability companies and joint ventures, directly or indirectly controlling, controlled by or under common control with the Company, within the meaning of Section 405 of the Securities Act. Affiliate includes any corporation, trade or business or other entity that becomes such on or after the Effective Date.

2.2 “Award” means Options (including non-qualified options and Incentive Stock Options), Restricted Shares and Restricted Stock Units granted under the Plan.

2.3 “Award Agreement” means a written agreement entered into by the Company and a Grantee setting forth the terms and provisions applicable to an Award granted under this Plan, including any amendment or modification thereof. The Committee may provide for the use of electronic, internet or

other non-paper Award Agreements and the use of electronic, internet or other non-paper means for the acceptance thereof and actions thereunder by the Grantee.

2.4 “Beneficiary” means one or more persons or entities that become entitled to receive any amount payable under this Plan at the Grantee’s death. The Grantee’s Beneficiary is the Grantee’s surviving spouse, unless the Grantee designates one or more persons or entities to be the Grantee’s Beneficiary. The Grantee may make, change or revoke a Beneficiary designation at any time before his or her death without the consent of the Grantee’s spouse or anyone the Grantee previously named as a Beneficiary, and the Grantee may designate primary and secondary Beneficiaries. A Beneficiary designation must comply with procedures established by the Committee and must be received by the Committee before the Grantee’s death. If the Grantee dies without a valid Beneficiary designation (as determined by the Committee) and has no surviving spouse, the Beneficiary shall be the Grantee’s estate.

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

2.6 “Cause” shall have the same definition as under any employment or service agreement between the Company or any Affiliate and the Grantee or, if no such employment or service agreement exists or if such employment or service agreement does not contain any such definition or words of similar import, “Cause” means (i) the Grantee’s act or failure to act amounting to gross negligence or willful misconduct to the detriment of the Company or any Affiliate; (ii) the Grantee’s dishonesty, fraud, theft or embezzlement of funds or properties in the course of Grantee’s employment; (iii) the Grantee’s commission of or pleading guilty to or confessing to any felony; or (iv) the Grantee’s breach of any restrictive covenant agreement with the Company or any Affiliate, including but not limited to, confidentiality covenants, covenants not to compete, non-solicitation covenants and non-disclosure covenants. For purposes of the Plan, the Grantee’s resignation without the Company’s or an Affiliate’s written consent in anticipation of termination of employment for Cause shall constitute a termination of employment for Cause.

2.7 “Change in Control” shall be deemed to have occurred upon the first occurrence of an event set forth in any one of the following paragraphs:

(a) The accumulation in any number of related or unrelated transactions (other than an offering of Shares to the general public through a registration statement filed with the Securities and Exchange Commission) by any Person of beneficial ownership (as such term is used in Sections 13(d) and 14(d)(2) of the Exchange Act) of more than fifty percent (50%) of the combined voting power of the Company’s voting stock; provided that for purposes of this subsection (a), a Change in Control will not be deemed to have occurred if the accumulation of more than fifty percent (50%) of the voting power of the Company’s voting stock results from any acquisition of voting stock (i) by the Company or any Affiliate, (ii) by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Affiliate, (iii) by any Person that, prior to the transaction, directly or indirectly, controls, is controlled by, or is under common control with, the Company, or (iv) by any Person pursuant to a merger, consolidation or reorganization (a “Business Combination”) that would not cause a Change in Control under subsection (b) below; or

(b) Consummation of a Business Combination, unless, immediately following that Business Combination, (i) all or substantially all of the Persons who were the beneficial owners of voting stock of the Company immediately prior to that Business Combination beneficially own, directly or indirectly, more than fifty percent (50%) of the combined voting power of the Company’s voting stock resulting from that Business Combination (including, without limitation, an entity that as a result of that transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions relative to each other as their ownership, immediately prior to that Business Combination, of the voting stock of the Company and (ii) no Person has

beneficial ownership of fifty percent (50%) or more of the combined voting power of the Company's voting stock (including any entity that as the result of that transaction owns the Company or all or substantially all of, the Company's assets either directly or through one or more subsidiaries); or

(c) During any twelve (12)-month period, Incumbent Board Members cease to constitute a majority of the Board; or

(d) A sale or other disposition of all or substantially all of the assets of the Company, except pursuant to a Business Combination that would not cause a Change in Control under subsection (b) above; or

(e) A complete liquidation or dissolution of the Company, except pursuant to a Business Combination that would not cause a Change in Control under subsection (b) above.

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

2.9 "Company" means Craft Bancshares, Inc., a Georgia corporation, and any successor thereto by operation of law or otherwise.

2.10 "Disability" or "Disabled" means, unless otherwise defined in an Award Agreement, or as otherwise determined under procedures established by the Committee for purposes of the Plan, disability means, for any Grantee, any injury, illness or sickness that qualifies as a long-term disability within the meaning of the Company's long-term disability program ("LTD Program") and on account of which such Grantee is entitled to receive LTD Program benefits; provided, however, in the case of an Incentive Stock Option, disability has the meaning under Section 22(e)(3) of the Code.

2.11 "Eligible Person" means any employee (including any officer) of, or non-employee consultant to, or Non-Employee Director of, the Company or any Affiliate, or potential employee (including a potential officer) of, or potential non-employee consultant to, or potential Non-Employee Director of, the Company or an Affiliate; provided, however, that (i) solely with respect to the grant of an Incentive Stock Option, an Eligible Person shall be any employee (including any officer) of the Company or any Subsidiary Corporation and (ii) the Committee may establish additional eligibility criteria for determining an Eligible Person for any Awards granted hereunder. Solely for purposes of Section 5.6, current or former employees or Non-Employee Directors of, or non-employee consultants to, an Acquired Entity who receive Substitute Awards in substitution for Acquired Entity Awards shall be considered Eligible Persons under this Plan with respect to such Substitute Awards.

2.12 "Exchange Act" means the Securities Exchange Act of 1934, as amended, and all rules and regulations promulgated thereunder.

2.13 "Fair Market Value" means a price that is determined by the Committee in such manner as it deems appropriate provided such manner is consistent with Treasury Regulation 1.409A-1(b)(5)(iv)(B). The Fair Market Value that the Committee determines shall be final, binding and conclusive on the Company, any Affiliate and each Grantee.

2.14 "Grant Date" means the date on which an Award is granted or such later date as specified in advance by the Committee.

2.15 "Grantee" means an Eligible Person to whom an Award has been granted under the Plan.

2.16 “Incentive Stock Option” means an Option that is intended to meet the requirements of Section 422 of the Code.

2.17 “Incumbent Board Member” means an individual who either is (a) a member of the Board as of the effective date of the adoption of this Plan or (b) a member who becomes a member of the Board subsequent to the date of the adoption of this Plan whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least sixty percent (60%) of the then Incumbent Board Members (either by a specific vote or by approval of the proxy statement of the Company in which that person is named as a nominee for director, without objection to that nomination), but excluding, for that purpose, any individual whose initial assumption of office occurs as a result of an actual or threatened election contest (within the meaning of Rule 14a-11 of the Exchange Act) with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board.

2.18 “Non-Employee Director” means a member of the Board, or the board of directors of an Affiliate, who is not an employee of the Company or any Affiliate.

2.19 “Non-Qualified Stock Option” means an option that is not intended to meet the requirements of Section 422 of the Code.

2.20 “Option” means an option granted under Article 6 of the Plan.

2.21 “Period of Restriction” means the period during which Restricted Shares are subject to forfeiture if the conditions specified in the Award Agreement are not satisfied.

2.22 “Period of Vesting” means the period during which the Award is subject to forfeiture or may not be exercised if the conditions specified in the Award Agreement are not satisfied.

2.23 “Person” means any individual, sole proprietorship, partnership, joint venture, limited liability company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, entity or government instrumentality, division, agency, body or department.

2.24 “Plan” means this Amended and Restated Craft Bancshares, Inc. 2019 Stock Incentive Plan, in its current form or as hereafter amended.

2.25 “Restricted Shares” means Shares issued under Article 7 that are both subject to forfeiture and are nontransferable if the Grantee does not satisfy the conditions specified in the Award Agreement applicable to such Shares and subject to the Grantee paying the nominal value in cash for each Share to the extent required by the Committee.

2.26 “Restricted Stock Units” are rights, granted under Article 8, to receive Shares if the Grantee satisfies the conditions specified in the Award Agreement applicable to such rights, and subject always to the Grantee paying the nominal value in cash for each such Share.

2.27 “Rule 16b-3” means Rule 16b-3 promulgated by the SEC under the Exchange Act, as amended from time to time, together with any successor rule.

2.28 “SEC” means the United States Securities and Exchange Commission, or any successor thereto.

2.29 “Section 16 Non-Employee Director” means a member of the Board who satisfies the requirements to qualify as a “non-employee director” under Rule 16b-3.

2.30 “Section 16 Person” means a person who is subject to potential liability under Section 16(b) of the Exchange Act with respect to transactions involving equity securities of the Company.

2.31 “Securities Act” means the Securities Act of 1933, as amended, and all rules and regulations promulgated thereunder.

2.32 “Share” means the common stock, \$0.01 par value per share, of the Company, and, unless the context otherwise requires, such other securities of the Company, as may be substituted or resubstituted for Shares pursuant to Section 4.2 hereof.

2.33 “Subsidiary Corporation” means a corporation other than the Company in an unbroken chain of corporations beginning with the Company if, at the time of granting the Option, each of the corporations other than the last corporation in the unbroken chain owns shares or stock possessing fifty percent (50%) or more of the total combined voting power of all classes of shares or stock in one of the other corporations in such chain.

2.34 “Surviving Company” means the surviving corporation in any merger or consolidation, involving the Company, including the Company if the Company is the surviving corporation, or the direct or indirect parent company of the Company or such surviving corporation following a sale of substantially all of the outstanding shares or stock of the Company.

2.35 “Termination of Service” means (a) that the employee has terminated employment with the Company and its Affiliates, the non-employee consultant is no longer serving as a consultant to the Company or an Affiliate or the Non-Employee Director has ceased being a director of the Company or any Affiliate or (b) when an entity which is employing the employee or non-employee consultant or on whose board of directors the Non-Employee Director is serving, ceases to be an Affiliate, unless the Participant otherwise is, or thereupon becomes, an employee, non-employee consultant or Non-Employee Director of the Company or another Affiliate, at the time such entity ceases to be an Affiliate. In the event an employee, non-employee consultant or Non-Employee Director becomes one of the other categories of Eligible Persons upon the termination of such employee’s employment, such consultant’s consultancy or such Non-Employee Director’s service, unless otherwise determined by the Committee, in its sole discretion, no Termination of Service will be deemed to have occurred until such time as such person is no longer an employee, non-employee consultant or Non-Employee Director.

Article 3 Administration

3.1 Committee.

(a) The Plan shall be administered by the Compensation Committee or the Board itself if no Compensation Committee exists. Notwithstanding the foregoing, either the Board or the Compensation Committee may at any time and in one or more instances reserve administrative powers to itself as the Committee or exercise any of the administrative powers of the Committee. To the extent the Board or Compensation Committee considers it desirable to comply with Rule 16b-3, the Committee shall consist of two or more directors of the Company, all of whom qualify as “independent directors” within the meaning of any stock exchange on which Shares are traded and Section 16 Non-Employee Directors. The number of members of the Committee shall from time to time be increased or decreased, and shall be subject

to such conditions, in each case if and to the extent the Board deems it appropriate to permit transactions in Shares pursuant to the Plan to satisfy such conditions of Rule 16b-3.

(b) The Committee may act through subcommittees, in which case the subcommittee shall be subject to and have the authority hereunder applicable to the Committee, and the acts of the subcommittee shall be deemed to be the acts of the Committee hereunder. Additionally, to the extent applicable law so permits, the Committee, in its discretion, may delegate to one or more officers of the Company all or part of the Committee's authority and duties with respect to Awards to be granted to individuals who are not subject to the reporting and other provisions of Section 16 of the Exchange Act and who are not members of the Board or the Board of Directors of an Affiliate. The Committee may revoke or amend the terms of any delegation at any time but such action shall not invalidate any prior actions of the Committee's delegate or delegates that were consistent with the terms of the Plan and the Committee's prior delegation. An Award granted to an individual who is a member of the Committee may be approved by the Committee in accordance with the applicable Committee charters then in effect and other applicable law except that the Committee member must abstain from any action with respect to the Committee member's own Awards.

(c) Unless the context requires otherwise, any references herein to "Committee" include references to, the Board or the Compensation Committee to the extent the Board or the Compensation Committee, as applicable, has assumed or exercises administrative powers itself as the Committee pursuant to subsection (a), and to the subcommittees or officers of the Company to the extent either has been delegated authority pursuant to subsection (b), as applicable.

3.2 Powers of Committee. The Committee shall have authority to grant Awards upon such terms (not inconsistent with the provisions of this Plan) as the Committee may consider appropriate. Such terms may include conditions (in addition to those contained in this Plan) on the grant, exercisability, transferability, settlement and forfeitability of all or any part of an Award, among other terms. Notwithstanding any such conditions, the Committee may, in its discretion, accelerate the time at which any Award may be exercised, become transferable or nonforfeitable or be earned and settled including, without limitation, (i) in the event of the Participant's death, Disability or Termination of Service or (ii) in connection with a Change in Control. In addition, the Committee shall have complete authority to interpret all provisions of this Plan including, without limitation, the discretion to interpret any terms used in the Plan that are not defined herein; to prescribe the form of Agreements; to adopt, amend and rescind rules and regulations pertaining to the administration of the Plan; and to make all other determinations necessary or advisable for the administration of this 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. Any decision made, or action taken, by the Committee in connection with the administration of this Plan shall be final and conclusive. The members of the Committee shall not be liable for any act done in good faith with respect to this Plan or any Agreement or Award. Unless otherwise provided by the Bylaws of the Company, by resolution of the Board or applicable law, a majority of the members of the Committee shall constitute a quorum, and acts of the majority of the members present at any meeting at which a quorum is present, and any acts approved in writing by all members of the Committee without a meeting, shall be the acts of the Committee.

3.3 No Repricings. Notwithstanding any provision in Section 3.2 to the contrary, the terms of any outstanding Option may not be amended to reduce the Exercise Price of such Option, or cancel any outstanding Option in exchange for other Options with an Exercise Price that is less than the Exercise Price of the cancelled Option or for any cash payment (or Shares having a Fair Market Value) in an amount that exceeds the excess of the Fair Market Value of the Shares underlying such cancelled Option over the aggregate Exercise Price of such Option or for any other Award, without shareholder approval; provided, however, that the restrictions set forth in this Section 3.3, shall not apply (i) unless the Company has a class

of shares or stock that is registered under Section 12 of the Exchange Act or (ii) to any adjustment allowed under Section 4.2.

Article 4 **Shares Subject to the Plan and Maximum Awards**

4.1 Number of Shares Available for Grants. Subject to adjustment as provided in Section 4.2 and except as provided in Section 5.6, the maximum number of Shares hereby reserved for delivery in connection with Awards under the Plan (which includes the Prior Plan for purposes of the following provisions) shall be up to 330,000 Shares; 100% of such Shares may be delivered pursuant to the exercise of Incentive Stock Options granted under the Plan (in lieu of other Awards). A Share issued in connection with an Award under the Plan shall reduce the total number of Shares available for issuance under the Plan by one; provided, however, that, upon settlement of an SAR, the greater of the number of Shares underlying the portion of the SAR that is exercised or the number of Shares actually issued will be treated as having been delivered for purposes of determining the maximum number of Shares available for grant under the Plan and shall not again be treated as available for grant under the Plan. If any Award under the Plan terminates without the delivery of Shares, whether by lapse, forfeiture, cancellation or otherwise, the Shares subject to such Award, to the extent of any such termination, shall again be available for grant under the Plan. Subject to applicable law, if any Shares subject to an Award granted hereunder are withheld or applied as payment of taxes related thereto or separately surrendered by the Grantee for such purpose, such returned shares will again be available for grant under the Plan. The number of Shares available for issuance under the Plan may not be increased through the Company's purchase of Shares on the open market with the proceeds obtained from the exercise of any Options or other purchase rights granted hereunder. In addition, in the case of any Substitute Award granted in assumption of or in substitution for an Acquired Entity Award, Shares delivered or deliverable in connection with such Substitute Award shall not be counted against the number of Shares reserved under the Plan (to the extent permitted by the rules of any other stock exchange or automated quotation system upon which the Shares are listed or quoted), and available shares of stock under a shareholder-approved plan of an Acquired Entity (as appropriately adjusted to reflect the transaction) also may be used for Awards under the Plan, which shall not reduce the number of Shares otherwise available under the Plan (subject to applicable requirements of any other stock exchange or automated quotation system upon which the Shares are listed or quoted). Shares may be allotted and issued pursuant to the Plan from the Company's authorized but unissued share capital, or the reissue of treasury Shares. The proceeds that the Company receives in connection with Awards granted under the Plan, if any, shall be used for general corporate purposes and shall be added to the general funds of the Company.

4.2 Adjustments in Authorized Shares and Awards; Liquidation, Dissolution or Change in Control.

(a) In the event that the Committee determines that any dividend or other distribution (excluding any ordinary dividend or distribution) (whether in the form of cash, Shares, or other property), recapitalization, forward or reverse stock split, subdivision, consolidation or reduction of capital, reorganization, merger, consolidation, scheme of arrangement, split-up, spin-off or combination involving the Company or repurchase or exchange of Shares or other securities of the Company or other rights to purchase Shares or other securities of the Company, or other corporate transaction or event affects the Shares such that any adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust any or all of (i) the number and type of Shares (or other securities or property) with respect to which Awards may be granted, (ii) the number and type of Shares (or other securities or property) subject to outstanding Awards, (iii) the Exercise Price with respect to any Award or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award, (iv) the number and kind of Shares of outstanding Restricted Shares, or the Shares

underlying any Award of Restricted Stock Units and (v) any other terms and conditions of the Award. Notwithstanding the foregoing, (x) no such adjustment shall be authorized with respect to any Options to the extent that such adjustment would cause the Option (determined as if such Option was an Incentive Stock Option) to violate Section 424(a) of the Code or with respect to any Awards to the extent such adjustment would subject any Grantee to taxation under Section 409A of the Code; and (y) the number of Shares subject to any Award denominated in Shares shall always be a whole number.

(b) In the event of a merger or consolidation of the Company with or into another corporation or a sale of all or substantially all of the shares or stock of the Company or all or substantially all of the assets of the Company, including by way of a court sanctioned compromise or scheme of arrangement, reorganization, merger, combination, purchase, recapitalization, liquidation, or sale, transfer, exchange or other disposition (a “Corporate Transaction”) that results in a Change in Control, unless an outstanding Award is assumed by the Surviving Company or replaced with an equivalent Award granted by the Surviving Company in substitution for such outstanding Award, the Committee shall cancel any outstanding Awards that are not vested and nonforfeitable as of the consummation of such Corporate Transaction (unless the Committee in its discretion accelerates the vesting of such Awards without the need for the consent of any Grantee in Grantee’s status as the grantee of the Award) and with respect to any vested and nonforfeitable Awards, the Committee may either (i) allow all Grantees to exercise such Awards in the nature of Options to the extent then exercisable or to become exercisable upon the Corporate Transaction within a reasonable period prior to the consummation of the Corporate Transaction and cancel any Awards in the nature of Options that remain unexercised upon consummation of the Corporate Transaction, or (ii) cancel any or all of such outstanding Awards in exchange for a payment (in cash and/or in securities and/or other property) in an amount equal to the amount that the Grantee would have received (net of the Exercise Price with respect to any Awards in the nature of Options) and on the same terms (including without limitation any earn-out, escrow or other deferred consideration provisions) as if such vested Awards were settled or distributed or such Awards in the nature of vested Options were exercised immediately prior to the consummation of the Corporate Transaction. Notwithstanding the foregoing, if an Option is not assumed by the Surviving Company or replaced with an equivalent Award issued by the Surviving Company and the Exercise Price with respect to any outstanding Option equals or exceeds the amount payable per Share in the Corporation Transaction, such Awards shall be cancelled without any payment to the Grantee.

(c) In connection with any Corporate Transaction that results in a Change in Control, the Committee may, in the exercise of its sole discretion, cause Awards to be vested and non-forfeitable, earned and payable and cause any conditions on any such Award to lapse, as to all or any part of such Award, including Shares as to which the Award would not otherwise be exercisable or non-forfeitable or earned and payable and allow all Grantees to exercise such Awards of Options within a reasonable period prior to the consummation of such proposed action. Any Awards that remain unexercised or outstanding upon consummation of such proposed action shall be cancelled without any further consideration therefor.

Article 5

Eligibility and General Conditions of Awards

5.1 Eligibility. The Committee may in its discretion grant Awards to any Eligible Person, whether or not he or she has previously received an Award; provided, however, that all Awards made to Non-Employee Directors shall be determined by the Board in its sole discretion. No Award may be granted at a time when such grant would constitute a breach of applicable law.

5.2 Award Agreement. To the extent not set forth in the Plan, the terms and conditions of each Award shall be set forth in an Award Agreement and, unless the Committee determines otherwise, such Agreement must be signed, acknowledged and returned by the Grantee to the Company. Unless the

Committee determines otherwise, any failure by the Grantee to sign and return the Agreement within such period of time following the granting of the Award as the Committee shall prescribe shall cause such Award to the Grantee to be null and void. By accepting an Award or other benefits under the Plan (including participation in the Plan), each Grantee shall be conclusively deemed to have indicated acceptance and ratification of, and consented to, all provisions of the Plan and the Agreement.

5.3 General Terms and Termination of Service. The Committee may impose on any Award or the exercise or settlement thereof, at the date of grant or, subject to the provisions of Section 10.2, thereafter, such additional terms and conditions not inconsistent with the provisions of the Plan as the Committee shall determine, including without limitation terms requiring forfeiture or transfer, or acceleration or pro-rata acceleration of Awards in the event of a Termination of Service by the Grantee. Awards may be granted for no consideration other than prior and future services save that in no event will Shares subject to an Award be allotted and issued unless the nominal value per Share is paid in cash, unless permitted otherwise by applicable law. Except as otherwise determined by the Committee pursuant to this Section 5.3 or set forth in an Award Agreement, all Options that have not been exercised, or any other Awards that remain subject to a risk of forfeiture or which are not otherwise vested, or which have outstanding performance periods, at the time of a Termination of Service shall be forfeited to the Company.

5.4 Nontransferability of Awards.

(a) Each Award and each right under any Award shall be exercisable only by the Grantee during the Grantee's lifetime, or, if permissible under applicable law, by the Grantee's guardian or legal representative or by a transferee receiving such Award pursuant to a domestic relations order (a "DRO") as defined in the Code or Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or the rules thereunder. Nothing herein shall be construed as requiring the Company or any Affiliate to honor a DRO except to the extent required under applicable law.

(b) No Award (prior to the time, if applicable, Shares are delivered in respect of such Award), and no right under any Award, may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Grantee otherwise than by will or by the laws of descent and distribution (or in the case of Restricted Shares, to the Company) or pursuant to a DRO, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate; provided that the designation of a beneficiary to receive benefits in the event of the Grantee's death shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance.

(c) Notwithstanding subsections (a) and (b) above, to the extent provided in the Award Agreement, Awards (other than Incentive Stock Options), may be transferred, without consideration, to a Permitted Transferee. For this purpose, a "Permitted Transferee" in respect of any Grantee means any member of the Immediate Family of such Grantee, any trust of which all of the primary beneficiaries are such Grantee or members of his or her Immediate Family, or any partnership (including limited liability companies and similar entities) of which all of the partners or members are such Grantee or members of his or her Immediate Family; and the "Immediate Family" of a Grantee means the Grantee's spouse, any person sharing the Grantee's household (other than a tenant or employee), children, stepchildren, grandchildren, parents, stepparents, siblings, grandparents, nieces and nephews. Such Award may be exercised by such transferee in accordance with the terms of the Award Agreement. If so determined by the Committee, a Grantee may, in the manner established by the Committee, designate a beneficiary or beneficiaries to exercise the rights of the Grantee, and to receive any distribution with respect to any Award upon the death of the Grantee. A transferee, beneficiary, guardian, legal representative or other person claiming any rights under the Plan from or through any Grantee shall be subject to and consistent with the provisions of the Plan and any applicable Award Agreement, except to the extent the Plan and Award Agreement otherwise

provide with respect to such persons, and to any additional restrictions or limitations deemed necessary or appropriate by the Committee.

5.5 Cancellation, Rescission and Forfeiture of Awards. Unless the Award Agreement specifies otherwise:

(a) the Committee may cancel, rescind, suspend, withhold, or otherwise limit or restrict any unexercised or other Award at any time if (i) the Grantee is not in compliance with all applicable provisions of the Award Agreement and the Plan, (ii) the Grantee has a Termination of Service or (iii) the primary federal regulator or the state regulator of the Company (the “Regulator”) requires the Grantee to exercise or forfeit the Award due to the capital of the Company falling below minimum requirements, as determined by the Regulator; and

(b) a Grantee shall forfeit any and all rights under any Award or will reimburse the Company for any payment under any Award (with interest as required by applicable law) to the extent applicable law or any applicable claw-back or recoupment policy of the Company or any of its Affiliates requires such forfeiture or reimbursement.

5.6 Substitute Awards. The Committee may, in its discretion and on such terms and conditions as the Committee considers appropriate in the circumstances, grant Awards under the Plan (“Substitute Awards”) in substitution for share or stock and share or stock-based awards (“Acquired Entity Awards”) held by current or former employees or non-employee directors of, or consultants to, another corporation or entity who become Eligible Persons as the result of a merger or consolidation of the employing corporation or other entity (the “Acquired Entity”) with the Company or an Affiliate or the acquisition by the Company or an Affiliate of property or shares or stock of the Acquired Entity immediately prior to such merger, consolidation or acquisition in order to preserve for the Grantee the economic value of all or a portion of such Acquired Entity Award at such price as the Committee determines necessary to achieve preservation of economic value. The limitations of Sections 4.1 on the number of Shares reserved or available for grants shall not apply to Substitute Awards granted under this Section 5.6.

Article 6 **Stock Options**

6.1 Grant of Options. Subject to and consistent with the provisions of the Plan, Options may be granted to any Eligible Person in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee.

6.2 Award Agreement. Each Option grant shall be evidenced by an Award Agreement that shall specify the Exercise Price, the Term of the Option, the number of Shares to which the Option pertains, the time or times at which such Option shall be exercisable, whether the Option is intended to be a Non-Qualified Stock Option or an Incentive Stock Option and such other provisions as the Committee shall determine. Except as otherwise set forth in Section 5.6 above, no Option shall have a term of more than ten (10) years after its Grant Date, subject to earlier termination as provided herein or in the applicable Award Agreement. No Option may be exercised at a time when such exercise and/or the issuance of Shares pursuant to such exercise would be in breach of applicable law. No dividend rights or dividend equivalents may be granted in conjunction with any grant of Options.

6.3 Option Exercise Price. The Exercise Price of an Option under this Plan shall be determined in the sole discretion of the Committee but may not be less than one hundred percent (100%) of the Fair Market Value of a Share on the Grant Date (except as otherwise set forth in Section 5.6 above) and shall not be less than the nominal value per Share if required by applicable law.

6.4 Grant of Incentive Stock Options. At the time of the grant of any Option, the Committee may in its discretion designate that such Option shall be made subject to additional restrictions to permit it to qualify as an Incentive Stock Option. An Option designated as an Incentive Stock Option:

- (a) shall be granted only to an employee of the Company or a Subsidiary Corporation;
- (b) shall have an Exercise Price of not less than one hundred percent (100%) of the Fair Market Value of a Share on the Grant Date, and, if granted to a person who owns capital stock (including stock treated as owned under Section 424(d) of the Code) possessing more than ten percent (10%) of the total combined voting power of all classes of capital stock of the Company or any Subsidiary Corporation (a "More Than Ten Percent (10%) Owner"), have an Exercise Price not less than one hundred and ten percent (110%) of the Fair Market Value of a Share on its Grant Date;
- (c) shall be for a period of not more than 10 years (five years if the Grantee is a More Than 10% Owner) from its Grant Date, and shall be subject to earlier termination as provided herein or in the applicable Award Agreement;
- (d) shall not have an aggregate Fair Market Value (as of the Grant Date) of the Shares with respect to which Incentive Stock Options (whether granted under the Plan or any other stock option plan of the Grantee's employer or any parent or Subsidiary Corporation ("Other Plans")) are exercisable for the first time by such Grantee during any calendar year ("Current Grant"), determined in accordance with the provisions of Section 422 of the Code, which exceeds \$100,000 (the "\$100,000 Limit");
- (e) shall, if the aggregate Fair Market Value of the Shares (determined on the Grant Date) with respect to the Current Grant and all Incentive Stock Options previously granted under the Plan and any Other Plans which are exercisable for the first time during a calendar year ("Prior Grants") would exceed the \$100,000 Limit, be, as to the portion in excess of the \$100,000 Limit, exercisable as a separate option that is not an Incentive Stock Option at such date or dates as are provided in the Current Grant;
- (f) shall require the Grantee to notify the Committee of any disposition of any Shares delivered pursuant to the exercise of the Incentive Stock Option under the circumstances described in Section 421(b) of the Code (relating to holding periods and certain disqualifying dispositions) ("Disqualifying Disposition") within 10 days of such a Disqualifying Disposition;
- (g) shall by its terms not be assignable or transferable other than by will or the laws of descent and distribution and may be exercised, during the Grantee's lifetime, only by the Grantee; provided, however, that the Grantee may, to the extent provided in the Plan in any manner specified by the Committee, designate in writing a beneficiary to exercise his or her Incentive Stock Option after the Grantee's death; and
- (h) shall, if such Option nevertheless fails to meet the foregoing requirements, or otherwise fails to meet the requirements of Section 422 of the Code for an Incentive Stock Option, be treated for all purposes of this Plan, except as otherwise provided in subsections (d) and (e) above, as an Option that is not an Incentive Stock Option.

Notwithstanding the foregoing and Section 3.2, the Committee may, without the consent of the Grantee, at any time before the exercise of an Option (whether or not an Incentive Stock Option), take any action necessary to prevent such Option from being treated as an Incentive Stock Option. No Option that is intended to be an Incentive Stock Option shall be invalid for failure to qualify as an Incentive Stock Option.

6.5 Payment of Exercise Price. Except as otherwise provided by the Committee in an Award Agreement, Options shall be exercised by the delivery of a written notice of exercise to the Company, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment for the Shares made by any one or more of the following means:

- (a) cash, personal check, cash equivalent or wire transfer;
- (b) subject to applicable law and with the approval of the Committee, by delivery of Shares owned by the Grantee prior to exercise, valued at their Fair Market Value on the date of exercise;
- (c) subject to applicable law and with the approval of the Committee, Shares acquired upon the exercise of such Option, such Shares valued at their Fair Market Value on the date of exercise;
- (d) subject to applicable law and with the approval of the Committee, Restricted Shares held by the Grantee prior to the exercise of the Option, each such share valued at the Fair Market Value of a Share on the date of exercise; or
- (e) subject to applicable law (including the prohibited loan provisions of Section 402 of Sarbanes-Oxley), through the sale of the Shares acquired on exercise of the Option through a broker-dealer to whom the Grantee has submitted an irrevocable notice of exercise and irrevocable instructions to deliver promptly to the Company the amount of sale proceeds sufficient to pay for such Shares, together with, if requested by the Company, the amount of federal, state, local or foreign withholding taxes payable by Grantee by reason of such exercise.

Article 7

Restricted Shares

7.1 Grant of Restricted Shares. Subject to and consistent with the provisions of the Plan, the Committee, at any time and from time to time, may grant Restricted Shares to any Eligible Person in such amounts as the Committee shall determine.

7.2 Award Agreement. Each grant of Restricted Shares shall be evidenced by an Award Agreement that shall specify the Period(s) of Restriction, the number of Restricted Shares granted, and such other provisions as the Committee shall determine. The Committee may impose such conditions and/or restrictions on any Restricted Shares granted pursuant to the Plan as it may deem advisable, including restrictions based upon the achievement of specific time-based restrictions, performance measures, time-based restrictions on vesting following the attainment of the performance measures, and/or restrictions under applicable law.

7.3 Consideration for Restricted Shares. The Committee shall determine the amount, if any, that a Grantee shall pay for Restricted Shares provided that it shall be no less than the nominal value per Restricted Share if required to be paid by applicable law.

7.4 Effect of Forfeiture. If Restricted Shares are forfeited, and if the Grantee was required to pay for such shares or acquired such Restricted Shares upon the exercise of an Option, the Grantee shall be deemed to have resold such Restricted Shares to the Company at a price equal to the lesser of (x) the amount paid by the Grantee for such Restricted Shares, or (y) the Fair Market Value of a Share on the date of such forfeiture. The Company shall pay to the Grantee the deemed sale price as soon as is administratively practical. Such Restricted Shares shall cease to be outstanding and shall no longer confer on the Grantee thereof any rights as a shareholder of the Company, from and after the date of the event causing the forfeiture, whether or not the Grantee accepts the Company's tender of payment for such Restricted Shares.

7.5 Voting and Dividend Equivalent Rights Attributable to Restricted Shares. A Grantee awarded Restricted Shares will have all voting rights with respect to such Restricted Shares. Unless the Committee determines and sets forth in the Award Agreement that Grantee will not be entitled to receive any dividends with respect to such Restricted Shares, a Grantee will have the right to receive all dividends in respect of such Restricted Shares, which dividends shall be either deemed reinvested in additional shares of Restricted Shares, which shall remain subject to the same forfeiture conditions applicable to the Restricted Shares to which such dividends relate, or paid in cash if and at the time the Restricted Shares are no longer subject to forfeiture, as the Committee shall set forth in the Award Agreement. No dividends may be paid with respect to Restricted Shares that are forfeited.

7.6 Escrow; Legends. The Committee may provide that the certificates for any Restricted Shares if certificated (x) shall be held (together with a stock transfer form executed in blank by the Grantee) in escrow by the Secretary of the Company until such Restricted Shares become non-forfeitable or are forfeited and/or (y) shall bear an appropriate legend restricting the transfer of such Restricted Shares under the Plan. If any Restricted Shares become nonforfeitable, the Company shall cause certificates for such shares to be delivered without such legend.

Article 8

Restricted Stock Units

8.1 Grant of Restricted Stock Units. Subject to and consistent with the provisions of the Plan, the Committee, at any time and from time to time, may grant Restricted Stock Units to any Eligible Person, in such amount and upon such terms as the Committee shall determine.

8.2 Vesting and Delivery. Delivery of Shares subject to a grant of Restricted Stock Units shall occur no later than the 15th day of the third month following the end of the taxable year of the Grantee or the fiscal year of the Company in which the Grantee's rights under such Restricted Stock Units are no longer subject to a substantial risk of forfeiture as defined in final regulations under Section 409A of the Code. Unless otherwise determined by the Committee, to the extent that the Grantee has a Termination of Service while the Restricted Stock Units remain subject to a substantial risk of forfeiture, such Restricted Stock Units shall be forfeited, unless the Committee determines that such substantial risk of forfeiture shall lapse in the event of the Grantee's Termination of Service.

8.3 Voting and Dividend Equivalent Rights Attributable to Restricted Stock Units. A Grantee awarded Restricted Stock Units will have no voting rights with respect to such Restricted Stock Units prior to the delivery of Shares in settlement of such Restricted Stock Units. Unless the Committee determines and sets forth in the Award Agreement that a Grantee will not be entitled to receive any such dividend equivalents with respect to such Restricted Stock Units, the Grantee will have the right to receive dividend equivalents in respect of Restricted Stock Units, which dividend equivalents shall be either deemed reinvested in additional Shares of Restricted Stock Units, as applicable, which shall remain subject to the same forfeiture conditions applicable to the Restricted Stock Units to which such dividend equivalents relate, or paid in cash if and at the time the Restricted Stock Units are no longer subject to forfeiture and deliverable, as the Committee shall set forth in the Award Agreement. No dividend equivalents may be paid on Restricted Stock Units that are forfeited.

Article 9

Non-Employee Director Awards

Subject to the terms of the Plan, the Committee may grant Awards to any Non-Employee Director, in such amount and upon such terms and at any time and from time to time as shall be determined by the Committee in its sole discretion. Except as otherwise provided in Section 5.6, a Non-Employee Director

may not be granted Awards during any single Fiscal Year of the Company that, taken together with any cash fees paid to such Non-Employee Director during such Fiscal Year in respect of the Non-Employee Director's service as a member of the Board during such Fiscal Year, exceeds \$250,000 in total value (calculating the value of any such Awards based on the grant date fair value of such Awards for financial accounting purposes).

Article 10 **Amendment, Modification, and Termination**

10.1 Amendment, Modification, and Termination. Subject to Section 10.2, the Board may, at any time and from time to time, alter, amend, suspend, discontinue or terminate the Plan in whole or in part without the approval of the Company's shareholders, except that (a) any amendment or alteration shall be subject to the approval of the Company's shareholders if such shareholder approval is required by any applicable law, and (b) the Board may otherwise, in its discretion, determine to submit other such amendments or alterations to shareholders for approval.

10.2 Awards Previously Granted. Except as otherwise specifically permitted in the Plan or an Award Agreement, no termination, amendment, or modification of the Plan shall adversely affect in any material way any Award previously granted under the Plan, without the written consent of the Grantee of such Award.

Article 11 **Withholding**

11.1 Required Withholding.

(a) The Committee in its sole discretion may provide that when taxes are to be withheld in connection with the exercise of an Option, or upon the lapse of restrictions on Restricted Shares, or upon the transfer of Shares, or upon payment of any other benefit or right under this Plan (the date on which such exercise occurs or such restrictions lapse or such payment of any other benefit or right occurs hereinafter referred to as the "Tax Date"), the Grantee may elect to make payment for the withholding of federal, state and local taxes, including Social Security and Medicare ("FICA") taxes by one or a combination of the following methods:

(i) payment of an amount in cash equal to the amount to be withheld (including cash obtained through the sale of the Shares acquired on exercise of an Option or SAR, upon the lapse of restrictions on Restricted Shares, or upon the transfer of Shares, through a broker-dealer to whom the Grantee has submitted irrevocable instructions to deliver promptly to the Company, the amount to be withheld);

(ii) delivering part or all of the amount to be withheld in the form of Shares valued at its Fair Market Value on the Tax Date;

(iii) requesting the Company to withhold from those Shares that would otherwise be received upon exercise of the Option or SAR, upon the lapse of restrictions on Restricted Stock, or upon the transfer of Shares, a number of Shares having a Fair Market Value on the Tax Date equal to the amount to be withheld; or

(iv) withholding from any compensation otherwise due to the Grantee.

The Committee in its sole discretion may provide that the maximum amount of tax withholding upon exercise of an Option, upon the lapse of restrictions on Restricted Shares, or upon the

transfer of Shares, to be satisfied by withholding Shares upon exercise of such Option, upon the lapse of restrictions on Restricted Shares, or upon the transfer of Shares, pursuant to clause (iii) above shall not exceed the minimum amount of taxes, including FICA taxes, required to be withheld under federal, state and local law that will not result in adverse financial accounting consequences with respect to such Awards and is permitted under applicable withholding rules promulgated by the Internal Revenue Service or another applicable governmental entity. An election by Grantee under this subsection is irrevocable. Any fractional share amount and any additional withholding not paid by the withholding or surrender of Shares must be paid in cash. If no timely election is made, the Grantee must deliver cash to satisfy all tax withholding requirements.

(b) Any Grantee who makes a Disqualifying Disposition or an election under Section 83(b) of the Code shall remit to the Company an amount, if any, sufficient to satisfy all resulting tax withholding requirements in the same manner as set forth in subsection (a) (other than (a)(iii) above).

11.2 Notification under Code Section 83(b). If the Grantee, in connection with the exercise of any Option, or the grant of Restricted Shares, makes the election permitted under Section 83(b) of the Code to include in such Grantee's gross income in the year of transfer the amounts specified in Section 83(b) of the Code, then such Grantee shall notify the Company of such election within 10 days of filing the notice of the election with the Internal Revenue Service, in addition to any filing and notification required pursuant to regulations issued under Section 83(b) of the Code. The Committee may, in connection with the grant of an Award or at any time thereafter, prohibit a Grantee from making the election described above.

Article 12

Additional Provisions

12.1 Successors. All obligations of the Company under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise of all or substantially all of the business and/or assets of the Company.

12.2 Severability. If any part of the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any other part of the Plan. Any Section or part of a Section so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

12.3 Requirements of Law. The granting of Awards and the delivery of Shares under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or Nasdaq and any other stock exchange or automated quotation system upon which the Shares are listed or quoted as may be required. Notwithstanding any provision of the Plan or any Award, Grantees shall not be entitled to exercise, or receive benefits under, any Award, and the Company (and any Affiliate) shall not be obligated to deliver any Shares or deliver benefits to a Grantee, if such exercise or delivery would constitute a violation by the Grantee or the Company of any applicable law or regulation.

12.4 Securities Law Compliance.

(a) If the Committee deems it necessary to comply with any applicable law, the Committee may impose any restriction on Awards or Shares acquired pursuant to Awards under the Plan as it may deem advisable. In addition, if requested by the Company and any underwriter engaged by the Company, Shares acquired pursuant to Awards may not be sold or otherwise transferred or disposed of for such period following the date of the final prospectus or prospectus supplement relating to an underwritten

public offering as the Company or such underwriter shall specify reasonably and in good faith, not to exceed 180 days in the case of the initial public offering or 90 days in the case of any other public offering. All certificates for Shares 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 rules, regulations and other requirements of the SEC and any other stock exchange or automated quotation system upon which the Shares are listed or quoted, any applicable securities law, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions. If so requested by the Company, the Grantee shall make a written representation to the Company that he or she will not sell or offer to sell any Shares unless a registration statement shall be in effect with respect to such Shares under the Securities Act and any applicable state securities law or unless he or she shall have furnished to the Company, in form and substance satisfactory to the Company, that such registration is not required.

(b) If the Committee determines that the exercise or nonforfeitability of, or delivery of benefits pursuant to, any Award would violate any applicable law or result in the imposition of excise taxes on the Company or its Affiliates under the statutes, rules or regulations of any applicable jurisdiction, then the Committee may postpone any such exercise, nonforfeitability or delivery, as applicable, but the Company shall use all reasonable efforts to cause such exercise, nonforfeitability or delivery to comply with all such provisions at the earliest practicable date.

(c) The Committee may require each Grantee receiving Shares pursuant to an Award under the Plan to represent to and agree with the Company in writing that the Grantee is acquiring the Shares without a view to distribution thereof. In addition to any legend required by the Plan, the certificates for such Shares may include any legend that the Committee deems appropriate to reflect any restrictions on transfer. All certificates for Shares delivered under the Plan shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations and other requirements of the SEC and any other stock exchange or automated quotation system upon which the Shares are listed or quoted, any applicable federal or state securities law, and any applicable corporate law, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(d) A Grantee shall be required to supply the Company with certificates, representations and information that the Company requests and otherwise cooperate with the Company in obtaining any listing, registration, qualification, exemption, consent or approval the Company deems necessary or appropriate.

12.5 No Rights as a Shareholder. Unless otherwise determined by the Committee and set forth in the Award Agreement, no Grantee shall have any rights as a shareholder of the Company with respect to the Shares (other than Restricted Shares) which may be deliverable upon exercise or payment of such Award until such Shares have been delivered to him or her. Restricted Shares, whether held by a Grantee or in escrow by the Secretary of the Company, shall confer on the Grantee all rights of a shareholder of the Company, except as otherwise provided in the Plan or Award Agreement. At the time of grant of an Award, the Committee may require the payment of cash dividends thereon to be deferred and, if the Committee so determines, reinvested in additional Awards. Stock dividends and deferred cash dividends issued with respect to Awards shall be subject to the same restrictions and other terms as apply to the Awards with respect to which such dividends are issued. The Committee may in its discretion provide for payment of interest on deferred cash dividends.

12.6 Employee Status. If the terms of any Award provide that it may be exercised or paid only during employment or continued service or within a specified period of time after termination of employment or continued service, the Committee may decide to what extent leaves of absence for

governmental or military service, illness, temporary disability, or other reasons shall not be deemed interruptions of continuous employment or service. For purposes of the Plan, employment and continued service shall be deemed to exist between the Grantee and the Company and/or an Affiliate if, at the time of the determination, the Grantee is a director, officer, employee, consultant or advisor of the Company or an Affiliate. A Grantee on military leave, sick leave or other bona fide leave of absence shall continue to be considered an employee for purposes of the Plan during such leave if the period of leave does not exceed three months, or, if longer, so long as the individual's right to re-employment with the Company or any of its Affiliates is guaranteed either by statute, agreement or contract. If the period of leave exceeds three months, and the individual's right to re-employment is not guaranteed by statute, agreement or contract, the employment shall be deemed to be terminated on the first day after the end of such three-month period. Except as may otherwise be expressly provided in an Agreement, Awards granted to a director, officer, employee, consultant or adviser shall not be affected by any change in the status of the Grantee so long as the Grantee continues to be a director, officer, employee, consultant or advisor to the Company or any of its Affiliates (regardless of having changed from one to the other or having been transferred from one entity to another). The Grantee's employment or continued service shall not be considered interrupted in the event the Committee, in its discretion and as specified at or prior to such occurrence, determines there is no interruption in the case of a spin-off, sale or disposition of the Grantee's employer from the Company or an Affiliate, except that if the Committee does not otherwise specify such at or prior to such occurrence, the Grantee will be deemed to have a termination of employment or continuous service to the extent the Affiliate that employs the Grantee is no longer the Company or an entity that qualifies as an Affiliate.

12.7 Governing Law. The Plan, and all agreements hereunder, shall be construed in accordance with and governed by the laws of the State of Georgia, other than its laws respecting choice of law, to the extent not preempted by federal law.

12.8 Unfunded Status of Awards; Creation of Trusts. The Plan is intended to constitute an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Grantee pursuant to an Award, nothing contained in the Plan or any Award Agreement shall give any such Grantee any rights that are greater than those of a general creditor of the Company.

12.9 Military Service. Awards shall be administered in accordance with Section 414(u) of the Code and the Uniformed Services Employment and Reemployment Rights Act of 1994.

12.10 No Right to Continue in Service or Employment. Nothing in the Plan or any Award Agreement shall confer upon any Non-Employee Director the right to continue to serve as a director of the Company. Nothing contained in the Plan or any Agreement shall confer upon any Grantee any right with respect to the continuation of employment or service by the Company or any Affiliate or interfere in any way with the right of the Company or any Affiliate, subject to the terms of any separate employment agreement to the contrary, at any time to terminate such employment or service or to increase or decrease the compensation of the Grantee.

12.11 Miscellaneous.

(a) No person shall have any claim or right to receive an Award hereunder. The Committee's granting of an Award to a Grantee at any time shall neither require the Committee to grant any other Award to such Grantee or other person at any time or preclude the Committee from making subsequent grants to such Grantee or any other person.

(b) Nothing contained herein prohibits the Grantee from: (1) reporting possible violations of federal law or regulations, including any possible securities laws violations, to any governmental agency or entity; (2) making any other disclosures that are protected under the whistleblower

provisions of federal law or regulations; or (3) otherwise fully participating in any federal whistleblower programs, including but not limited to any such programs managed by the SEC. The Grantee does not need prior authorization from the Company to make any such reports or disclosures, and is not required to notify the Company about such disclosures.

(c) Agreements evidencing Awards under the Plan shall contain such other terms and conditions, not inconsistent with the Plan, as the Committee may determine in its sole discretion, including penalties for the commission of competitive acts or other actions detrimental to the Company. Notwithstanding any other provision hereof, the Committee shall have the right at any time to deny or delay a Grantee's exercise of Options or the settlement of an Award if such Grantee is reasonably believed by the Committee (i) to be engaged in material conduct adversely affecting the Company or (ii) to be contemplating such conduct, unless and until the Committee shall have received reasonable assurance that the Grantee is not engaged in, and is not contemplating, such material conduct adverse to the interests of the Company.

(d) Grantees are and at all times shall remain subject to the securities trading policies adopted by the Company from time to time throughout the period of time during which they may exercise Options, SARs or sell Shares acquired pursuant to the Plan.

(e) Notwithstanding any other provision of this Plan, (i) the Company shall not be obliged to issue any shares pursuant to an Award unless at least the par value of such newly issued share has been fully paid in advance in accordance with applicable law (which requirement may mean the holder of an Award is obliged to make such payment) and (ii) the Company shall not be obliged to issue or deliver any shares in satisfaction of Awards until all legal and regulatory requirements associated with such issue or delivery have been complied with to the satisfaction of the Committee.

(f) The Committee has no obligation to search for the whereabouts of any Grantee or Beneficiary if the location of such Grantee or Beneficiary are not made known to the Committee.

(g) By accepting Awards and as a condition to the exercise of Awards and the enjoyment of any benefits of the Plan, including participation therein, each Grantee agrees to be bound by and subject to non-competition, confidentiality and invention ownership agreements acceptable to the Committee or any officer or director to whom the Committee elects to delegate such authority.

(h) Notwithstanding any other provision of the Plan or any Agreement to the contrary, (i) a Grantee shall forfeit any and all rights under an Award upon receipt of notice from the Company or an Affiliate that the Grantee will incur a Termination of Service by the Company or such Affiliate for Cause, and (ii) any Award shall expire on any earlier date than that provided in the Plan or any Agreement in the event either the primary federal or state regulator of the Company may require the Grantee to exercise or forfeit the Award, as applicable, due to the capital of the Company falling below the minimum requirements as determined by the regulators.