

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
OF
AMERICAN RIVIERA BANCORP**

To Be Held June 20, 2024

The annual meeting of shareholders of American Riviera Bancorp (the "Company") will be held at the Company's headquarters located at 1033 Anacapa Street, Santa Barbara, California 93101, on Thursday, June 20, 2024 at 5:30 p.m., Pacific Time, and at any adjournments thereof (the "Annual Meeting") for the following purposes:

1. ELECTION OF DIRECTORS. To elect the following nine (9) director nominees to serve as directors of the Company until the next annual meeting of shareholders and until their respective successors are elected and have qualified:

Darren D. Caesar
Elizabeth Cholawsky
Leonard Himelsein
Weldon U. Howell, Jr., Esq
Douglas Margerum

Joe Campanelli
Jeff DeVine
Jody Dolan Holehouse, CPA
Lawrence Koppelman

2. RATIFICATION OF THE SELECTION OF CROWE LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM. To ratify the selection of Crowe LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2024.

3. APPROVAL OF THE AMERICAN RIVIERA BANCORP 2024 OMNIBUS STOCK INCENTIVE PLAN. To approve the American Riviera Bancorp 2024 Omnibus Stock Incentive Plan.

4. OTHER BUSINESS. To consider and transact such other business as may properly come before the Annual Meeting and any adjournment or adjournments thereof.

Our Board of Directors recommends that you vote "FOR" the election of all nine nominees named above to our Board of Directors; "FOR" the ratification of the appointment of Crowe LLP as our independent public accounting firm for the fiscal year ending December 31, 2024; and "FOR" the approval of the American Riviera Bancorp 2024 Omnibus Stock Incentive Plan.

The Proxy Statement and the accompanying form of proxy are being mailed on approximately Wednesday, May 15, 2024, to all persons who were shareholders of record as of Thursday, May 9, 2024 (the "Record Date"). Only shareholders of record on the Record Date are entitled to notice of and to vote at the 2024 annual meeting of shareholders or any adjournment or postponement thereof.

Your vote is very important. Even if you plan to attend the annual meeting of shareholders in person, please submit your proxy promptly over the Internet, by telephone or by mail as described in more detail in the Proxy Statement.

By Order of the Board of Directors



Michelle Martinich, Corporate Secretary
May 9, 2024

PROXY STATEMENT
ANNUAL MEETING OF SHAREHOLDERS
OF
AMERICAN RIVIERA BANCORP

To Be Held June 20, 2024

This proxy statement ("Proxy Statement") is furnished in connection with the solicitation of proxies to be used by the board of directors (the "Board of Directors" or the "Board") of American Riviera Bancorp (the "Company") at the annual meeting of shareholders of the Company which will be held at the Company's headquarters located at 1033 Anacapa Street, Santa Barbara, California 93101, on Thursday, June 20, 2024 at 5:30 p.m., Pacific Time, and at any adjournments thereof (the "Annual Meeting").

The matters to be considered and voted upon at the Annual Meeting will include:

1. ELECTION OF DIRECTORS. To elect the following nine (9) nominees to serve as directors of the Company until the next annual meeting of shareholders and until their respective successors are elected and have qualified:

Darren D. Caesar	Joe Campanelli
Elizabeth Cholawsky	Jeff DeVine
Leonard Himelsein	Jody Dolan Holehouse, CPA
Weldon U. Howell, Jr., Esq	Lawrence Koppelman
Douglas Margerum	

2. RATIFICATION OF THE SELECTION OF CROWE LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM: To ratify the selection of Crowe LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2024.

3. APPROVAL OF THE AMERICAN RIVIERA BANCORP 2024 OMNIBUS STOCK INCENTIVE PLAN. To approve the American Riviera Bancorp 2024 Omnibus Stock Incentive Plan.

4. OTHER BUSINESS. To consider and transact such other business as may properly come before the Annual Meeting and any adjournment or adjournments thereof.

This Proxy Statement and the accompanying form of proxy are being mailed on approximately Wednesday, May 15, 2024, to all persons who were shareholders of record as of Thursday, May 9, 2024 (the "Record Date").

Voting Procedures

If you were a shareholder of record on the Record Date, you may vote by any of the following methods:

Voting over the Internet or by Telephone. You may vote your shares over the Internet by following the instructions provided at www.voteproxy.com. Alternatively, you may vote your shares by telephone by calling, toll-free, 1-800-776-9437. Internet and telephone voting are available 24 hours a day until 11:59 p.m. Eastern Time on June 19, 2024. The Internet and telephone voting procedures are designed to authenticate each shareholder by using an individual

control number that is located on your proxy card. If you vote on the Internet or by telephone, you do not need to return your proxy card.

Voting by Mail. Shareholders may vote by mail by completing, dating and signing and then returning the enclosed proxy card.

Voting In Person at the Annual Meeting. As always, you may vote in person if you attend the Annual Meeting.

Even if you vote over the Internet, by telephone, or by mail, you may later change your vote by taking, prior to the Annual Meeting, one of the actions described in the subsection below entitled "Revocability of Proxies" or by attending the Annual Meeting and voting in person.

All shares that are properly voted by a shareholder, whether over the Internet, by telephone, or by mail, and not properly revoked, will be voted at the Annual Meeting in accordance with the shareholder's voting instructions or, if a shareholder does not provide voting instructions, then in accordance with the recommendations of the Board.

Voting on Other Matters. If other matters are properly presented for a vote of the shareholders at the Annual Meeting, the Board will have discretion to determine how shares for which proxies have been received will be voted on such matters. As of the Record Date, the Company did not know of any other matters to be presented for a vote of the shareholders at the Annual Meeting.

However, if your shares are held in a brokerage or bank account or by a nominee holder, please read the information below under the subsection entitled "Voting Shares Held by Brokers, Banks and Other Nominee Holders" regarding how your shares may be voted in accordance with your wishes.

Persons Making the Solicitation

The Company's Board of Directors is soliciting the enclosed proxy. The principal solicitation of proxies is being made by mail, although additional solicitation may be made by telephone, email or personal visits by directors, officers and employees of the Company. The total expense of this solicitation will be borne by the Company and will include reimbursement paid to brokerage firms and others for their expenses in forwarding soliciting material.

Outstanding Shares and Record Date

Shareholders of record as of the Record Date will be entitled to notice of the Annual Meeting and to vote at the Annual Meeting. As of the Record Date, the Company had issued and outstanding 5,820,150 shares of common stock, no par value ("Common Stock").

Voting Rights

For each matter submitted to the vote of the shareholders, each holder of Common Stock will be entitled to one vote, in person or by proxy, for each share he or she held of record on the books of the Company as of the Record Date or any matter submitted to the vote of shareholders, except that in connection with the election of directors, shares may be voted cumulatively if a candidate's or candidates' name(s) have been properly placed in nomination prior to the voting and a shareholder present at the Annual Meeting gives notice at the Annual Meeting, prior to the voting for election of directors, of his or her intention to vote cumulatively. If any shareholder of the Company gives such notice, then all shareholders eligible to vote will be entitled to cumulate their votes. Cumulative voting allows a shareholder to cast a number of votes equal to the number

of shares held in his or her name as of the Record Date, multiplied by the number of directors to be elected. These votes may be cast for any one nominee or may be distributed among as many nominees as the shareholder sees fit.

Quorum and Vote Required

Quorum Requirement. The Company's Bylaws require that a quorum — that is, the holders of a majority of all of the shares entitled to vote at the Annual Meeting — be present, either in person or by proxy, before any business may be transacted at the Annual Meeting (other than adjourning the Annual Meeting to a later date to allow time to obtain additional proxies to satisfy the quorum requirement).

Proposal No. 1. Election of Directors. In the election of directors, the nine (9) nominees receiving the highest number of votes will be elected. Withheld votes, abstentions and broker non-votes will have no effect on the voting for the election of directors. However, shares voted “withhold” and broker non-votes will be considered present at the Annual Meeting for purposes of determining whether a quorum is present.

Proposal No. 2. Ratification of the Selection of Crowe LLP as the Company's Independent Registered Public Accounting Firm. The affirmative vote of a majority of the shares of Common Stock represented and voting at the Annual Meeting, with affirmative votes constituting at least a majority of the required quorum, is required to approve the ratification of the Company's selection of Crowe LLP as the Company's independent registered public accounting firm for the year ending December 31, 2024. Abstentions and broker non- votes will have no effect unless there are insufficient votes in favor of the proposal, such that the affirmative votes constitute less than a majority of the required quorum. In such case, abstentions and broker non-votes will have the same effect as a vote against the proposal.

Proposal No. 3. Approval of the American Riviera Bancorp 2024 Omnibus Stock Incentive Plan. The affirmative vote of a majority of the shares of Common Stock represented and voting at the Annual Meeting, with affirmative votes constituting at least a majority of the required quorum, is required to approve this Proposal No. 3. Abstentions and broker non- votes will have no effect unless there are insufficient votes in favor of the proposal, such that the affirmative votes constitute less than a majority of the required quorum. In such case, abstentions and broker non-votes will have the same effect as a vote against the proposal.

Voting Shares Held by Brokers, Banks and Other Nominee Holders

If, on the Record Date, your shares are held in a brokerage account, by a bank or by a nominee holder, you are deemed to be the “beneficial owner” of those shares, holding them in “street name.” The organization holding your account is considered the shareholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct your broker, bank, or other nominee on how to vote the shares in your account. You are also invited to attend the Annual Meeting. However, because you are not the shareholder of record, you may not vote your shares at the Annual Meeting unless you request and obtain a valid legal proxy from your broker, bank, or other nominee. Please follow the instructions from your broker, bank, or other nominee included with these proxy materials, or contact your broker, bank, or other nominee to request a legal proxy. If you hold your shares in “street name,” please instruct your broker, bank, or other nominee how to vote your shares using the voting instruction form provided by your broker, bank, or other nominee so that your vote can be counted. The voting instruction form provided by your broker, bank, or other nominee may also include information about how to submit your voting instructions over the Internet or by telephone, if such options are available.

Broker Non-Votes

A broker non-vote occurs when the broker holding shares for a beneficial owner has not received voting instructions from the beneficial owner and does not have discretionary authority to vote the shares. Under rules applicable to securities brokerage firms, a broker who holds your shares in “street name” does not have the authority to vote those shares on any “non-routine” proposal, except in accordance with voting instructions received from you. On the other hand, your broker may vote your shares on certain “routine” proposals, if the broker has transmitted proxy-soliciting materials to you, as the beneficial owner of the shares, but has not received voting instructions from you on such proposals. A broker non-vote occurs when a broker does not vote on a particular proposal because it does not have discretionary voting power with respect to that proposal and has not received voting instructions from the beneficial owner.

If your broker receives proxy materials only from the Company, your brokerage firm is entitled to vote shares held for a beneficial holder on discretionary matters, such as the ratification of the selection of Crowe LLP as the Company’s independent registered public accounting firm, without instructions from the beneficial holder of those shares. On the other hand, your broker is not entitled to vote shares held for a beneficial holder on non-discretionary items such as the election of directors or the vote to approve the American Riviera Bancorp 2024 Omnibus Stock Incentive Plan. If your shares are voted on the proposal to ratify the Company’s selection of Crowe LLP as the Company’s independent registered public accounting firm, as directed by your broker without your instruction, your shares will constitute broker non-votes on each of the non-routine proposals. In the event your brokerage account receives proxy materials only from the Company, the broker non-votes will be counted for purposes of determining whether a quorum exists at the Annual Meeting.

IF YOUR SHARES ARE HELD IN “STREET NAME,” WE ENCOURAGE YOU TO PROVIDE VOTING INSTRUCTIONS ON A VOTING INSTRUCTION FORM PROVIDED BY THE BROKER, BANK, OR OTHER NOMINEE THAT HOLDS YOUR SHARES, IN EACH CASE BY CAREFULLY FOLLOWING THE INSTRUCTIONS PROVIDED.

Revocability of Proxies

If you are a registered owner and have given the Company your proxy (whether over the Internet, by telephone or by mail), you may change your vote by taking any of the following actions:

- Sending a written notice to the Company that you are revoking your proxy, addressed to the principal executive office of the Company, at 3780 State Street, Santa Barbara, California 93105, and then voting again by one of the methods described immediately below. To be effective, the notice of revocation must be received by the Company before the Annual Meeting commences. If, however, after sending the Company a written notice of revocation, you fail to vote your shares by any of the following methods, then none of your shares can be voted at the Annual Meeting.
- Sending the Company another proxy, by mail, dated at a later date than your earlier proxy. However, to be effective, that later-dated proxy must be received by the Company before the Annual Meeting commences and must be dated and signed by you. If you fail to date or fail to sign that later-dated proxy, it will not be treated as a revocation of an earlier-dated proxy and your shares will be voted in accordance with your earlier voting instructions.
- Attending the Annual Meeting and voting in person in a manner that is different than the voting instructions contained in your earlier proxy or voting instructions.

- Sending another proxy over the Internet or by telephone.

However, if your shares are held by a broker, bank or other nominee holder, you will need to contact your broker, bank or nominee holder if you wish to revoke your earlier voting instructions.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following tables set forth information as of the Record Date, pertaining to beneficial ownership of the Company's Common Stock by persons known to the Company to own five percent (5%) or more of such Common Stock, current directors, and nominees for election as directors, Executive Officers¹ of the Company and American Riviera Bank (the "Bank"), and all current directors and Executive Officers of the Company and the Bank as a group. The information contained herein has been obtained from the Company's records, from information furnished directly by the individual or entity to the Company, or by public or regulatory notice.

The tables should be read with the understanding that more than one (1) person may be the beneficial owner or possess certain attributes of beneficial ownership with respect to the same securities.

<u>Name and Address of Beneficial Owner</u> ²	<u>Title</u>	<u>Amount and Nature of Beneficial Ownership</u>	<u>Percent of Class</u>
Paul Abramson	EVP, Chief Technology Officer	21,421 ³	0.37%
Darren D. Caesar	Director, Chair of the Board	96,092	1.65%
Joe Campanelli	Director	23,605	0.41%
Elizabeth Cholawsky	Director, Vice Chair of the Board	7,968	0.14%
Eusebio Cordova Jr.	EVP, Chief Credit Officer	26,414 ⁴	0.45%
Jeff DeVine	Director, President and CEO	119,849 ⁵	2.06%
Joanne Funari	EVP, Chief Operating Officer	36,736 ⁶	0.63%
Leonard Himelsein	Director	336,073	5.77%
Jody Dolan Holehouse, CPA	Director	18,067	0.31%
Weldon U. Howell, Jr., Esq	Director	31,056	0.53%
Lawrence Koppelman	Director	83,205	1.43%
Douglas Margerum	Director	92,110	1.58%
Michelle Martinich, CPA	EVP, Chief Financial Officer	39,299 ⁷	0.68%
Laurel Sykes	EVP, Chief Risk Officer	23,575 ⁸	0.41%
All Directors and Executive Officers as a Group (14 in number)		955,570 ⁹	16.42%

<u>Shareholders known to Company owning 5% or more</u>	<u>Title</u>	<u>Amount and Nature of Beneficial Ownership</u>	<u>Percent of Class</u>
Banc Funds Co., LLC	N/A	380,946	6.55%

¹ As used throughout this document, the term "Executive Officers" means: the President and Chief Executive Officer; the Executive Vice President and Chief Operating Officer; the Executive Vice President and Chief Financial Officer; the Executive Vice President and Chief Credit Officer; the Executive Vice President and Chief Risk Officer; and the Executive Vice President and Chief Technology Officer of the Company and/or the Bank.

² Beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has: (a) voting power, which includes the power to vote, or to direct the voting of such security; and/or (b) investment power, which includes the power to dispose, or to direct the disposition, of such security. Beneficial owner includes any person who has the right to acquire beneficial ownership of such security as defined above within 60 days of the Record Date. The address for all directors and Executive Officers is 3780 State Street, Santa Barbara, CA 93105.

³ Includes 16,312 granted but not yet vested restricted stock awards.

⁴ Includes 11,796 granted but not yet vested restricted stock awards.

⁵ Includes 26,536 granted but not yet vested restricted stock awards.

⁶ Includes 11,985 granted but not yet vested restricted stock awards.

⁷ Includes 12,287 granted but not yet vested restricted stock awards.

⁸ Includes 18,098 granted but not yet vested restricted stock awards.

⁹ Includes 97,014 granted but not yet vested restricted stock awards.

PROPOSAL 1: ELECTION OF DIRECTORS

Nominees for Election as Directors

The persons named below will be nominated for election as directors to serve until the 2025 annual meeting of shareholders and until their successors are elected and have qualified. Votes will be cast in such a way as to effect the election of all nine (9) nominees, or as many thereof as possible under the rules of cumulative voting.

If any nominee should become unable or unwilling to serve as a director, the proxies will be voted for such substitute nominee as shall be designated by the Board of Directors. The Board of Directors presently has no knowledge that any of the nominees will be unable or unwilling to serve. Additional nominations can be made only by complying with the notice provisions included in the Company's Bylaws. This bylaw provision is designed to give the Board of Directors advance notice of competing nominations, if any, and the qualifications of nominees, and may have the effect of precluding third-party nominations if the procedures specified therein are not followed. The nine (9) nominees receiving the highest number of votes at the Annual Meeting shall be elected.

None of the directors, nominees, or Executive Officers of the Company and/or Bank was selected pursuant to any arrangement or understanding, other than with the directors and Executive Officers of the Company and/or Bank, acting within their capacities as such. There are no family relationships between the directors and Executive Officers. Except for Ms. Cholawsky, none of the directors or Executive Officers serve as directors of any company which has a class of securities registered under, or which is subject to the periodic reporting requirements of, the Securities Exchange Act of 1934 or any investment company registered under the Investment Company Act of 1940.

The following table provides certain information as of the Record Date with respect to each person nominated and recommended to be elected by the current Board of Directors of the Company. Reference is made to the section entitled "SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT" for information pertaining to stock ownership of the nominees.

<u>Name and Office Held</u>	<u>Age as of 5/9/2024</u>	<u>Principal Occupation For Past Five (5) Years</u>	<u>Director or Executive Officer Since</u>
Darren D. Caesar Director, Chair of Board	56	President – CA Commercial Insurance HUB International	2006
Joe Campanelli Director	75	Business Consultant	2006
Elizabeth Cholawsky Director, Vice Chair of the Board	68	CEO and Board Member HG Insights	2019
Jeff DeVine Director, President and CEO	55	Banker American Riviera Bank/Bancorp	2008
Leonard Himelsein Director	78	President, National Pacific Corporation	2016
Jody Dolan Holehouse, CPA Director, Audit Chair	64	CPA, Nasif, Hicks, Harris & Co LLP	2011
Weldon U. Howell, Jr., Esq Director	76	Attorney at Law, Howell, Moore & Gough LLP	2012
Lawrence Koppelman Director	83	President Koppelman & Co	2006
Douglas Margerum Director	64	Owner Margerum Wine Company Inc.	2006

ANY PROXIES SUBMITTED TO THE COMPANY WITH THE AUTHORITY GIVEN OR SUBMITTED WITHOUT INSTRUCTIONS WILL BE VOTED IN SUCH A WAY AS TO EFFECT THE ELECTION OF ALL NOMINEES, OR AS MANY THEREOF AS POSSIBLE UNDER THE RULES OF CUMULATIVE VOTING IF INVOKED AT THE MEETING.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” ALL OF THE NINE (9) NOMINEES SET FORTH HEREIN FOR ELECTION TO THE BOARD OF DIRECTORS UNTIL THE 2025 ANNUAL MEETING OF SHAREHOLDERS AND UNTIL THEIR RESPECTIVE SUCCESSORS SHALL BE ELECTED AND QUALIFIED.

The Board of Directors and Committees

American Riviera Bank commenced business on July 18, 2006. On February 10, 2022, following shareholder and regulatory approval, a holding company reorganization was finalized, and the Bank became a wholly-owned subsidiary of the Company. In 2023, the Board of Directors of the Company held nine (9) regular meetings, the board of directors of the Bank held eight (8) regular meetings and a combined strategic planning session. In addition to meeting as a group to review the Bank's business, certain members of the Board of the Company, that also serve as directors of the Bank, devoted their time and talents to the following standing committees:

The Company's Nominating and Corporate Governance Committee, which consists of Elizabeth Cholawsky (Chair), Darren Caesar, Leonard Himelsein, and Douglas Margerum assists the Board in nominating members of the Board of the Company and the board of the Bank as well as developing and recommending corporate governance principles and policies for the Company and its subsidiaries, including the Bank. This committee considers suggestions or recommendations for Board membership received in accordance with its Bylaws by shareholders and held eight (8) regular meetings in 2023. Shareholders who wish to make such suggestions or recommendations should forward their written suggestions to the Chair of the Nominating and Corporate Governance Committee addressed to American Riviera Bancorp, Attn: Corporate Secretary, PO Box 329, Santa Barbara, CA 93102. Whether a person is recommended for Board membership by a shareholder or a director of the Company, the standards, and qualifications to be considered for Board membership include local community involvement, sound reputation, and business or educational experience that will be beneficial to the Company. This committee also considers each candidate's contribution to the diversity of the Board, including personal characteristics, education, experience, and skills.

The Company's Audit Committee, which currently consists of Jody Dolan Holehouse (Chair), Darren Caesar, Weldon Howell, and Elizabeth Cholawsky, monitors the Company and Bank management, financial statements, internal and external audit reports, and staff compliance with Board policies, laws and regulations and held ten (10) regular meetings in 2023. This committee establishes policy and provides overall supervision and control to ensure the integrity of financial information and establish an effective accounting and internal control system. This committee evaluates procedures and controls of the Company's and Bank's operations, oversees audit matters along with the independent accountants, and investigates the affairs of the Company and the Bank as may be deemed necessary.

The Company's Compensation Committee, which currently consists of Douglas Margerum (Chair), Lawrence Koppelman, Weldon Howell and Elizabeth Cholawsky establishes, reviews, and monitors the personnel policies of the Company and the Bank and held three (3) regular meetings in 2023. This committee determines goals and objectives for the Company, the Bank, and the CEO, reviews the CEO's performance and determines the CEO's compensation. This committee reviews goals and objectives for the other Executive Officers as recommended by the CEO and must concur on the compensation of such other Executive Officers as recommended by the CEO.

Each of the directors attended at least 75% of the total number of Board meetings and the meetings of the Board committees on which he or she served in 2023.

Director Compensation

The following table sets forth each of the persons who currently serve as an outside director on the Board of the Company, and such person's compensation earned for service on the Board of the Company and the board of the Bank for the year ended December 31, 2023. No fees are paid to Jeff DeVine for his service on the Board of the Company or the board of the Bank.

<u>Name</u>	<u>Annual Retainer</u> ¹⁰	<u>Extra Retainer</u> ¹¹	<u>Board Meeting Fees</u> ¹²	<u>Stock Awards</u> ¹³	<u>Total</u>
Darren D. Caesar	\$12,000	\$14,000	\$15,750	\$22,000	\$63,750
Joe Campanelli	\$12,000	\$8,000	\$15,750	\$22,000	\$57,750
Elizabeth Cholawsky	\$12,000	\$4,000	\$15,750	\$22,000	\$53,750
Leonard Himelsein	\$12,000	\$9,000	\$15,750	\$22,000	\$58,750
Jody Dolan Holehouse	\$12,000	\$10,000	\$14,250	\$22,000	\$58,250
Weldon U. Howell, Jr	\$12,000	\$0	\$15,750	\$22,000	\$49,750
Lawrence Koppelman	\$12,000	\$2,500	\$15,750	\$22,000	\$52,250
Douglas Margerum	\$12,000	\$4,000	\$12,750	\$22,000	\$50,750
Total	\$96,000	\$51,500	\$121,500	\$176,000	\$445,000

¹⁰ It has been the practice of the Company to pay each outside director a combined annual retainer of \$12,000 which is paid in cash after election at the annual shareholder meeting for their service on the Board.

¹¹ It has been the practice of the Company and Bank, as applicable, to pay additional annual retainers to outside directors that serve as committee chairs and members of the loan committee. The Chair of the Board received \$14,000. Each committee chair received \$4,000, except the Loan Committee chair received \$8,000 and the Audit Committee chair received \$5,000. Loan Committee members received \$5,000 and alternates received \$2,500.

¹² Board of director meeting fees are based on attendance. The level in effect for 2023 was \$1,250 per Bank board meeting attended in person or via video, \$750 for each Bank board meeting attended via phone, and \$250 for each Company Board meeting attended in person, video or phone. Directors also received \$2,500 for attendance at the annual strategic planning session and \$1,250 for attendance at the annual Board organizational meeting.

¹³ It has been the practice of the Company to grant \$22,000 value of common stock to the outside directors annually after election at the annual shareholder meeting.

¹⁴⁻¹⁹ Not used.

Executive Officers

The following table sets forth as to each of the persons who currently serves as an Executive Officer of the Company and/or the Bank, such person's age, such person's principal occupation during the past five (5) years, such person's current position with the Company and/or the Bank, and the period during which the person has served in such position.

<u>Name</u>	<u>Age As of 5/9/24</u>	<u>Position with Company/Bank</u>	<u>Principal Occupation For Past Five (5) Years</u>	<u>Year Appointed to Position</u>
Jeff DeVine ²⁰	55	President and Chief Executive Officer	Banker	2008
Joanne Funari ²¹	64	EVP and Chief Operating Officer	Banker	2016
Michelle Martinich ²²	50	EVP and Chief Financial Officer	Banker	2006
Eusebio Cordova, Jr. ²³	42	EVP and Chief Credit Officer	Banker	2016
Laurel Sykes ²⁴	49	EVP and Chief Risk Officer	Banker	2019
Paul Abramson ²⁵	45	EVP and Chief Technology Officer	Banker	2019

²⁰ Mr. DeVine was appointed President and Chief Executive Officer of the Bank on August 21, 2008, and was appointed President and Chief Executive Officer of the Company on February 10, 2022. Mr. DeVine previously was employed as Statewide Division Manager of commercial real estate by Rabobank, N.A. Prior to that, he was Regional President for the Greater Santa Barbara and Santa Ynez Valley Region of Mid-State Bank & Trust. He has held senior officer positions in a range of banking firms, serving roles in commercial, real estate, private and investment banking during his 30+ year career. He graduated with honors from the Pacific Coast Banking School at the University of Washington and received his Bachelor of Science from the University of California, San Diego in Quantitative Economics.

²¹ Ms. Funari was appointed Executive Vice President and Chief Operating Officer of the Bank on January 1, 2016. Ms. Funari was previously employed as Executive Vice President and Chief Operating Officer and served as a Director for The Bank of Santa Barbara. Prior to joining The Bank of Santa Barbara, she served as Executive Vice President and Santa Barbara and Ventura Counties Market President for Business First Bank, a Division of Heritage Oaks Bank. She was also a founder and president of Business First National Bank and held senior officer positions at Santa Barbara Bank & Trust, City Commerce Bank and Bank of New York. She has served the Santa Barbara market for the past 30+ years as a community banker. Her education includes a graduate degree with honors from the Pacific Coast Banking School at the University of Washington and University of California, Los Angeles.

²² Ms. Martinich was appointed Senior Vice President and Chief Financial Officer of the Bank on April 20, 2006, and currently serves as the Executive Vice President and Chief Financial Officer and was appointed as the Executive Vice President and Chief Financial Officer of the Company on February 10, 2022. Ms. Martinich previously was employed by Pacific Capital Bancorp (PCB), dba Santa Barbara Bank & Trust. Ms. Martinich's financial and banking experience spans 20+ years, first as an external auditor with Arthur Andersen and then with responsibility for various functions in the Finance Department of PCB, reporting directly to the CFO. She graduated from UC Santa Barbara with a Bachelor of Arts in Business Economics.

²³ Mr. Cordova was appointed Senior Vice President and Chief Credit Officer of the Bank on July 20, 2016, and currently serves as the Executive Vice President and Chief Credit Officer. Mr. Cordova joined the Bank in 2009 and was serving as the Commercial Team Leader prior to his appointment as CCO. Prior to working at American Riviera Bank, Mr. Cordova was a Vice President, Commercial Banking Officer for Mid-State Bank and Trust, which was acquired by Rabobank. Mr. Cordova has held various positions during his 20+ year banking career. Mr. Cordova received a Bachelor of Science Degree in Business and minor in Economics from CSU Channel Islands and graduated from Pacific Coast Banking School at the University of Washington.

²⁴ Ms. Sykes was appointed Executive Vice President and Chief Risk Officer of the Bank on June 13, 2019, and currently serves as the Executive Vice President and Chief Risk Officer and was appointed as the Executive Vice President and Chief Risk Officer of the Company on February 10, 2022. Ms. Sykes previously was employed by Montecito Bank & Trust as SVP and Chief Risk Officer. Ms. Sykes holds the designation of Certified Regulatory Compliance Manager and has specialized in regulatory compliance for 20+ years. She graduated from UC Santa Barbara with a Bachelor of Arts in Business Economics.

²⁵ Mr. Abramson was appointed Executive Vice President and Chief Technology Officer of the Bank on December 2, 2019. Prior to working at American Riviera Bank, Mr. Abramson served as the lead technologist and cybersecurity architect for Montecito Bank & Trust. Mr. Abramson has 20+ years of experience in the Technology and Cybersecurity industries, of which 16 years has been in banking. Mr. Abramson graduated from UC Santa Barbara with a Bachelor of Arts in Business Economics and completed the Western Bankers Association Executive Development Program.

Executive Compensation

The following table sets forth, for the last three (3) fiscal years, the cash and certain other compensation paid by the Bank to Jeff DeVine, President and Chief Executive Officer, and to the two other most highly compensated Executive Officers whose total annual salary and bonus for the fiscal year ended December 31, 2023, exceeded \$100,000 (collectively, the named executive officers “NEOs”).

(A) <u>Name and Principal Position</u>	(B) <u>Fiscal Year</u>	Annual Compensation			(E) ²⁶ <u>Other Annual Compensation</u>	Long-Term Compensation <u>Stock Awards (#)</u>
		(C) Salary (\$)	(D) Bonus (\$)			
Jeff DeVine President & CEO	2023	\$ 508,569	\$ 350,000	\$ 263,700	12,649	
	2022	\$ 470,834	\$ 315,000	\$ 128,255	5,302	
	2021	\$ 418,333	\$ 230,000	\$ 117,536	6,006	
Joanne Funari EVP, COO	2023	\$ 301,488	\$ 133,000	\$ 126,280	5,568	
	2022	\$ 275,833	\$ 115,000	\$ 72,280	2,410	
	2021	\$ 253,333	\$ 90,000	\$ 62,583	2,702	
Michelle Martinich EVP, CFO	2023	\$ 295,393	\$ 133,000	\$ 124,123	5,622	
	2022	\$ 270,667	\$ 112,000	\$ 61,604	2,410	
	2021	\$ 247,793	\$ 83,000	\$ 58,211	2,702	

The following table sets forth the breakout of Other Annual Compensation earned in 2023.

	<u>Car Allowance</u>	<u>Car Lease Benefit</u>	<u>401k Match</u>	<u>RSA Grant Value at Date of Grant</u>	<u>Total</u>
Jeff DeVine	\$ -	\$ 16,500	\$ 13,200	\$ 234,000	\$ 263,700
Joanne Funari	\$ 10,080	\$ -	\$ 13,200	\$ 103,000	\$ 126,280
Michelle Martinich	\$ -	\$ 9,220	\$ 10,902	\$ 104,000	\$ 124,123

The information in the tables above should be read with the understanding that cash compensation is presented in the year paid by the Bank. For example, the fiscal year 2023 bonus listed was paid in February 2023 based on performance of the NEO and the Bank for the 2022 incentive plan year, which was a record profit year for the Bank. The total value of an equity grant to a NEO is reported in the year of the grant even if the grant has associated time vesting conditions, which are customarily 4-5 years. Given the difficult business conditions experienced by the Bank and the banking industry in 2023, the collective bonuses for the Executive Officers associated with the 2023 incentive plan, paid in February 2024, declined by 41% from the prior year. All Executive Officers and Senior Vice President officers voluntarily agreed to receive no change in salary for the 2024 calendar year. Our directors voluntarily agreed to take no change to director compensation for the 2024 calendar year.

²⁶ Represents the dollar value of other annual compensation not properly categorized as salary or bonus; including (i) perquisites and other personal benefits, securities or property unless the aggregate amount of such compensation is the lesser of either \$50,000 or 10% of the total annual salary and bonus reported for the NEO in columns (C) and (D); (ii) above-market or preferential earnings on stock-based awards or deferred compensation paid during the fiscal year or payable during that period but deferred at the election of the NEO; (iii) earnings on long-term incentive plan (“LTIP”) compensation paid during the fiscal year or payable during that period but deferred at the election of the NEO; (iv) the value of stock-based awards including restricted stock bonus awards (“RSAs”) awarded at grant date, (v) amounts reimbursed during the fiscal year for the payment of taxes; and (vi) the dollar value of the difference between the price paid by a NEO for any security of the Company purchased/exercised and the fair market value of such security at the date of purchase/exercise, unless that discount is available generally, either to all security holders or to all employees of the Company. Actual amounts are reflected in the table above.

The Bank entered into an Executive Employment Agreement (“Employment Agreement”) with Mr. DeVine dated August 17, 2020. A First Amendment to the Employment Agreement was signed on May 19, 2022, to address the formation of the Company and his employment as President and CEO of both the Bank and the Company. At the time of the First Amendment, Mr. DeVine’s annual base salary was \$480,000. The Employment Agreement provides for a discretionary annual cash bonus and equity grants as determined by the Company’s Compensation Committee, an automobile allowance of \$1,375 per month, or lease value equivalent, and group insurance coverage. Mr. DeVine’s annual base salary was adjusted to \$510,000 effective March 16, 2023, and will not be adjusted in 2024 as previously noted. In February 2024, Mr. DeVine was granted a restricted stock bonus award of 9,317 shares which vests over 4 years at 25% each year. If Mr. DeVine is terminated without Good Cause or resigns for Good Reason as those terms are defined in the Employment Agreement, Mr. DeVine would receive a severance payment in the amount of twelve (12) months of his base salary plus paid COBRA insurance coverage. If Mr. DeVine’s employment is terminated by Mr. DeVine for any reason within six (6) months following a Change of Control as defined in the Employment Agreement, or by us or our successor without Good Cause within twelve (12) months following a Change of Control, then Mr. DeVine will be entitled to receive from us or our successor a cash lump sum in an amount equal to two (2) times: his highest annual salary, highest bonus and highest automobile allowance in the preceding twenty four (24) months and annual COBRA insurance expense as defined in the Employment Agreement.

The Bank entered into an Employment Agreement with Ms. Funari dated August 17, 2020. A First Amendment to the Employment Agreement was signed on May 19, 2022, to address the formation of the Company. At the time of the First Amendment, Ms. Funari’s annual base salary was \$280,000. The Employment Agreement provides for a discretionary annual cash bonus and equity grants as determined by the Company’s Compensation Committee, an automobile allowance of \$840 per month and group insurance coverage. Ms. Funari’s annual base salary was adjusted to \$295,000 effective March 16, 2023, and will not be adjusted in 2024 as previously noted. In February 2024, Ms. Funari was granted a restricted stock bonus award of 4,348 shares which vests over 4 years at 25% each year. If Ms. Funari is terminated without Good Cause or resigns for Good Reason as those terms are defined in the Employment Agreement, Ms. Funari would receive a severance payment in the amount of nine (9) months of her base salary plus paid COBRA insurance coverage. If Ms. Funari’s employment is terminated by Ms. Funari for any reason within six (6) months following a Change of Control as defined in the Employment Agreement, or by us or our successor without Good Cause within twelve (12) months following a Change of Control, then Ms. Funari will be entitled to receive from us or our successor a cash lump sum in an amount equal to one (1) times: her highest annual salary, highest bonus and highest automobile allowance in the preceding twenty four (24) months and annual COBRA insurance expense as defined in the Employment Agreement.

The Bank entered into an Employment Agreement with Ms. Martinich dated August 17, 2020. A First Amendment to the Employment Agreement was signed on May 19, 2022, to address the formation of the Company and her employment as EVP and CFO of both the Bank and the Company. At the time of the First Amendment, Ms. Martinich’s annual base salary was \$275,000. The Employment Agreement provides for a discretionary annual cash bonus and equity grants as determined by the Company’s Compensation Committee, an automobile allowance of \$840 per month, or lease value equivalent, and group insurance coverage. Ms. Martinich’s annual base salary was adjusted to \$290,000 effective March 16, 2023, and will not be adjusted in 2024 as previously noted. In February 2024, Ms. Martinich was granted a restricted stock bonus award of 4,596 shares which vests over 4 years at 25% each year. If Ms. Martinich is terminated without Good Cause or resigns for Good Reason as those terms are defined in the Employment Agreement, Ms. Martinich would receive a severance payment in the amount of twelve (12) months of her base salary plus paid COBRA insurance coverage. If Ms. Martinich’s employment

is terminated by Ms. Martinich for any reason within six (6) months following a Change of Control as defined in the Employment Agreement, or by us or our successor without Good Cause within twelve (12) months following a Change of Control, then Ms. Martinich will be entitled to receive from us or our successor a cash lump sum in an amount equal to two (2) times: her highest annual salary, highest bonus and highest automobile allowance in the preceding twenty four (24) months and annual COBRA insurance expense as defined in the Employment Agreement.

Omnibus Stock Plan

On September 2, 2015, the Bank adopted the American Riviera Bank 2015 Omnibus Stock Incentive Plan (the "Plan") which was approved by its shareholders and permits the grant of equity compensation in the form of Options, Restricted Stock Awards, Performance Awards, and Restricted Stock Units for up to 1,091,782 shares of the Bank's common stock. This Plan was subsequently assumed by the Company upon its formation effective February 10, 2022.

The Plan does not provide for the settlement of awards in cash and new shares are issued upon option exercise or restricted share grants. The Plan is designed to attract and retain employees and directors. The amount, frequency, and terms of share-based awards may vary based on competitive practices, the Company's or the Bank's operating results, and government regulations.

Option shares are subject to written option agreements entitling the optionee to purchase shares pursuant to incentive stock options or non-qualified options. Options will be granted at 100% of fair market value at the time of grant as determined by the Board of Directors. Options will be exercisable over a term up to 10 years pursuant to the discretion of the Board of Directors. In the case of persons employed by the Company or Bank, the options may qualify as "incentive stock options" under Internal Revenue Code §422 and such options may entitle the holder to certain income tax benefits. As of December 31, 2023, and for the year then ended, there were no stock options outstanding, no value realized on stock options and no unexercised options.

Pursuant to the terms of the Plan, the Company can also grant stock-based awards to its Executive Officers, directors, and other key employees at a value equal to the then current fair market value on the day of the grant, and such grants typically vest over a 4-5-year period. For the year ending December 31, 2023, a total of 103,447 shares were granted to Executive Officers, directors, and key employees. Grants to officers are generally associated with hiring, promotion, retention, or annual incentive plan performance.

The following table provides certain information as of December 31, 2023, regarding restricted stock awards outstanding and related values by: (i) the NEO; and (ii) all directors, officers, and employees as a group:

RESTRICTED STOCK AWARDS OUTSTANDING AT DECEMBER 31, 2023

<u>Name</u>	Number of Shares of Stock Awards Not Yet Vested and Market Value <u># / \$Value</u>
Jeff DeVine	39,496 / \$650,684
Joanne Funari	14,966 / \$247,434
Michelle Martinich	15,050 / \$248,325
All Directors, Officers and Employees	144,958 / \$2,391,807

From time to time, the Company expects to grant stock-based awards to other key salaried employees, officers, directors, and consultants, at the fair market value of the Common Stock on the date of grant. In February 2024, the Board granted 80,819 restricted stock awards to Executive Officers and key employees. Most shares will vest over 4 years at 25% each year. Any additional grantees have not, as of this date, been selected and it is impossible at this time to identify such grantees or the number of stock-based awards to be granted.

Other Benefits

The Bank provides monthly car allowances and lease benefits to certain officers of the Bank in the range of \$630 to \$1,375 per month. In 2006, the Bank adopted the American Riviera Bank 401(k) Profit Sharing Plan and Trust (the "401(k) Plan"). All employees 18 years of age or older are immediately eligible to participate in the 401(k) Plan. Eligible employees may elect to make tax deferred contributions up to the maximum amount allowed by law. The Bank makes "safe harbor" matching contributions, and the Bank may make additional profit-sharing contributions to the 401(k) Plan at the discretion of the Board of Directors or its Compensation Committee. "Safe harbor" Bank contributions vest immediately for all employees. The Bank contributed a total of \$576,000 in the form of employer matching contributions to the 401(k) Plan during 2023.

Certain Transactions

Other Transactions. It is anticipated that the Executive Officers and directors of the Company, the Bank, and the companies with which they are associated, will have banking transactions with the Bank in the ordinary course of business. It is the firm intention of the Board of Directors that any loans and commitments to loan included in such transactions will be made in accordance with applicable laws and on substantially the same terms, including interest rates and collateral, as those prevailing at the same time for comparable transactions with persons of similar creditworthiness that are not insiders of the Company or the Bank, and only if such loans do not present any undue risk of collectability or present other unfavorable features. The aggregate limit that the Bank may lend to its insiders as a class is not greater than the Bank's unimpaired capital and unimpaired surplus. As of December 31, 2023, the Bank had commitments of credit to the Company's and Bank's Executive Officers and directors, together with their associates in the aggregate, totaling approximately \$70,000, or less than 1%, of the Bank's equity capital.

Indemnification. The Company's Articles of Incorporation provide that a director of the Company will not incur any personal liability to the Company or its shareholders for monetary damages for certain breaches of fiduciary duty as a director. A director's liability, however, is not eliminated with respect to (i) any breach of the duty of loyalty, (ii) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) paying a dividend or approving a stock repurchase which is illegal under certain provisions of state law, or, (iv) any transaction from which the director derived an improper personal benefit. The Company's Articles of Incorporation and Bylaws also provide, among other things, for the indemnification of the Company's directors, officers and agents, and authorize the Board of Directors to pay expenses incurred by, or to satisfy a judgment or fine rendered or levied against, such agents in connection with any personal legal liability incurred by the individual while acting for the Company within the scope of his or her duties (subject to certain limitations). It is the policy of the Board of Directors that the Company's directors, officers and agents shall be indemnified to the maximum extent permitted under applicable law and the Company's Articles of Incorporation and Bylaws, and management anticipates obtaining director and officer liability insurance, when and if available, covering all of the Company's officers and directors.

PROPOSAL 2: RATIFICATION OF THE COMPANY'S INDEPENDENT AUDITORS

RATIFICATION OF THE SELECTION OF CROWE LLP AS THE COMPANY'S INDEPENDENT AUDITORS: The Board of Directors, upon the approval of its Audit Committee, has selected Crowe LLP to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2024. It is anticipated that a representative of Crowe LLP will be present at the Annual Meeting to respond to appropriate questions from shareholders.

Fees incurred for professional services provided by Crowe LLP for 2023 and 2022:

	2023		2022	
Audit Fees	\$	157,804	\$	120,492
Audit-Related Fees & Travel	\$	29,701	\$	10,000
Tax Fees	\$	15,288	\$	14,952
Tax Consulting Fees	\$	10,000	\$	16,196
Total Fees	\$	212,793	\$	161,640

The Company is asking our shareholders to ratify the selection of Crowe LLP as our independent registered public accounting firm. Although ratification is not required by our Bylaws or otherwise, the Board of Directors is submitting the selection of Crowe LLP to our shareholders for ratification because we value our shareholders' views on the Company's independent public accounting firm and as a matter of good corporate practice. In the event that our shareholders fail to ratify the selection, it will be considered a direction to the Board of Directors and the Audit Committee to consider selection of a different firm. Even if the selection is ratified, the Audit Committee, in its discretion, may select a different independent registered public accounting firm, subject to ratification by the Board, at any time during the year if it determines that such a change would be in the best interests of the Company and our shareholders.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR"
THE RATIFICATION OF THE COMPANY'S INDEPENDENT PUBLIC ACCOUNTANTS FOR
THE FISCAL YEAR ENDING DECEMBER 31, 2024**

PROPOSAL 3: APPROVAL OF THE AMERICAN RIVIERA BANCORP 2024 OMNIBUS STOCK INCENTIVE PLAN

Purpose

On April 18, 2024, the Company's Board of Directors, adopted, subject to shareholder approval, the American Riviera Bancorp 2024 Omnibus Stock Incentive Plan (the "**2024 Plan**"). The 2024 Plan will become effective, if at all, on the date that it is approved by our shareholders (the "**Effective Date**"). The purpose of the 2024 Plan is to advance the interests of the Company and its shareholders by providing an incentive to attract, retain and reward key employees, officers (whether or not directors) and non-employee directors of the Company and by motivating such persons to contribute to the growth and profitability of the Company. The 2024 Plan seeks to achieve that purpose by providing for awards in the form of stock options, restricted stock bonuses, performance awards, other stock-based awards and restricted stock units. We currently maintain the American Riviera 2015 Omnibus Stock Incentive Plan (the "**Prior Plan**"). However, following the Effective Date, no further awards may be issued under the Prior Plan, but all awards under the Prior Plan that are outstanding as of the Effective Date will continue to be outstanding and governed by the terms, conditions and procedures set forth in the Prior Plan and any applicable award agreement.

Summary of the Plan

The following is a summary of the material terms of the 2024 Plan and is qualified in its entirety by reference to the 2024 Plan, a copy of which is attached as **Appendix A** to this proxy statement/prospectus. The Company's Board of Directors is seeking shareholder approval of the 2024 Plan. Approval requires a majority vote in favor of the 2024 Plan of the shares represented by proxy or voting in person at the meeting.

Shares Subject to the 2024 Plan

The maximum aggregate number of shares of common stock that are reserved for issuance under the 2024 Plan is five hundred thousand (500,000) and will consist of authorized but unissued or reacquired shares of common stock or any combination thereof, provided that shares of common stock issued under the 2024 Plan with respect to an Exempt Award (as defined below) will not count against the share limit. Under the 2024 Plan, an "**Exempt Award**" is (i) an award granted in the assumption of, or in substitution for, outstanding awards previously granted by another business entity acquired by us or any of our subsidiaries or with which we or any of our subsidiaries merges, (ii) an "employment inducement" award as described in the applicable stock exchange listing manual or rules; or (iii) an award that a participant purchases at fair market value. Appropriate adjustments will be made in the number of authorized shares and in outstanding awards to prevent dilution or enlargement of participants' rights in the event of a stock split or other change in the Company's capital structure. Shares subject to awards which expire or are cancelled or forfeited will again become available for issuance under the 2024 Plan. The shares available will not be reduced by awards settled in cash or by shares withheld to satisfy tax withholding obligations. Only the net number of shares issued upon the exercise of options or restricted stock purchase rights exercised by tender of previously owned shares will be deducted from the shares available under the 2024 Plan. No more than 500,000 shares of common stock shall be issued pursuant to the exercise of incentive stock options.

As of the Record Date, there were 5,602,740 shares of Common Stock outstanding; no stock options outstanding; and 217,410 shares associated with restricted stock awards outstanding to be vested from the Prior Plan. The shares of common stock available for issuance under the 2024 Plan would represent potential equity dilution of approximately 9%. The potential equity dilution including the shares of common stock available for issuance under the 2024 Plan

and outstanding restricted stock awards to be vested from the Prior Plan, would result in a maximum potential equity dilution of approximately 13%.

The closing price per-share of our Common Stock on May 3, 2024 was \$15.35. The following table sets forth, as of May 3, 2024, the approximate number of each class of participants eligible to participate in the 2024 Plan and the basis of such participation.

<u>Class and Basis of Participation</u>	<u>Approximate Number of Class</u>
Employees	70
Directors ⁽¹⁾	8
Consultants	0

⁽¹⁾ none of the directors are also an employee

As exhibited by our responsible use of equity over the past several years and good corporate governance practices associated with equity and executive compensation practices in general, the stock reserved under the 2024 Plan will provide us with the platform needed for our continued growth, while managing program costs and share utilization levels within acceptable industry standards.

Share use. In determining the requested number of shares of common stock reserved for issuance under the 2024 Plan, we evaluated the dilution and historic share usage, burn rate and the existing terms of outstanding awards under the Prior Plan. The annual share usage under our equity plans for the last three fiscal years was as follows:

	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Average
Total Shares Granted During Fiscal Year (A) (1)	103,447	69,949	63,485	78,960
Basic Weighted Average Common Stock Outstanding (B)	5,768,697	5,669,489	5,651,190	5,696,459
Burn Rate (A/B)	1.8%	1.2%	1.1%	1.4%

(1) Includes the number of options and full value awards (restricted shares of common stock) granted for such year.

Administration

The 2024 Plan is administered by the Company's Compensation Committee (the "**Compensation Committee**"), or any other committee appointed by the Board of Directors to administer the 2024 Plan. The Compensation Committee consists solely of independent directors. Subject to the provisions of the 2024 Plan, the Compensation Committee determines in its discretion the persons to whom and the times at which awards are granted, the types and sizes of such awards, and all of their terms and conditions. All awards must be evidenced by a written agreement between the Company and the participant. The Compensation Committee may amend, cancel or renew any award, waive any restrictions or conditions applicable to any award, and accelerate, continue, extend or defer the vesting of any award.

Eligibility

Awards may be granted under the 2024 Plan to the Company's employees, consultants, officers, and directors, or those of any present or future parent or subsidiary corporation or other affiliated entity. The maximum number of shares of stock with respect to an award that may be granted to any participant will not exceed ten percent (10%) of the total issued and outstanding shares of the Company's common stock.

Stock Options

The Compensation Committee may grant non-statutory stock options and incentive stock options under the 2024 Plan. A "non-statutory stock option" is an option that is not subject to statutory requirements and limitations required for certain tax advantages that are allowed under specific provisions of the Internal Revenue Code and under the 2024 Plan, is referred to for federal income tax purposes as a "non-qualified" stock option. An "incentive stock option" means an option intended to qualify for tax treatment applicable to incentive stock options within the meaning of Section 422 of the Internal Revenue Code, or any combination of these under the 2024 Plan. At the discretion of the Compensation Committee, incentive stock options may be granted only to our employees, employees of our "parent corporation" (as such term is defined in Section 424(e) of the Code) or employees of our subsidiaries. The exercise price of each option may not be less than the fair market value of a share of the Company's common stock on the date of grant. Any incentive stock option granted to a person who owns stock possessing more than 10 percent of the total combined voting power of all classes of the Company's stock or of any parent or subsidiary corporation must have an exercise price equal to at least 110 percent of the fair market value of a share of the Company's common stock on the date of grant and a term not exceeding five years. The term of all other options may not exceed ten years from the date of grant. Options vest and become exercisable at such times or upon such events and subject to such terms, conditions, performance criteria or restrictions as specified by the Compensation Committee. Unless a longer period is provided by the Compensation Committee, an option generally will remain exercisable for three months following the participant's termination of service, except that if service terminates as a result of the participant's death or disability, the option generally will remain exercisable for twelve months, but in any event not beyond the expiration of its term. The exercise price for shares of common stock subject to an option may be paid in cash, by check or in cash equivalent or as determined by the Compensation Committee in its sole discretion, (i) through any cashless exercise procedure approved by the Compensation Committee (including the withholding of shares of common stock otherwise issuable upon exercise), (ii) by tendering unrestricted shares of common stock owned by the participant, (iii) with any other form of consideration approved by the Compensation Committee and permitted by applicable law or (iv) by any combination of these methods.

Unless otherwise provided in the award agreement, in the event of a participant's termination of employment or service, the participant may exercise his or her option (to the extent vested as of such date of termination) for such period of time, based on the nature of such participant's termination of employment or service, as further described below and thereafter shall terminate. In the event the participant's employment or service is terminated as a result of the participant's disability or death, the participant (or the participant's guardian or legal representative) may exercise his or her option (to the extent vested as of such date of termination), at any time prior to the expiration of one (1) year (or such longer period of time as determined by the Compensation Committee, in its sole discretion) after the date on which the participant's service terminated, but in any event, no later than the expiration date of such participant's option as set forth in the applicable award agreement. In the event that a participant's employment or service is terminated by the Company for cause, such participant's option shall terminate and cease to be exercisable immediately upon such date of termination. If a participant's employment or service is terminated for any other reason, the participant may exercise his or her option (to

the extent vested as of such date of termination), at any time prior to the expiration of ninety (90) days (or such longer period of time as determined by the Compensation Committee, in its sole discretion) after the date on which the participant's service terminated, but in any event, no later than the expiration date of such participant's option as set forth in the applicable award agreement.

Restricted Stock Awards

The Compensation Committee may grant restricted stock awards under the 2024 Plan in the form of a restricted stock bonus, for which the participant furnishes consideration in the form of services to the Company. Restricted stock awards may be subject to vesting conditions based on such service or performance criteria as the Compensation Committee specifies, and the shares acquired may not be transferred by the participant until vested. Unless otherwise determined by the Compensation Committee, upon voluntary or involuntary termination of service with the Company for any reason, including death or disability, the participant will forfeit any unvested shares acquired by the participant pursuant to a restricted stock bonus which remain subject to a vesting condition. Subject to the provisions of the 2024 Plan and the applicable award agreement, the Compensation Committee has the sole discretion to provide for the lapse of restrictions in installments. Participants holding restricted stock will generally have all of the rights of a shareholder unless otherwise provided in the applicable award agreement; provided, that dividends will only be paid if and when the underlying restricted stock vests. The rights of participants granted restricted stock upon the termination of employment or service to us will be set forth in the award agreement.

Performance Awards

The Compensation Committee may grant performance awards under the 2024 Plan, which are awards that will result in a payment to a participant only if specified performance goals are achieved during a specified performance period. In granting a performance award, the Compensation Committee establishes the applicable performance goals, performance award formula, the performance period and other terms, conditions and restrictions of the award. To the extent earned, performance awards may be settled in cash, shares of stock, or other awards, on terms and conditions established by the Compensation Committee. Except as otherwise provided in an award agreement, performance awards will be distributed only after the end of the relevant performance period. The amount of the performance award to be distributed shall be conclusively determined by the Compensation Committee. Performance awards may be paid in lump sum or in installments following the close of the performance period or, in accordance with procedures established by the Compensation Committee, on a deferred basis in a manner that does not violate the requirements of Section 409A of the Code. Notwithstanding any provision in the 2024 Plan to the contrary, cash dividends, shares of common stock, and any other property (other than cash) distributed as a dividend or otherwise with respect to any performance awards or any other awards that are subject to satisfaction of performance goals, shall (A) either (i) not be paid or credited, or (ii) be accumulated, (B) shall be subject to satisfaction of the same performance goals to which the vesting of the underlying award is subject, and (C) shall be paid at the time such restrictions and risk of forfeiture lapses.

Restricted Stock Units

Restricted stock units granted under the 2024 Plan represent a right to receive shares of the Company's common stock at a future date determined in accordance with the participant's award agreement. No monetary payment is required for receipt of restricted stock units or the shares issued in settlement of the award, the consideration for which is furnished in the form of the participant's services to the Company. The Compensation Committee may grant restricted stock unit awards subject to the attainment of performance goals similar to those described above

in connection with performance awards, or may make the awards subject to vesting conditions similar to those applicable to restricted stock awards. Participants have no voting rights or rights to receive cash dividends with respect to restricted stock unit awards until shares of common stock are issued in settlement of such awards. However, the Compensation Committee may grant restricted stock units that entitle their holders to receive dividend equivalents, which are rights to receive additional restricted stock units for a number of shares whose value is equal to any cash dividends the Company pays. Unless otherwise determined by the Compensation Committee, upon voluntary or involuntary termination of service with the Company for any reason, including death or disability, the participant will forfeit any restricted stock units acquired by the participant pursuant to a restricted stock award which remain subject to a vesting condition.

Other Stock-Based Awards

The Compensation Committee may grant other stock-based awards under the 2024 Plan, valued in whole or in part by reference to, or otherwise based on, shares of common stock. The Compensation Committee will determine the terms and conditions of these awards, including the number of shares of common stock to be granted pursuant to each award, the manner in which the award will be settled, and the conditions to the vesting and payment of the award (including the achievement of performance goals). The rights of participants granted other stock-based awards upon the termination of employment or service to us will be set forth in the applicable award agreement. In the event that a bonus is granted in the form of shares of common stock, the shares of common stock constituting such bonus shall, as determined by the Compensation Committee, be evidenced in uncertificated form or by a book entry record or a certificate issued in the name of the participant to whom such grant was made and delivered to such participant as soon as practicable after the date on which such bonus is payable. Any dividend or dividend equivalent award issued hereunder shall be subject to the same restrictions, conditions and risks of forfeiture as apply to the underlying award.

Equitable Adjustment and Treatment of Outstanding Awards Upon a Change in Control

Equitable Adjustments. Subject to any required action by the stockholders of the Company, in the event of any change in the shares of our common stock effected without receipt of consideration by the Company, whether through merger, consolidation, reorganization, reincorporation, recapitalization, reclassification, stock dividend, stock split, reverse stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, or similar change in the capital structure of the Company, or in the event of payment of an extraordinary and material dividend or distribution to the stockholders of the Company in a form other than shares of our common stock that has a material effect on the fair market value of shares of our common stock, appropriate adjustments shall be made in the number and class of shares of our common stock subject to the 2024 Plan and to any outstanding awards, and in the exercise price per share of common stock under any outstanding award in order to prevent dilution or enlargement of participants' rights under the 2024 Plan. For purposes of the foregoing, conversion of any convertible securities of the Company shall not be treated as "effected without receipt of consideration by the Company." Any fractional share of common stock resulting from an adjustment pursuant to the 2024 Plan shall be rounded down to the nearest whole number, and in no event may the exercise price under any award be decreased to an amount less than the par value, if any, of the stock subject to such award. The adjustments determined by the Compensation Committee pursuant to the 2024 Plan shall be final, binding and conclusive.

Change in Control. The Compensation Committee, in its sole discretion, may provide in any award agreement or, in the event of a "change in control" (as defined below), may take such actions as it deems appropriate, to provide that any unvested or unexercisable portion of an award carrying a right to exercise will become fully vested and exercisable; and (ii) cause the restrictions,

deferral limitations, payment conditions and forfeiture conditions applicable to any award granted under the 2024 Plan to lapse, and the awards will be deemed fully vested and any performance conditions imposed with respect to such awards will be deemed fully achieved at target performance levels.

Notwithstanding the foregoing, in the event of a change in control, the surviving, continuing, successor, or purchasing entity or parent thereof, as the case may be (the “**acquiror**”), may, without the consent of any participant, either assume the Company’s rights and obligations under outstanding options (“**assumed options**”) or substitute for outstanding options substantially equivalent options (“**substituted options**”) (as the case may be) for the acquiror’s stock; provided, however that such assumed options or such substituted options will provide or contain a provision that accelerates the exercisability and vesting of such assumed or substituted options if within eighteen (18) months of the occurrence of the ownership change event any one or more of the following occurs: (i) the termination of service of the participant by the acquiror without cause, (ii) the change in the location where the participant regularly performs service to a place more than thirty (30) miles from the location where the participant regularly performed service prior to the ownership change event, or (iii) the base salary of the participant is reduced; provided that termination described in clause (ii) and (iii) shall not result in acceleration of vesting unless the participant provides notice of occurrence of such event to the Company within sixty (60) days of such event occurring, the Company fails to cure such event within thirty (30) days of such notice and the participant resigns due to such event within thirty (30) days of expiration of such cure period. Any unvested options which are not assumed by the acquiror or exchanged for substituted options in connection with a change in control will become immediately exercisable five (5) days prior to the time of consummation of the change in control and each affected participant will be provided ten (10) days’ notice by the Company of the acquiror’s intention not to assume the options or grant substituted options.

For purposes of the 2024 Plan, a “**change in control**” means, in summary, the occurrence of any of the following events: (i) a person or entity becomes the beneficial owner of more than 50% of the voting power of the Company’s then outstanding securities; (ii) the date on which individuals who constitute the Company’s board of directors as of the Effective Date and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including, but not limited to, a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Company’s board of directors or nomination for election by the Company’s stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the Effective Date or whose appointment, election or nomination for election was previously so approved or recommended cease for any reason to constitute a majority of the number of directors serving on the Company’s board of directors; (iii) a merger or consolidation of the Company or any of the subsidiaries with any other corporation or entity, other than (A) a merger or consolidation that results in our voting securities continuing to represent 50% or more of the combined voting power of the surviving entity or its parent and the Company’s board of directors immediately prior to the merger or consolidation continuing to represent at least a majority of the board of directors of the surviving entity or its parent or (B) a merger or consolidation effected to implement a recapitalization in which no person is or becomes the beneficial owner of our voting securities representing more than 50% of our combined voting power; or (iv) shareholder approval of a plan of our complete liquidation or dissolution or the consummation of an agreement for the sale or disposition of substantially all of our assets, other than (A) a sale or disposition to an entity, more than 50% of the combined voting power of which is owned by our shareholders in substantially the same proportions as their ownership of us immediately prior to such sale; or (B) a sale or disposition to an entity controlled by the Company’s board of directors. However, a change in control will not be deemed to have occurred as a result of any transaction or series of integrated transactions if its sole purpose is to change the state of the Company’s incorporation or to create a holding company following which our shareholders,

immediately prior thereto, hold immediately afterward the same proportionate equity interests in the entity that owns all or substantially all of our assets.

For purposes of the 2024 Plan, an “**ownership change event**” will be deemed to have occurred if any of the following occurs: (i) the direct or indirect sale or exchange in a single or series of related transactions by the shareholders of the Company of more than fifty percent (50%) of the voting stock of the Company; (ii) a merger or consolidation in which the Company is a party; (iii) the sale, exchange, or transfer of all or substantially all of the assets of the Company (other than a sale, exchange or transfer to one or more subsidiaries of the Company); or (iv) a liquidation or dissolution of the Company. The term “**change in control**” means an ownership change event or series of related ownership change events (collectively, a “**transaction**”) in which the shareholders of the Company immediately before the transaction do not retain immediately after the transaction, in substantially the same proportions as their ownership of shares of the Company’s voting stock immediately before the transaction, direct or indirect beneficial ownership of more than fifty percent (50%) of the total combined voting power of the outstanding voting securities or, in the case of an ownership change event, the entity to which the Company’s assets were transferred (the “**transferee**”), as the case may be.

The Compensation Committee may, in its sole discretion and without the consent of any holder, determine that, upon the occurrence of a change in control, each or any option outstanding immediately prior to the change in control will be canceled in exchange for a payment with respect to each vested share of stock subject to such canceled option in cash equal to the excess of the fair market value of the consideration to be paid per share of stock in the change in control over the exercise price per share under such option. In the event such determination is made by the Compensation Committee, the spread (reduced by applicable withholding taxes, if any) will be paid to holders in respect of their canceled options as soon as practicable following the date of the change in control.

Transferability of Awards

Unless otherwise provided by the Compensation Committee, awards under the 2024 Plan may only be transferred by will or by the laws of descent and distribution.

Prohibition Against Option Repricing

Neither the Board of Directors nor the Compensation Committee will have the right or authority following the grant of any option pursuant to the 2024 Plan to amend or modify the exercise price of any such option, or to cancel the option at a time when the exercise price is greater than the fair market value of the underlying shares in exchange for another option or award.

Tax Withholding

Each participant will be required to make arrangements satisfactory to the Compensation Committee regarding payment of up to the maximum statutory tax rates in the participant’s applicable jurisdiction with respect to any award granted under the 2024 Plan, as determined by us. The Company has the right, to the extent permitted by applicable law, to deduct any such taxes from any payment of any kind otherwise due to the participant. With the approval of the Compensation Committee, the participant may satisfy the foregoing requirement by either electing to have us withhold from delivery of shares of common stock, cash or other property, as applicable, or by delivering already owned unrestricted shares of common stock, in each case, having a value not exceeding the applicable taxes to be withheld and applied to the tax obligations. The Company may also use any other method of obtaining the necessary payment

or proceeds, as permitted by applicable law, to satisfy our withholding obligation with respect to any award.

Amendment and Termination

The 2024 Plan will continue in effect until the tenth anniversary of its approval by the shareholders of this proposal, unless earlier terminated by the Compensation Committee. The Compensation Committee may amend, suspend or terminate the 2024 Plan at any time, provided that without shareholder approval, the plan cannot be amended to increase the number of shares authorized, change the class of persons eligible to receive incentive stock options or effect any other change that would require shareholder approval under any applicable law or listing rule. Amendment, suspension or termination of the 2024 Plan may not adversely affect any outstanding award without the consent of the participant, unless such amendment, suspension or termination is necessary to comply with applicable law.

United States Federal Income Tax Consequences

Non-Qualified Stock Options

The grant of a non-qualified stock option will not result in taxable income to the participant. Except as described below, the participant will realize ordinary income at the time of exercise in an amount equal to the excess of the fair market value of the shares acquired over the exercise price for those shares and the Company will be entitled to a corresponding deduction for tax purposes. Gains or losses realized by the participant upon disposition of such shares will be treated as capital gains and losses, with the cost basis in such shares equal to the fair market value of the shares at the time of exercise.

Incentive Stock Options

The grant of an incentive stock option will not result in taxable income to the participant. The exercise of an incentive stock option also will not result in taxable income to the participant provided that the participant was, without a break in service, an employee of the Company or a subsidiary during the period beginning on the date of the grant of the option and ending on the date three months prior to the date of exercise (one year prior to the date of exercise if the participant is disabled, as that term is defined in the Internal Revenue Code). The Company will not be entitled to a tax deduction upon the exercise of an incentive stock option.

The excess of the fair market value of the shares at the time of the exercise of an incentive stock option over the exercise price is an adjustment that is included in the calculation of the participant's alternative minimum taxable income for the tax year in which the incentive stock option is exercised. For purposes of determining the participant's alternative minimum tax liability for the year of disposition of the shares acquired pursuant to the incentive stock option exercise, the participant will have a basis in those shares equal to the fair market value of the shares at the time of exercise.

If the participant does not sell or otherwise dispose of the shares within the later of two years from the date of the grant of the incentive stock option or one year after the exercise of such stock option, then, upon disposition of such shares, any amount realized in excess of the exercise price will be taxed as capital gain. A capital loss will be recognized to the extent that the amount realized is less than the exercise price.

If the foregoing holding period requirements are not met, the participant will generally realize ordinary income at the time of the disposition of the shares, in an amount equal to the lesser of (i) the excess of the fair market value of the shares on the date of exercise over the

exercise price, or (ii) the excess, if any, of the amount realized upon disposition of the shares over the exercise price, and the Company will be entitled to a corresponding deduction. If the amount realized exceeds the value of the shares on the date of exercise, any additional amount will be a capital gain. If the amount realized at the time of disposition is less than the exercise price, the participant will recognize no income, and a capital loss will be recognized equal to the excess of the exercise price over the amount realized upon the disposition of the shares.

Disposition of Shares Acquired Upon Exercise of Options

The tax consequence upon a disposition of shares acquired through the exercise of an option will depend on how long the shares have been held and whether the shares were acquired by exercising an incentive stock option or by exercising a non-qualified stock option. Generally, there will be no tax consequence to the Company in connection with the disposition of shares acquired under an option, except that the Company may be entitled to an income tax deduction in the case of the disposition of shares acquired under an incentive stock option before the applicable incentive stock option holding periods set forth in the Internal Revenue Code have been satisfied.

Restricted Stock

A participant generally will not be taxed upon the grant of restricted stock, but rather will recognize ordinary income in an amount equal to the fair market value of the shares of common stock at the earlier of the time the shares become transferable or are no longer subject to a substantial risk of forfeiture (within the meaning of the Code). The Company generally will be entitled to a deduction at the time when, and in the amount that, the participant recognizes ordinary income on account of the lapse of the restrictions. A participant's tax basis in the shares of common stock will equal their fair market value at the time the restrictions lapse, and the participant's holding period for capital gains purposes will begin at that time. Any cash dividends paid on the shares of common stock before the restrictions lapse will be taxable to the participant as additional compensation and not as dividend income, unless the individual has made an election under Section 83(b) of the Code. Under Section 83(b) of the Code, a participant may elect to recognize ordinary income at the time the restricted shares are awarded in an amount equal to their fair market value at that time, notwithstanding the fact that such stock is subject to restrictions or transfer and a substantial risk of forfeiture. If such an election is made, no additional taxable income will be recognized by such participant at the time the restrictions lapse, the participant will have a tax basis in the shares of common stock equal to their fair market value on the date of their award, and the participant's holding period for capital gains purposes will begin at that time. The Company generally will be entitled to a tax deduction at the time when, and to the extent that, ordinary income is recognized by such participant.

Restricted Stock Units

In general, the grant of restricted stock units will not result in income for the participant or in a tax deduction for us. Upon the settlement of such an award in cash or shares of common stock, the participant will recognize ordinary income equal to the aggregate value of the payment received, and the Company generally will be entitled to a tax deduction at the same time and in the same amount.

Other Awards and Performance Awards

With respect to other stock-based awards and performance awards, generally when the participant receives payment in respect of the award, the amount of cash and/or the fair market value of any shares of common stock or other property received will be ordinary income to the

participant, and the Company generally will be entitled to a tax deduction at the same time and in the same amount.

Income Tax Deduction

Subject to the usual rules concerning reasonable compensation, including the Company's obligation to withhold or otherwise collect certain income and payroll taxes, and assuming that, as expected, stock options and certain other performance awards paid under the 2024 Plan are "qualified performance-based compensation" within the meaning of Section 162(m) of the Internal Revenue Code, the Company will generally be entitled to a corresponding income tax deduction at the time a participant recognizes ordinary income from awards made under the 2024 Plan.

Delivery of Shares for Tax Obligation

Under the 2024 Plan, the Compensation Committee may permit participants receiving or exercising awards, subject to the discretion of the Compensation Committee and upon any terms and conditions may impose, to deliver shares of the Company's common stock (either shares received upon the receipt or exercise of the award or shares previously owned by the participant) to the Company to satisfy federal and state tax obligations.

New Plan Benefits

Future grants under the 2024 Plan will be made at the discretion of the Compensation Committee and, accordingly, are not yet determinable. In addition, benefits under the 2024 Plan will depend on a number of factors, including the fair market value of our common stock on future dates and the exercise decisions made by participants. Consequently, at this time, it is not possible to determine the future benefits that might be received by participants receiving discretionary grants under the 2024 Plan.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" APPROVAL OF THE
AMERICAN RIVIERA BANCORP 2024 OMNIBUS STOCK INCENTIVE PLAN.**

PROPOSALS BY SHAREHOLDERS FOR 2025 ANNUAL MEETING

In order to be eligible for inclusion in the Company's proxy statement and proxy card for the next annual meeting of shareholders, shareholder proposals must be received by the Secretary of the Company at its principal executive offices no later than December 31, 2024. In order for such shareholder proposals to be eligible to be brought before the shareholders at the next annual meeting of shareholders, the shareholder submitting such proposals must also comply with the procedures, including the deadlines, required by Article II of the Company's Bylaws. Shareholder nominations of directors are not shareholder proposals and are not eligible for inclusion in the Company's proxy statement.

OTHER BUSINESS

Management does not know of any matters to be presented at the Annual Meeting other than those set forth above. However, if other matters properly come before the Annual Meeting, it is the intention of the persons named in the accompanying proxy to vote said proxy in accordance with the recommendations of the Board of Directors and authority to do so is included in the proxy.

THE ENCLOSED PROXY SHOULD BE COMPLETED, DATED, SIGNED AND RETURNED IN THE ENCLOSED POSTAGE-PAID ENVELOPE. YOUR PROMPT MAILING OF THE SIGNED PROXY WILL BE APPRECIATED.

AMERICAN RIVIERA BANCORP



Jeff DeVine
President and Chief Executive Officer

May 9, 2024

APPENDIX A

AMERICAN RIVIERA BANCORP 2024 OMNIBUS STOCK INCENTIVE PLAN

ESTABLISHMENT, PURPOSE AND TERM OF PLAN.

Establishment. American Riviera Bancorp (the “**Company**”) established the American Riviera Bancorp 2024 Omnibus Stock Incentive Plan (the “**Plan**”) effective as of the date the Plan is approved by Company’s shareholders (the “**Effective Date**”).

History of Prior Plans. The Company previously established the American Riviera Bank 2006 Stock Incentive Plan (“**2006 Plan**”), the American Riviera Bank 2009 Omnibus Stock Incentive Plan (“**2009 Plan**”) and the American Riviera Bank 2015 Omnibus Stock Incentive Plan (the “**2015 Plan**”, together with 2009 Plan and 2006 Plan, “**Prior Plans**”), and assumed in connection with the acquisition of The Bank of Santa Barbara 2010 Omnibus Stock Incentive Plan (“**BSB 2010 Plan**”).

Purpose. The purpose of the Plan is to advance the interests of the Company and its stockholders by providing an incentive to attract, retain and reward employees, officers (whether or not directors) and non-employee directors of the Company and its Subsidiary Corporations (for purposes of this Plan) and by motivating such persons to contribute to the growth and profitability of the Company. The Plan seeks to achieve this purpose by providing for Awards in the form of Options, Restricted Stock Bonuses, Performance Awards, Other Stock-Based Awards and Restricted Stock Units.

Term of Plan. The Plan shall continue in effect until the earlier of its termination by the Board or the date on which all of the shares of Stock available for issuance under the Plan have been issued and all restrictions on such shares of Stock under the terms of the Plan and the agreements evidencing Awards granted under the Plan have lapsed. All Awards shall be granted, if at all, within ten (10) years from the Effective Date. Following the Effective Date, no further awards shall be issued under the Prior Plans, but all Prior Plan Awards which are outstanding as of the Effective Date shall continue to be governed by the terms, conditions and procedures set forth in the Prior Plans and any applicable Award Agreement.

Definitions. Whenever used herein, the following terms shall have their respective meanings set forth below:

“**Affiliate**” means (i) an entity, that directly, or indirectly through one or more intermediary entities, controls the Company or (ii) an entity, other than a Subsidiary Corporation, that is controlled by the Company directly, or indirectly through one or more intermediary entities. For this purpose, the term “**control**” (including the term “**controlled by**”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of the relevant entity, whether through the ownership of voting securities, by contract or otherwise.

“**Award**” means any Option, Restricted Stock Bonus, Performance Award, Other Stock-Based Award or Restricted Stock Unit.

“**Award Agreement**” means a written agreement between the Company and a Participant setting forth the terms, conditions and restrictions of the Award granted to the Participant. An Award Agreement may be an “Option Agreement,” a “Restricted Stock Bonus Agreement,” a “Performance Share Unit Agreement,” a “Performance Unit Agreement,” a “Restricted Stock Unit Agreement,” or an “Other Stock Based Award Agreement.”

“Beneficial Owner” (or any variant thereof) has the meaning defined in Rule 13d-3 under the Exchange Act.

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

“Cause” means, unless otherwise defined by the Participant’s Award Agreement or contract of employment or service, any of the following: (i) the Participant’s theft, dishonesty, or falsification of Company documents or records; (ii) the Participant’s improper use or disclosure of the Company’s confidential or proprietary information; (iii) any action by the Participant which has a significant detrimental effect on the Company’s reputation or business; (iv) the Participant’s failure or inability to perform any reasonable assigned duties after written notice from the Company of, and a reasonable opportunity to cure, such failure or inability; (v) any material breach by the Participant of any employment or service agreement between the Participant and the Company, which breach is not cured pursuant to the terms of such agreement; or (vi) the Participant’s conviction (including any plea of guilty or nolo contendere) of any criminal act which impairs the Participant’s ability to perform his or her duties with the Company.

“Code” means the Internal Revenue Code of 1986, as amended, and any applicable regulations promulgated thereunder.

“Committee” means the Company’s Compensation Committee or other committee of the Board duly appointed to administer the Plan and having such powers as shall be specified by the Board. If no committee of the Board has been appointed to administer the Plan, the Board shall exercise all of the powers of the Committee granted herein, and, in any event, the Board may in its discretion exercise any or all of such powers.

“Company” means American Riviera Bancorp.

“Consultant” means any consultant or advisor who is a natural person and who provides services to the Company or any Subsidiary Corporation thereof, so long as such person (i) renders bona fide services that are not in connection with the offer and sale of the Company’s securities in a capital-raising transaction, and (ii) does not directly or indirectly promote or maintain a market for the Company’s securities.

“Director” means a member of the Board of Directors of the Company.

“Disability” means the permanent and total disability of the Participant, within the meaning of Section 22(e)(3) of the Code.

“Dividend Equivalent” means a credit, made at the discretion of the Committee or as otherwise provided by the Plan, to the account of a Participant in an amount equal to the cash dividends paid on one share of Stock for each share of Stock represented by an Award held by such Participant.

“Employee” means any person treated as an employee (including an Officer or a Director who is also treated as an employee) in the records of the Company or any of its Subsidiary Corporations and, with respect to any Incentive Stock Option granted to such person, who is an employee for purposes of Section 422 of the Code; provided, however, that neither service as a member of the Board nor payment of a director’s fee shall be sufficient to constitute employment for purposes of the Plan. The Company shall determine in good faith and in the exercise of its discretion whether an individual has become or has ceased to be an Employee and the effective date of such individual’s employment or termination of employment, as the case may be. For purposes of an individual’s rights, if any, under the Plan as of the time of the Company’s determination, all such determinations by the Company shall be final, binding and conclusive,

notwithstanding that the Company or any court of law or governmental agency subsequently makes a contrary determination.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Exempt Award” shall mean the following:

(1) An Award granted in assumption of, or in substitution for, outstanding awards previously granted by a corporation or other entity acquired by the Company or any of its Subsidiary Corporations or with which the Company or any of its Subsidiary Corporations combines by merger or otherwise. The terms and conditions of any such Awards may vary from the terms and conditions set forth in the Plan to the extent the Committee at the time of grant may deem appropriate, subject to applicable laws.

(2) An “employment inducement” award as described in the applicable stock exchange listing manual or rules may be granted under the Plan from time to time. The terms and conditions of any “employment inducement” award may vary from the terms and conditions set forth in the Plan to such extent as the Committee at the time of grant may deem appropriate, subject to applicable laws.

(3) An Award that an eligible recipient purchases at Fair Market Value (including Awards that an eligible recipient elects to receive in lieu of fully vested compensation that is otherwise due) whether or not the shares of Stock are delivered immediately or on a deferred basis.

“Fair Market Value” means, as of any date, the value of a share of Stock or other property as determined by the Committee, in its discretion, or by the Company, in its discretion, if such determination is expressly allocated to the Company herein, subject to the following:

If, on such date, the Stock is readily tradable on an established securities market, the Fair Market Value of a share of Stock shall be the closing price of a share of Stock as reported on such market at the close of the trading day on such date (or, if the Stock has not traded on such date, on the last preceding day on which the Stock was traded).

If, on such date, the Stock is not readily tradable on an established securities market, the Fair Market Value of a share of Stock shall be as determined by the Committee by reasonable application of a reasonable valuation method, consistently applied.

Notwithstanding the foregoing, no Award granted under the Plan is intended to provide for a deferral of compensation within the meaning of Section 409A such that the Fair Market Value of a share of Stock shall be determined in all respects in a manner that is consistent with that intention.

“Incentive Stock Option” means an Option intended to be (as set forth in the Award Agreement) and which qualifies as an incentive stock option within the meaning of Section 422(b) of the Code.

“Insider” means an Officer, a member of the Board or any other person whose transactions in Stock are subject to Section 16 of the Exchange Act.

“Nonstatutory Stock Option” means an Option not intended to be (as set forth in the Award Agreement) an incentive stock option within the meaning of Section 422(b) of the Code.

“Officer” means any person designated by the Board as an officer of the Company.

“Option” means the right to purchase Stock at a stated price for a specified period of time granted to a Participant pursuant to Section 5 of the Plan. An Option may be either an Incentive Stock Option or a Nonstatutory Stock Option.

“Other Stock-Based Awards” means Awards granted to a Participant under Section 7.2 hereof.

“Parent Corporation” means any present or future “parent corporation” of the Company, as defined in Section 424(e) of the Code.

“Participant” means any eligible person who has been granted one or more Awards.

“Performance Award” means any Award of Performance Share Units or Performance Units granted pursuant to Section 7.1 hereof.

“Performance Period” means that period established by the Committee at the time any Performance Award is granted or at any time thereafter during which any performance goals specified by the Committee with respect to such Award are to be measured.

“Performance Share Unit” means any grant pursuant to Section 7.1 hereof of a unit valued by reference to a designated number of shares of Stock, which value may be paid to the Participant by delivery of such property as the Committee shall determine, including cash, shares of Stock, other property, or any combination thereof, upon achievement of such performance goals during the Performance Period as the Committee shall establish at the time of such grant or thereafter.

“Performance Unit” means any grant pursuant to Section 7.1 hereof of a unit valued by reference to a designated amount of property (including cash) other than shares of Stock, which value may be paid to the Participant by delivery of such property as the Committee shall determine, including cash, shares of Stock, other property, or any combination thereof, upon achievement of such performance goals during the Performance Period as the Committee shall establish at the time of such grant or thereafter.

“Person” shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof.

“Restricted Stock Award” means an Award of a Restricted Stock Bonus.

“Restricted Stock Bonus” means Stock granted to a Participant pursuant to Section 6 of the Plan.

“Restricted Stock Unit” means a bookkeeping entry representing a right granted to a Participant pursuant to Section 8 of the Plan to receive a share of Stock on the date at which Vesting Conditions applicable to the Restricted Stock Unit are satisfied determined in accordance with the provisions of Section 8 and the Participant’s Award Agreement.

“Restriction Period” means the period established in accordance with Section 6.5 of the Plan during which shares subject to a Restricted Stock Award are subject to Vesting Conditions.

“Rule 16b-3” means Rule 16b-3 promulgated by the Securities and Exchange Commission under the Exchange Act, as amended from time to time, or any successor rule or regulation.

“Section 280G” means Section 280G of the Code.

“Section 409A” means Section 409A of the Code.

“Securities Act” means the Securities Act of 1933, as amended.

“Service” means a Participant’s employment or service with the Company, whether in the capacity of a Consultant, an Employee or a Director. A Participant’s Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders such Service or a change in the employer for which the Participant renders such Service, provided that there is no interruption or termination of the Participant’s Service and that such employer is an Affiliate or Subsidiary Corporation of the Company. Furthermore, a Participant’s Service shall not be deemed to have terminated if the Participant takes any military leave, sick leave, or other bona fide leave of absence approved by the Company. However, if any such leave taken by a Participant exceeds ninety (90) days, then on the one hundred eighty-first (181st) day following the commencement of such leave any Incentive Stock Option held by the Participant shall cease to be treated as an Incentive Stock Option and instead shall be treated thereafter as a Nonstatutory Stock Option, unless the Participant’s right to return to Service with the Company is guaranteed by statute or contract. Notwithstanding the foregoing, unless otherwise designated by the Company or required by law, a leave of absence shall not be treated as Service for purposes of determining vesting under the Participant’s Award Agreement. A Participant’s Service shall be deemed to have terminated upon an actual termination of Service. Subject to the foregoing, the Company, in its discretion, shall determine whether the Participant’s Service has terminated and the effective date of such termination.

“Stock” means the common stock of the Company, as adjusted from time to time in accordance with Section 3.2 of the Plan.

“Subsidiary Corporation” means any present or future “subsidiary corporation” of the Company, as defined in Section 424(f) of the Code.

“Ten Percent Owner” means a Participant who, at the time an Option is granted to the Participant, owns stock possessing more than ten percent (10%) of the total combined voting power within the meaning of Section 422(b)(6) of the Code of all classes of stock of the Company.

“Treasury Regulations” means Proposed, Temporary and Final Regulations of the United States Treasury Department issued under Title 26 of the Code of Federal Regulations.

“Vesting Conditions” mean those conditions established in accordance with Section 5.2, Section 6.5, Section 7 or Section 8.3 of the Plan prior to the satisfaction of which Options or shares subject to a Restricted Stock Award, Performance Award, Other Stock-Based Award, or Restricted Stock Unit Award, as applicable, remain subject to forfeiture or a repurchase option in favor of the Company upon the Participant’s termination of Service.

Construction. Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term “or” is not intended to be exclusive, unless the context clearly requires otherwise.

ADMINISTRATION.

Administration by the Committee. The Plan shall be administered by the Committee. All questions of interpretation of the Plan or of any Award shall be determined by the Committee, and such determinations shall be final and binding upon all persons having an interest in the Plan or such Award.

Authority of Officers. Any Officer shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, determination or election which is the responsibility of or which is allocated to the Company herein, provided the Officer has apparent authority with respect to such matter, right, obligation, determination or election. The Board may, in its discretion, delegate to a committee comprised of one or more Officers the authority to grant one or more Awards, without further approval of the Board or the Committee, to any Employee, other than a person who, at the time of such grant, is an Insider; provided, however, that (a) such Awards shall not be granted for shares of Stock in excess of the maximum aggregate number of shares of Stock authorized for issuance pursuant to Section 3.1, (b) the exercise price per share of each such Award which is an Option shall be not less than the Fair Market Value per share of the Stock on the date of grant and (c) each such Award shall be subject to the terms and conditions of the appropriate standard form of Award Agreement approved by the Board or the Committee and shall conform to the provisions of the Plan and such other guidelines as shall be established from time to time by the Board or the Committee.

Administration with Respect to Insiders. With respect to participation by Insiders in the Plan, at any time that any class of equity security of the Company is registered pursuant to Section 12 of the Exchange Act, the Plan shall be administered in compliance with the requirements, if any, of Rule 16b-3.

Powers of the Committee. In addition to any other powers set forth in the Plan and subject to the provisions of the Plan, the Committee shall have the full and final power and authority, in its discretion:

to determine the persons to whom, and the time or times at which, Awards shall be granted and the number of shares of Stock, Options to purchase shares of Stock or units to be subject to each Award;

to determine the type of Award granted and to designate Options as Incentive Stock Options or Nonstatutory Stock Options;

to determine the Fair Market Value of shares of Stock or other property;

to determine the terms, conditions and restrictions applicable to each Award (which need not be identical) and any shares of Stock acquired pursuant thereto, including, without limitation, (i) the exercise or purchase price of shares of Stock purchased pursuant to any Award, (ii) the method of payment for shares of Stock purchased pursuant to any Award, (iii) the method for satisfaction of any tax withholding obligation arising in connection with any Award, including by the withholding or delivery of shares of Stock, (iv) the timing, terms and conditions of the exercisability or Vesting Conditions of any Award or any shares of Stock acquired pursuant thereto, (v) the Performance Award formulas and Performance Award goals applicable to any

Award and the extent to which such Performance Award goals have been attained, (vi) the time of the expiration of any Award, (vii) the effect of the Participant's termination of Service on any of the foregoing, and (viii) all other terms, conditions and restrictions applicable to any Award or shares of Stock acquired pursuant thereto not inconsistent with the terms of the Plan;

to determine whether an Award of Performance Units will be settled in shares of Stock, cash, or in any combination thereof;

to approve one or more forms of Award Agreement;

to amend, modify, extend, cancel or renew any Award or to waive any restrictions or conditions applicable to any Award or any shares of Stock acquired pursuant thereto provided that no such action shall affect a Participant's material rights under an Award without the consent of the Participant or unless necessary to comply with any applicable law, regulation or rule;

to accelerate, continue, extend or defer the exercisability or Vesting Conditions of any Award or any shares of Stock acquired pursuant thereto, including with respect to the period following a Participant's termination of Service provided that no such action shall affect a Participant's material rights under an Award without the consent of the Participant or unless necessary to comply with any applicable law, regulation or rule;

to amend, modify or correct any defect in the Plan or any Award in order to avoid the application of Section 280G or Section 409A to any Award or to the Plan;

to prescribe, amend or rescind rules, guidelines and policies relating to the Plan, or to adopt sub-plans or supplements to, or alternative versions of, the Plan, including, without limitation, as the Committee deems necessary or desirable to comply with the laws or regulations of or to accommodate the tax policy, accounting principles or custom of, foreign jurisdictions whose citizens may be granted Awards; and

to correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award Agreement and to make all other determinations and take such other actions with respect to the Plan or any Award as the Committee may deem advisable to the extent not inconsistent with the provisions of the Plan or applicable law.

Indemnification. In addition to such other rights of indemnification as they may have as members of the Board or the Committee or as Officers or employees of the Company, members of the Board or the Committee and any Officers or employees of the Company to whom authority to act for the Board, the Committee or the Company is delegated shall be indemnified by the Company against all reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan, or any right granted hereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Company) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be determined in such action, suit or proceeding that such person is liable for gross negligence, bad faith or intentional misconduct in duties; provided, however, that within sixty (60) days after the institution of such action, suit or proceeding, such person shall offer to the Company, in writing, the opportunity at its own expense to handle and defend the same.

SHARES SUBJECT TO PLAN.

Maximum Number of Shares Issuable. Subject to adjustment as provided in Section 3.2, the maximum aggregate number of shares of Stock that may be issued under the Plan shall be 500,000, which shall consist of authorized but unissued or reacquired shares of Stock or any combination thereof, provided, that, shares of Stock issued under the Plan with respect to an Exempt Award shall not count against such share limit. If an outstanding Award or any award under a Prior Plan ("**Prior Plan Award**") for any reason expires or is terminated or canceled without having been exercised or settled in full, or if shares of Stock acquired pursuant to an Award subject to forfeiture are forfeited, the shares of Stock allocable to the terminated portion of such Award or Prior Plan Award or such forfeited shares of Stock shall again be available for issuance under the Plan. Shares of Stock shall not be deemed to have been issued pursuant to the Plan or Prior Plan (and shall again be available for issuance under the Plan) (a) with respect to any portion of an Award or Prior Plan Award that is settled in cash or (b) to the extent such shares of Stock are withheld (or redeemed by the Company) in satisfaction of (or to satisfy) tax withholding obligations pursuant to Section 12 or otherwise (and any similar provisions under a Prior Plan). If the exercise price of an Option is paid by tender to the Company, or attestation to the ownership, of shares of Stock owned by the Participant, the number of shares of Stock available for issuance under the Plan shall be reduced by the net number of shares of Stock for which the Option is exercised. No more than 500,000 shares of Stock shall be issued pursuant to the exercise of Incentive Stock Options.

Adjustments for Changes in Capital Structure. Subject to any required action by the stockholders of the Company, in the event of any change in the Stock effected without receipt of consideration by the Company, whether through merger, consolidation, reorganization, reincorporation, recapitalization, reclassification, stock dividend, stock split, reverse stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, or similar change in the capital structure of the Company, or in the event of payment of an extraordinary and material dividend or distribution to the stockholders of the Company in a form other than Stock that has a material effect on the Fair Market Value of shares of Stock, appropriate adjustments shall be made in the number and class of shares of Stock subject to the Plan and to any outstanding Awards, and in the exercise price per share of Stock under any outstanding Award in order to prevent dilution or enlargement of Participants' rights under the Plan. For purposes of the foregoing, conversion of any convertible securities of the Company shall not be treated as "effected without receipt of consideration by the Company." Any fractional share of Stock resulting from an adjustment pursuant to this Section 3.2 shall be rounded down to the nearest whole number, and in no event may the exercise price under any Award be decreased to an amount less than the par value, if any, of the stock subject to such Award. The adjustments determined by the Committee pursuant to this Section 3.2 shall be final, binding and conclusive.

ELIGIBILITY AND AWARD LIMITATIONS.

Persons Eligible for Awards. Awards may be granted only to Employees, Consultants and Directors. The maximum number of shares of Stock with respect to an Award or Awards may be granted to any Participant shall not exceed ten percent (10%) of the total outstanding shares of Stock issued and outstanding. Participant Awards are granted solely at the discretion of the Committee. Eligible persons may be granted more than one (1) Award. However, eligibility in accordance with this Section shall not entitle any person to be granted an Award, or, having been granted an Award, to be granted an additional Award.

4.2 Incentive Stock Option Limitations.

Persons Eligible. An Incentive Stock Option may be granted only to a person who, on the effective date of grant, is an Employee of the Company, a Subsidiary Corporation, or

a Parent Corporation, (each being an “**ISO-Qualifying Corporation**”). Any person who is not an Employee of an ISO-Qualifying Corporation on the effective date of the grant of an Option to such person may be granted only a Nonstatutory Stock Option. An Incentive Stock Option granted to a prospective Employee upon the condition that such person become an Employee of an ISO-Qualifying Corporation shall be deemed granted effective on the date such person commences Service with an ISO-Qualifying Corporation, with an exercise price determined as of such date in accordance with Section 5.1.

One Hundred Thousand Dollar Annual Fair Market Value Limitation. To the extent that options designated as Incentive Stock Options (granted under all stock option plans of the Company, including the Plan and the stock option plans of any Subsidiary Corporation and its Parent Corporation) become exercisable by a Participant for the first time during any calendar year for stock having a Fair Market Value greater than One Hundred Thousand Dollars (\$100,000), the portion of such Options which exceeds such amount shall be treated as Nonstatutory Stock Options. For purposes of this Section, Options designated as Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of Stock shall be determined as of the time the Option with respect to such Stock is granted. If the Code is amended to provide for a different limitation from that set forth in this Section, such different limitation shall be deemed incorporated herein effective as of the date of such amendment and with respect to such Options as required or permitted by such amendment to the Code. If an Option is treated as an Incentive Stock Option in part and as a Nonstatutory Stock Option in part by reason of the limitation set forth in this Section, the Participant may designate which portion of such Option the Participant is exercising. In the absence of such designation, the Participant shall be deemed to have exercised the Incentive Stock Option portion of the Option first. Upon exercise, shares of Stock issued pursuant to each such portion shall be separately identified.

TERMS AND CONDITIONS OF OPTIONS.

Options shall be evidenced by Award Agreements specifying a fixed number of shares of Stock subject to the Option on the original date of grant of the Option, in such form as the Committee shall from time to time establish. No Option or purported Option shall be a valid and binding obligation of the Company unless evidenced by a fully executed Award Agreement. Award Agreements evidencing Options may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

Exercise Price. The exercise price for each Option shall be determined by the Committee; provided, however, that (a) the exercise price per share of Stock shall be not less than the Fair Market Value of a share of Stock on the date of grant of the Option and (b) no Incentive Stock Option granted to a Ten Percent Owner shall have an exercise price per share of Stock less than one hundred ten percent (110%) of the Fair Market Value of a share of Stock on the effective date of grant of the Option. Notwithstanding the foregoing, an Option (whether an Incentive Stock Option or a Nonstatutory Stock Option) may be substituted for another Option or an Option may be assumed in a corporate transaction and not be treated as the grant of an Option if the substitution or modification qualifies under the provisions of Section 424(a) of the Code and the Treasury Regulations issued thereunder or under Section 409A, as applicable.

Exercisability and Term of Options. Options shall be exercisable at such time or times, or upon such event or events, and subject to such terms, conditions, performance criteria and restrictions, including Vesting Conditions based upon the satisfaction of Service requirements, as shall be determined by the Committee and set forth in the Award Agreement evidencing such Option; provided, however, that (a) no Option shall be exercisable after the expiration of ten (10) years after the date of grant of such Option, (b) no Incentive Stock Option granted to a Ten Percent Owner shall be exercisable after the expiration of five (5) years after the date of grant of

such Option, and (c) no Option granted to a prospective Employee or prospective Director may become exercisable prior to the date on which such person commences Service. Subject to the foregoing, unless otherwise specified by the Committee in the grant of an Option, any Option granted hereunder shall terminate ten (10) years after the date of grant of the Option, unless earlier terminated in accordance with its provisions.

Payment of Exercise Price.

Forms of Consideration Authorized. Except as otherwise provided below, payment of the exercise price for the number of shares of Stock being purchased pursuant to any Option shall be made (i) in cash, by check or in cash equivalent, (ii) by tender to the Company, or attestation to the ownership, of shares of Stock owned by the Participant having a Fair Market Value not less than the exercise price, (iii) by means of consideration received under any cashless exercise procedure approved by the Committee (including the withholding of a share of Stock otherwise issuable upon exercise) (a “**Cashless Exercise**”), (iv) by such other consideration as may be approved by the Committee from time to time to the extent permitted by applicable law, or (v) by any combination thereof. The Committee may at any time or from time-to-time grant Options which do not permit all of the foregoing forms of consideration to be used in payment of the exercise price or which otherwise restrict one or more forms of consideration.

Limitations on Forms of Consideration.

Tender of Stock. Notwithstanding the foregoing, an Option may not be exercised by tender to the Company, or attestation to the ownership, of shares of Stock to the extent such tender or attestation would constitute a violation of the provisions of any law, regulation or agreement restricting the redemption of the Company’s Stock. Unless otherwise provided by the Committee, an Option may not be exercised by tender to the Company, or attestation to the ownership, of shares of Stock held by an officer (within the meaning of Section 16 of the Exchange Act) unless such shares of Stock either have been owned by the Participant for more than six (6) months (and not used for another Option exercise by attestation during such period) or were not acquired, directly or indirectly, from the Company.

Cashless Exercise. The Company reserves, at all times, the right, in the Company’s sole and absolute discretion, to establish, decline to approve or terminate any program or procedures for the exercise of Options by means of a Cashless Exercise, including with respect to one or more Participants specified by the Company notwithstanding that such program or procedures may be available to other Participants.

Effect of Termination of Service.

Option Exercisability. Subject to earlier termination of the Option as otherwise provided herein and unless otherwise provided by the Committee in the grant of an Option and set forth in the Award Agreement, an Option shall be exercisable after a Participant’s termination of Service only during the applicable time period determined in accordance with this Section and thereafter shall terminate:

Disability. If the Participant’s Service terminates because of the Disability of the Participant, the Option, to the extent unexercised and exercisable on the date on which the Participant’s Service terminated, may be exercised by the Participant (or the Participant’s guardian or legal representative) at any time prior to the expiration of one (1) year (or such longer period of time as determined by the Board or Committee, in its discretion) after the date on which the Participant’s Service terminated, but in any event no later than the date of expiration of the Option’s term as set forth in the Award Agreement evidencing such Option (the “**Option Expiration Date**”).

Death. If the Participant's Service terminates because of the death of the Participant, the Option, to the extent unexercised and exercisable on the date on which the Participant's Service terminated, may be exercised by the Participant's legal representative or other person who acquired the right to exercise the Option by reason of the Participant's death at any time prior to the expiration of one (1) year (or such longer period of time as determined by the Board or Committee, in its discretion) after the date on which the Participant's Service terminated, but in any event no later than the Option Expiration Date. The Participant's Service shall be deemed to have terminated on account of death if the Participant dies within ninety (90) days (or such longer period of time as determined by the Board, in its discretion) after the Participant's termination of Service.

Termination for Cause. Notwithstanding any other provision of the Plan to the contrary, if the Participant's Service is terminated for Cause, the Option shall terminate and cease to be exercisable immediately upon such termination of Service.

Other Termination of Service. If the Participant's Service terminates for any reason, except Disability, death or Cause, the Option, to the extent unexercised and exercisable by the Participant on the date on which the Participant's Service terminated, may be exercised by the Participant at any time prior to the expiration of ninety (90) days (or such longer period of time as determined by the Board or Committee, in its discretion) after the date on which the Participant's Service terminated, but in any event no later than the Option Expiration Date.

Extension if Exercise Prevented by Law. Notwithstanding the foregoing, other than termination of Service for Cause, if the exercise of an Option within the applicable time periods set forth in Section 5.4(a) is prevented by the provisions of Section 11 below, the Option shall remain exercisable until ninety (90) days (or such longer period of time as determined by the Board or Committee, in its discretion) after the date the Participant is notified by the Company that the Option is exercisable, but in any event no later than the Option Expiration Date.

Extension if Participant Subject to Section 16(b). Notwithstanding the foregoing, other than termination of Service for Cause, if a sale within the applicable time periods set forth in Section 5.4(a) of shares of Stock acquired upon the exercise of the Option would subject the Participant to suit under Section 16(b) of the Exchange Act, the Option shall remain exercisable until the earliest to occur of: (i) the tenth (10th) day following the date on which a sale of such shares of Stock by the Participant would no longer be subject to such suit, (ii) the one hundred and ninetieth (190th) day after the Participant's termination of Service, or (iii) the Option Expiration Date.

Transferability of Options. During the lifetime of the Participant, an Option shall be exercisable only by the Participant or the Participant's guardian or legal representative. Prior to the issuance of shares of Stock upon the exercise of an Option, the Option shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution.

Prohibition Against Option Repricing. Except as provided in Section 3.2 and notwithstanding any other provision of this Plan, neither the Board nor the Committee shall have the right or authority following the grant of any Option pursuant to the Plan to amend or modify the exercise price of any such Option, or to cancel the Option at a time when the exercise price is greater than the Fair Market Value of the shares of Stock in exchange for another Option or Award.

TERMS AND CONDITIONS OF RESTRICTED STOCK AWARDS.

Restricted Stock Awards shall be evidenced by Award Agreements specifying that the Award is a Restricted Stock Bonus and the number of shares of Stock subject to the Award, in such form as the Committee shall from time to time establish. No Restricted Stock Award shall be a valid and binding obligation of the Company unless evidenced by a fully executed Award Agreement. Award Agreements evidencing Restricted Stock Awards may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

Types of Restricted Stock Awards Authorized. Restricted Stock Awards shall be in the form of a Restricted Stock Bonus. Restricted Stock Awards may be granted upon such conditions as the Committee shall determine, including, without limitation, upon the attainment of one or more performance goals as described in Section 7.1. If either the grant of a Restricted Stock Award or the lapse of the Restriction Period is to be contingent upon the attainment of one or more performance goals, the Committee shall follow procedures substantially equivalent to those set forth in Sections 7.1.

Purchase Price. No monetary payment (other than applicable tax withholding) shall be required as a condition of receiving shares of Stock pursuant to a Restricted Stock Bonus. Notwithstanding the foregoing, the Participant shall furnish consideration in the form of services actually rendered to the Company or for its benefit.

Reserved.

Vesting and Restrictions on Transfer. Shares of Stock issued pursuant to any Restricted Stock Award may or may not be made subject to Vesting Conditions based upon the satisfaction of such Service requirements, conditions, restrictions or performance criteria, including, without limitation, performance goals as described in Section 7.1, as shall be established by the Committee and set forth in the Award Agreement evidencing such Award. During any Restriction Period in which shares of Stock granted pursuant to a Restricted Stock Award remain subject to Vesting Conditions, such shares of Stock may not be sold, exchanged, transferred, pledged, assigned or otherwise disposed of other than pursuant to a Change in Control, as defined in Section 10.1, or as provided in Section 6.8. Upon request by the Company, each Participant shall execute any agreement evidencing such transfer restrictions prior to the receipt of shares of Stock hereunder and shall promptly present to the Company any and all certificates representing shares of Stock acquired hereunder for the placement on such certificates of appropriate legends evidencing any such transfer restrictions.

Voting Rights; Dividends and Distributions. Except as provided in this Section, Section 6.5 and any Award Agreement, during the Restriction Period applicable to shares of Stock subject to a Restricted Stock Award, the Participant shall have all of the rights of a stockholder of the Company holding shares of Stock, including the right to vote such shares of Stock and, solely if so provided in the Award Agreement, to receive all dividends and other distributions paid with respect to such shares of Stock and, unless otherwise provided in the Award Agreement, that dividends on Restricted Stock Awards shall be withheld while the Restricted Stock Awards are subject to Vesting Conditions and that the dividends shall be payable only upon the related shares of Restricted Stock ceasing to be subject to Vesting Conditions, or on such other terms as the Committee determines. However, in the event of a dividend or distribution paid in shares of Stock or any other adjustment made upon a change in the capital structure of the Company as described in Section 3.2, then any and all new, substituted or additional securities or other property (other than normal cash dividends) to which the Participant is entitled by reason of the Participant's Restricted Stock Award shall be immediately subject to the same Vesting Conditions as the

shares subject to the Restricted Stock Award with respect to which such dividends or distributions were paid or adjustments were made.

Effect of Termination of Service. Unless otherwise provided by the Committee in the grant of a Restricted Stock Award and set forth in the Award Agreement, if a Participant's Service terminates for any reason, whether voluntary or involuntary (including the Participant's death or Disability), then the Participant shall forfeit to the Company any shares granted to the Participant pursuant to a Restricted Stock Bonus which remain subject to Vesting Conditions as of the date of the Participant's termination of Service.

Nontransferability of Restricted Stock Award Rights. Prior to the issuance of shares of Stock pursuant to a Restricted Stock Award, rights to acquire such shares shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or the laws of descent and distribution. All rights with respect to a Restricted Stock Award granted to a Participant hereunder shall be exercisable during his or her lifetime only by such Participant or the Participant's guardian or legal representative.

TERMS AND CONDITIONS OF PERFORMANCE AWARDS AND OTHER AWARDS.

Performance Awards. The Committee is authorized to grant Performance Awards to any eligible person payable in cash, shares of Stock, or other Awards, on terms and conditions established by the Committee. The performance criteria to be achieved during any Performance Period and the length of the Performance Period shall be determined by the Committee upon the grant of each Performance Award. Except as provided in Section 10 or as may be provided in an Award Agreement, Performance Awards will be distributed only after the end of the relevant Performance Period. The amount of the Award to be distributed shall be conclusively determined by the Committee. Performance Awards may be paid in a lump sum or in installments following the close of the Performance Period or, in accordance with procedures established by the Committee, on a deferred basis in a manner that does not violate the requirements of Section 409A. Notwithstanding any other provision of this Plan to the contrary, cash dividends, shares of Stock, and any other property (other than cash) distributed as a dividend or otherwise with respect to any Performance Awards or any other Awards that are subject to satisfaction of performance goals, shall (A) either (i) not be paid or credited, or (ii) be accumulated, (B) shall be subject to satisfaction of the same performance goals to which the vesting of the underlying Award is subject, and (C) shall be paid at the time such restrictions and risk of forfeiture lapses.

Other Stock-Based Awards. The Committee is authorized, subject to limitations under applicable law, to grant to any eligible person such other Awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, shares of Stock, as deemed by the Committee to be consistent with the purposes of the Plan. Other Stock-Based Awards may be granted to Participants either alone or in addition to other Awards granted under the Plan, and such Other Stock-Based Awards shall also be available as a form of payment in the settlement of other Awards granted under the Plan. The Committee shall determine the terms and conditions of such Awards. Each Participant who is granted an Other Stock-Based Award shall enter into an Award Agreement with the Company, containing such terms and conditions as the Committee shall determine, in its sole discretion, including, among other things, the number of shares of Stock to be granted pursuant to such Other Stock-Based Awards, or the manner in which such Other Stock-Based Awards shall be settled (e.g., in shares of Stock, cash or other property), or the conditions to the vesting and/or payment or settlement of such Other Stock-Based Awards (which may include, but not be limited to, achievement of performance criteria) and all other terms and conditions of such Other Stock-Based Awards. Shares of Stock delivered pursuant to an Award in the nature of a purchase right granted under this Section 7(b) shall be purchased for such consideration, (including without limitation loans

from the Company or its subsidiaries' provided that such loans are not in violation of any applicable law, rule or regulation) paid for at such times, by such methods, and in such forms, including, without limitation, cash, shares of Stock, other Awards or other property, as the Committee shall determine.

TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT AWARDS.

Restricted Stock Unit Awards shall be evidenced by Award Agreements specifying the number of Restricted Stock Units subject to the Award, in such form as the Committee shall from time to time establish. No Restricted Stock Unit Award or purported Restricted Stock Unit Award shall be a valid and binding obligation of the Company unless evidenced by a fully executed Award Agreement. Award Agreements evidencing Restricted Stock Units may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

Grant of Restricted Stock Unit Awards. Restricted Stock Unit Awards may be granted upon such conditions as the Committee shall determine, including, without limitation, upon the attainment of one or more performance goals as described in Section 7.1. If either the grant of a Restricted Stock Unit Award or the Vesting Conditions with respect to such Award is to be contingent upon the attainment of one or more performance goals, the Committee shall follow procedures substantially equivalent to those set forth in Sections 7.1.

Purchase Price. No monetary payment (other than applicable tax withholding, if any) shall be required as a condition of receiving a Restricted Stock Unit Award.

Vesting. Restricted Stock Units may or may not be made subject to Vesting Conditions based upon the satisfaction of such Service requirements, conditions, restrictions or performance criteria, including, without limitation, performance goals as described in Section 7.1, as shall be established by the Committee and set forth in the Award Agreement evidencing such Award.

Voting Rights, Dividend Equivalent Rights and Distributions. Participants shall have no voting rights with respect to shares of Stock represented by Restricted Stock Units until the date of the issuance of such shares of Stock (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). However, the Committee, in its discretion, may provide in the Award Agreement evidencing any Restricted Stock Unit Award that the Participant shall be entitled to receive Dividend Equivalents with respect to the payment of cash dividends on Stock having a record date prior to date on which Restricted Stock Units held by such Participant are settled. Such Dividend Equivalents, if any, shall, if so provided in the Award Agreement, be paid by crediting the Participant with additional whole Restricted Stock Units as of the date of payment of such cash dividends on Stock. The number of additional Restricted Stock Units (rounded to the nearest whole number) to be so credited shall be determined by dividing (a) the amount of cash dividends paid on such date with respect to the number of shares of Stock represented by the Restricted Stock Units previously credited to the Participant by (b) the Fair Market Value per share of Stock on such date. Such Dividend Equivalents shall be subject to the same terms and conditions and shall be settled in the same manner and at the same time (or as soon thereafter as practicable) as the Restricted Stock Units originally subject to the Restricted Stock Unit Award. In the event of a dividend or distribution paid in shares of Stock or any other adjustment made upon a change in the capital structure of the Company as described in Section 3.2, appropriate adjustments shall be made in the Participant's Restricted Stock Unit Award so that it represents the right to receive upon settlement any and all new, substituted or additional securities or other property (other than normal cash dividends) to which the Participant would be entitled by reason of the shares of Stock issueable upon settlement of the Award, and all such new, substituted or additional securities or other property shall be immediately subject to the same Vesting Conditions as are applicable to the Award.

Effect of Termination of Service. Unless otherwise provided by the Committee in the grant of a Restricted Stock Unit Award and set forth in the Award Agreement, if a Participant's Service terminates for any reason, whether voluntary or involuntary (including the Participant's death or Disability), then the Participant shall forfeit to the Company any Restricted Stock Units pursuant to the Award which remain subject to Vesting Conditions as of the date of the Participant's termination of Service.

Settlement of Restricted Stock Unit Awards. The Company shall issue to a Participant on the earlier of the date on which Restricted Stock Units subject to the Participant's Restricted Stock Unit Award satisfy applicable Vesting Conditions or on such other date determined by the Committee, in its discretion, and set forth in the Award Agreement one (1) share of Stock (and/or any other new, substituted or additional securities or other property pursuant to an adjustment described in Section 8.4) for each Restricted Stock Unit then becoming vested or otherwise to be settled on such date, subject to the withholding of applicable taxes.

Nontransferability of Restricted Stock Unit Awards. Prior to the issuance of shares of Stock in settlement of a Restricted Stock Unit Award, the Award shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. All rights with respect to a Restricted Stock Unit Award granted to a Participant hereunder shall be exercisable during his or her lifetime only by such Participant or the Participant's guardian or legal representative.

STANDARD FORMS OF AWARD AGREEMENT.

Award Agreements. Each Award shall comply with and be subject to the terms and conditions set forth in the appropriate form of Award Agreement approved by the Committee and as amended from time to time. Any Award Agreement may consist of an appropriate form of Notice of Grant and a form of Award Agreement incorporated therein by reference, or such other form or forms as the Committee may approve from time to time.

Authority to Vary Terms. The Committee shall have the authority from time to time to vary the terms of any standard form of Award Agreement either in connection with the grant or amendment of an individual Award or in connection with the authorization of a new standard form or forms; provided, however, that the terms and conditions of any such new, revised or amended standard form or forms of Award Agreement are not inconsistent with the terms of the Plan.

CHANGE IN CONTROL.

Definition.

An "**Ownership Change Event**" shall be deemed to have occurred if any of the following occurs with respect to the Company: (i) the direct or indirect sale or exchange in a single or series of related transactions by the stockholders of the Company of more than fifty percent (50%) of the voting stock of the Company; (ii) a merger or consolidation in which the Company is a party; (iii) the sale, exchange, or transfer of all or substantially all of the assets of the Company (other than a sale, exchange or transfer to one or more Subsidiary Corporations of the Company); or (iv) a liquidation or dissolution of the Company.

A "**Change in Control**" means the first occurrence of an event set forth in any one of the following paragraphs following the Effective Date:

any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person

which were acquired directly from the Company or any Affiliate thereof) representing more than fifty percent (50%) of the combined voting power of the Company's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (i) of paragraph (iii) below; or

the date on which individuals who constitute the Board as of the Effective Date and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including, but not limited to, a consent solicitation, relating to the election of Directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the Directors then still in office who either were Directors on the Effective Date or whose appointment, election or nomination for election was previously so approved or recommended cease for any reason to constitute a majority of the number of Directors serving on the Board; or

there is consummated a merger or consolidation of the Company or any direct or indirect Subsidiary Corporation with any other corporation or other entity, other than (i) a merger or consolidation (A) which results in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary Corporation, fifty percent (50%) or more of the combined voting power of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation and (B) following which the individuals who comprise the Board immediately prior thereto constitute at least a majority of the board of directors of the Company, the entity surviving such merger or consolidation or, if the Company or the entity surviving such merger or consolidation is then a Subsidiary Corporation, the ultimate parent thereof, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its Affiliates) representing more than fifty percent (50%) of the combined voting power of the Company's then outstanding securities; or

the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than (A) a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are owned by stockholders of the Company following the completion of such transaction in substantially the same proportions as their ownership of the Company immediately prior to such sale or (B) a sale or disposition of all or substantially all of the Company's assets immediately following which the individuals who comprise the Board immediately prior thereto constitute at least a majority of the board of directors of the entity to which such assets are sold or disposed or, if such entity is a subsidiary, the ultimate parent thereof.

Notwithstanding the foregoing, (i) a Change in Control shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the holders of shares of Stock immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions and (ii) to the extent required to avoid accelerated taxation and/or tax penalties under Section 409A, a Change in Control shall be deemed to have occurred under the Plan with respect to any Award that constitutes deferred

compensation under Section 409A only if a change in the ownership or effective control of the Company or a change in ownership of a substantial portion of the assets of the Company shall also be deemed to have occurred under Section 409A. For purposes of this definition of Change in Control, the term "Person" shall not include (i) the Company or any Subsidiary Corporation thereof, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary Corporation thereof, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of shares of the Company. Notwithstanding anything herein to the contrary, a transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transactions.

Effect of Change in Control on Awards.

Treatment of Awards. Notwithstanding any other provision of the Plan to the contrary, the Committee, in its sole discretion, may provide in any Award Agreement or, in the event of a Change in Control, may take such actions as it deems appropriate to provide for the acceleration of the exercisability and vesting in connection with such Change in Control of any or all outstanding Options and shares of Stock acquired upon the exercise of such Options upon such conditions and to such extent as the Committee shall determine. The Committee may, in its discretion, also provide in any Award Agreement evidencing a Restricted Stock Award or, in the event of a Change in Control, may take such actions as it deems appropriate to provide, that, in the event of a Change in Control, the lapsing of the Restriction Period applicable to the shares subject to the Restricted Stock Award held by a Participant whose Service has not terminated prior to the Change in Control shall be accelerated effective immediately prior to the consummation of the Change in Control upon such conditions and to such extent as the Committee shall determine. Any acceleration of the lapsing of the Restriction Period that was permissible solely by reason of this Section 10.2(a) and the provisions of such Award Agreement shall be conditioned upon the consummation of the Change in Control. The Committee may, in its discretion, also provide in any Award Agreement evidencing a Performance Award, Other Stock-Based Award or a Restricted Stock Unit, as applicable or, in the event of a Change in Control, may take such actions as it deems appropriate to provide, that, in the event of a Change in Control, the Performance Award, Other Stock-Based Award or Restricted Stock Unit, as applicable, held by a Participant whose Service has not terminated prior to the Change in Control shall vest and become payable effective as of the date of the Change in Control upon such conditions and to such extent as the Committee shall determine.

Assumption or Substitution. In the event of a Change in Control, the surviving, continuing, successor, or purchasing entity or parent thereof, as the case may be (the "**Acquiror**"), may, without the consent of any Participant, either assume the Company's rights and obligations under outstanding Awards ("**Assumed Awards**") or substitute for outstanding Awards substantially equivalent awards ("**Substituted Awards**") (as the case may be) for the awards referencing Acquiror's stock, or such other property as determined by the Committee; provided, however that such Assumed Awards or such Substituted Awards shall provide or contain a provision that accelerates the exercisability and vesting of such Assumed Awards or Substituted Awards if within eighteen (18) months of the occurrence of the Ownership Change Event any one or more of the following occurs: (i) the termination of Service of the Participant by the Acquiror without Cause, (ii) the change in the location where the Participant regularly performs Service to a place more than thirty (30) miles from the location where the Participant regularly performed Service prior to the Ownership Change Event, or (iii) the base salary of the Participant is reduced, provided that termination described in clause (ii) and (iii) shall not result in acceleration of vesting unless, Participant provides notice of occurrence of such event to the Company within sixty (60) days of such event occurring, the Company fails to cure such event within thirty (30)

days of such notice and Participant resigns due to such event within thirty (30) days of expiration of such cure period. Any unvested Options which are not assumed by the Acquiror or exchanged for Substituted Awards in connection with a Change in Control shall become immediately exercisable five (5) days prior to the time of consummation of the Change in Control, and each affected Participant shall be provided ten (10) day's notice by the Company of the Acquiror's intention not to assume the Options or grant Substituted Awards.

Cash-Out of Options. The Committee may, in its sole discretion and without the consent of any Participant, determine that, upon the occurrence of a Change in Control, each or any Option outstanding immediately prior to the Change in Control shall be canceled in exchange for a payment with respect to each share of Stock, vested or unvested (at the discretion of the Committee), subject to such canceled Option in (i) cash, (ii) stock of the Company or of a corporation or other business entity a party to the Change in Control, or (iii) other property which, in any such case, shall be in an amount having a Fair Market Value equal to the excess of the Fair Market Value of the consideration to be paid per share of Stock in the Change in Control over the exercise price per share under such Option (the "**Spread**"). In the event such determination is made by the Committee, the Spread (reduced by applicable withholding taxes, if any) shall be paid to Participants in respect of their canceled Options as soon as practicable following the date of the Change in Control.

Successors. The obligations of the Company under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to substantially all of the assets and business of the Company.

COMPLIANCE WITH SECURITIES LAW.

The grant of Awards and the issuance of shares of Stock pursuant to any Award shall be subject to compliance with all applicable requirements of federal, state and foreign law with respect to such securities (including the Securities Act and any equivalent requirements under state laws) and the requirements of any stock exchange or market system upon which the Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any shares of Stock hereunder shall relieve the Company of any liability in respect of the failure to issue or sell such shares of Stock as to which such requisite authority shall not have been obtained. As a condition to issuance of any shares of Stock, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

TAX WITHHOLDING.

Tax Withholding in General. The Company shall have the right to deduct from any and all payments made under the Plan, or to require the Participant, through payroll withholding, cash payment or otherwise, including by means of a Cashless Exercise of an Option, to make adequate provision for the federal, state, local and foreign taxes, if any, required by law to be withheld by the Company with respect to an Award or the shares of Stock acquired pursuant thereto. The Company shall have no obligation to deliver shares of Stock, or to make any payment in cash under the Plan until the Company's tax withholding obligations have been satisfied by the Participant.

Withholding in Shares. The Company shall have the right, but not the obligation, to deduct from the shares of Stock issueable to a Participant upon the exercise or settlement of an Award, or to accept from the Participant the tender of, a number of whole shares of Stock having

a Fair Market Value, as determined by the Company, equal to all or any part of the tax withholding obligations of the Company. The Fair Market Value of any shares of Stock withheld or tendered to satisfy any such tax withholding obligations shall not exceed the amount determined by the applicable minimum statutory withholding rates.

12.3 If any Participant shall, in connection with the acquisition of shares of Stock under the Plan, make the election permitted under Section 83(b) of the Code, such Participant shall notify the Company of such election within ten (10) days after filing notice of the election with the Internal Revenue Service.

12.4 The Plan as well as payments and benefits under the Plan are intended to be exempt from, or to the extent subject thereto, to comply with Section 409A, and, accordingly, to the maximum extent permitted, the Plan shall be interpreted in accordance therewith. Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A, the Participant shall not be considered to have terminated employment or service with the Company for purposes of the Plan and no payment shall be due to the Participant under the Plan or any Award until the Participant would be considered to have incurred a "separation from service" from the Company and its Affiliates within the meaning of Section 409A. Any payments described in the Plan that are due within the "short term deferral period" as defined in Section 409A shall not be treated as deferred compensation unless applicable law requires otherwise. Notwithstanding anything to the contrary in the Plan, to the extent that any Awards (or any other amounts payable under any plan, program or arrangement of the Company or any of its Affiliates) are payable upon a separation from service and such payment would result in the imposition of any individual tax and penalty interest charges imposed under Section 409A, the settlement and payment of such awards (or other amounts) shall instead be made on the first business day after the date that is six (6) months following such separation from service (or death, if earlier). Each amount to be paid or benefit to be provided under this Plan shall be construed as a separate identified payment for purposes of Section 409A. The Company makes no representation that any or all of the payments or benefits described in this Plan will be exempt from or comply with Section 409A and makes no undertaking to preclude Section 409A from applying to any such payment. The Participant shall be solely responsible for the payment of any taxes and penalties incurred under Section 409A.

AMENDMENT OR TERMINATION OF PLAN.

The Committee may amend, suspend or terminate the Plan at any time. However, without the approval of the Company's stockholders, there shall be (a) no increase in the maximum aggregate number of shares of Stock that may be issued under the Plan (except by operation of the provisions of Section 3.2), (b) no change in the class of persons eligible to receive Incentive Stock Options, and (c) no other amendment of the Plan that would require approval of the Company's stockholders under any applicable law, regulation or rule. No amendment, suspension or termination of the Plan shall affect any then outstanding Award unless expressly provided by the Committee. In any event, no amendment, suspension or termination of the Plan may adversely affect any then outstanding Award without the consent of the Participant unless necessary to comply with any applicable law, regulation or rule.

MISCELLANEOUS PROVISIONS.

Repurchase Rights. Shares of Stock issued under the Plan may be subject to one or more repurchase options, or other conditions and restrictions as determined by the Committee in its discretion at the time the Award is granted. The Company shall have the right to assign at any time any repurchase right it may have, whether or not such right is then exercisable, to one or more persons as may be selected by the Company. Upon request by the Company, each Participant shall execute any agreement evidencing such transfer restrictions prior to the receipt

of shares of Stock hereunder and shall promptly present to the Company any and all certificates representing shares of Stock acquired hereunder for the placement on such certificates of appropriate legends evidencing any such transfer restrictions.

Provision of Information. Each Participant shall be given access to information concerning the Company (which may be delivered by electronic means) equivalent to that information generally made available to the Company's common stockholders. Participant's electronic signature of an Award Agreement shall have the same validity and effect as a signature affixed by hand. In the event that the Company establishes, for itself or using the services of a third party, an automated system for the documentation, granting or exercise of Awards, such as a system using an internet website or interactive voice response, then the paperless documentation, granting or exercise of Awards by a Participant may be permitted through the use of such an automated system.

Rights as Consultant, Employee or Director. No person, even though eligible pursuant to Section 4, shall have a right to be selected as a Participant, or, having been so selected, to be selected again as a Participant. Nothing in the Plan or any Award granted under the Plan shall confer on any Participant a right to remain a Consultant, an Employee or Director or interfere with or limit in any way any right of the Company to terminate the Participant's Service at any time. To the extent that a Consultant or Director receives an Award under the Plan, that Award shall in no event be understood or interpreted to mean that the Company is the Consultant's or Director's, as applicable, employer or that the Consultant or Director, as applicable, has an employment relationship with the Company.

Rights as a Stockholder. A Participant shall have no rights as a stockholder with respect to any shares of Stock covered by an Award until the date of the issuance of such shares of Stock (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date such shares of Stock are issued, except as provided in Section 3.2 or another provision of the Plan.

Fractional Shares. The Company shall not be required to issue fractional shares upon the exercise or settlement of any Award.

Severability. If any one or more of the provisions (or any part thereof) of this Plan shall be held invalid, illegal or unenforceable in any respect, such provision shall be modified so as to make it valid, legal and enforceable, and the validity, legality and enforceability of the remaining provisions (or any part thereof) of the Plan shall not in any way be affected or impaired thereby.

Beneficiary Designation. Subject to local laws and procedures, each Participant may file with the Company a written designation of a beneficiary who is to receive any benefit under the Plan to which the Participant is entitled in the event of such Participant's death before he or she receives any or all of such benefit. Each designation will revoke all prior designations by the same Participant, shall be in a form prescribed by the Company, and will be effective only when filed by the Participant in writing with the Company during the Participant's lifetime. If a married Participant designates a beneficiary other than the Participant's spouse, the effectiveness of such designation may be subject to the consent of the Participant's spouse. If a Participant dies without an effective designation of a beneficiary who is living at the time of the Participant's death, the Company will pay any remaining unpaid benefits to the Participant's legal representative.

Other Provision. No payment pursuant to the Plan shall be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare, or other benefit plan of the Company or any Affiliate except to the extent otherwise expressly provided in writing in such other plan or an agreement thereunder. The Plan shall be

governed by, and construed in accordance with, the laws of the State of California, without giving effect to principles of conflicts of law of such state.

Clawback of Benefits. The Company may: (A) cause the cancellation of any Award, (B) require reimbursement of any Award by a Participant or beneficiary thereof, and (C) effect any other right of recoupment of equity or other compensation provided under this Plan or otherwise in accordance with any Company policies that currently exist or that may from time to time be adopted or modified in the future by the Company and/or applicable law (each, a “**Clawback Policy**”). In addition, a Participant may be required to repay to the Company certain previously paid compensation, whether provided under this Plan or an Award Agreement or otherwise, in accordance with any Clawback Policy. By accepting an Award, a Participant is also agreeing to be bound by any existing or future Clawback Policy adopted by the Company, or any amendments that may from time to time be made to the Clawback Policy in the future by the Company in its discretion (including without limitation any Clawback Policy adopted or amended to comply with applicable laws or stock exchange requirements) and is further agreeing that all of the Participant’s Award Agreements may be unilaterally amended by the Company, without the Participant’s consent, to the extent that the Company, in its discretion, determines to be necessary or appropriate to comply with any Clawback Policy. Notwithstanding any other provisions in this Plan, any Award or any other compensation received by a Participant which is subject to recovery under any applicable laws, government regulation or stock exchange listing requirement (or any policy adopted by the Company pursuant to any such applicable law, government regulation or stock exchange listing requirement), will be subject to such deductions and clawback as may be required to be made pursuant to such applicable law, government regulation or stock exchange listing requirement (or any policy adopted by the Company pursuant to any such law, government regulation or stock exchange listing requirement on or following the Effective Date).

