

FEDERAL DEPOSIT INSURANCE CORPORATION
Washington, D.C. 20429

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): May 12, 2017

FIRST REPUBLIC BANK

(Exact name of registrant as specified in its charter)

California
(State or other jurisdiction
of incorporation)

80-0513856
(I.R.S. Employer
Identification No.)

111 Pine Street, 2nd Floor
San Francisco, CA 94111
(Address, including zip code, of principal executive office)

Registrant's telephone number, including area code: (415) 392-1400

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

On May 12, 2017, the Bank made available to eligible participants under the Bank's newly adopted 2017 Omnibus Award Plan (the "Award Plan") an offering circular related to shares of the Bank's common stock and awards based on the Bank's common stock that may offered or awarded, from time to time, under the Award Plan. A copy of the offering circular is attached hereto as Exhibit 99.1.

The information furnished by the Bank pursuant to this item and as Exhibit 99.1 to Item 9.01 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, and shall not be deemed to be incorporated by reference into any offering circular of the Bank or any of its filings under the Securities Act of 1933, as amended, if applicable, or the Exchange Act.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit 99.1 Offering Circular, dated May 12, 2017

SIGNATURES

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

Date: May 12, 2017

First Republic Bank

By: /s/ Michael J. Roffler
Name: Michael J. Roffler
Title: Executive Vice President and
Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
Exhibit 99.1	Offering Circular, dated May 12, 2017

OFFERING CIRCULAR



FIRST REPUBLIC BANK
It's a privilege to serve you®

2017 OMNIBUS AWARD PLAN

This offering circular relates to the offer and sale from time to time of shares of common stock of or awards based on shares of common stock of First Republic Bank, a California state-chartered, non-member bank, to eligible employees, directors, officers, consultants and advisors of First Republic Bank and its affiliates pursuant to the First Republic Bank 2017 Omnibus Award Plan. Our common stock is listed on the New York Stock Exchange under the symbol "FRC."

THIS DOCUMENT CONSTITUTES PART OF AN OFFERING CIRCULAR COVERING SECURITIES THAT ARE EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933 PURSUANT TO SECTION 3(A)(2) THEREOF. NONE OF THE SECURITIES AND EXCHANGE COMMISSION, THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT OR ANY OTHER FEDERAL OR STATE REGULATORY BODY HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

SHARES OF OUR COMMON STOCK ARE NOT SAVINGS ACCOUNTS OR DEPOSITS, ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY, AND ARE SUBJECT TO INVESTMENT RISKS, INCLUDING THE POSSIBLE LOSS OF THE ENTIRE AMOUNT YOU INVEST.

You should rely only on the information contained in this offering circular together with any supplement or addendum, including any document incorporated by reference herein or therein, that may be provided to you. We have not authorized anyone to provide you with additional or different information. If any such information is or has been provided to you, you should not rely on it. We are making offers to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where such offers and sales are permitted. This offering circular does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the securities offered by this offering circular. The information in this offering circular and any supplement or addendum, including any documents incorporated by reference herein or therein, is accurate only as of the dates hereof and thereof, regardless of the time of delivery of this offering circular or any such supplement or addendum or the time of any sale of shares of our common stock. Our financial condition, liquidity, results of operations, business and prospects may have changed since any such date.

The date of this offering circular is May 12, 2017

AUTHORIZATION FOR OFFERING

The shares being offered and sold pursuant to the 2017 Omnibus Award Plan (the “Plan”) are exempt from qualification with the California Commissioner of Corporations under the California Corporate Securities Law of 1968, as amended, and the California Commissioner of the Department of Business Oversight under the California Financial Code and are exempt from registrations with the Securities Exchange Commission under Section 3(a)(2) of the Securities Act of 1933, as amended (the “Securities Act”).

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the information reporting requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as administered and enforced by the Federal Deposit Insurance Corporation (the “FDIC”), and we are subject to FDIC rules promulgated thereunder. Consequently, we file annual, quarterly and current reports, proxy statements and other information with the FDIC, copies of which are made available to the public over the Internet at <https://efr.fdic.gov/fcxweb/efr/index.html>. You may also inspect and copy any document we file with the FDIC at the public reference facilities maintained by the FDIC at the Accounting and Securities Disclosure Section, Division of Risk Management Supervision, 550 17th Street, N.W., Washington, D.C. 20429. We also post copies of our FDIC filings on the Investor Relations section of our website at <http://www.firstrepublic.com>. However, any other information contained on our website (including information furnished to the FDIC) is not part of or incorporated by reference into this offering circular.

You may also request a copy of these filings, and any of the documents incorporated by reference below, at no cost by writing or by telephoning us at the following address or telephone number:

First Republic Bank
111 Pine Street, 2nd Floor
San Francisco, CA 94111
Attention: Investor Relations
(415) 392-1400

Certain information previously filed with the FDIC has been “incorporated by reference” into this offering circular. This means that we can disclose important information to you by referring you to other documents filed with the FDIC under the Exchange Act. The information incorporated by reference is an important part of this offering circular. Information that we file later with the FDIC will automatically be deemed to update and supersede information in this offering circular and in our other filings with the FDIC. We incorporate by reference into this offering circular the following documents filed with the FDIC (other than, in each case, those documents or portions of those documents that are furnished and not filed):

1. Our Annual Report on Form 10-K for the year ended December 31, 2016;
2. Our Quarterly Report on Form 10-Q for the quarter ended March 31, 2017;
3. Our Current Reports on Form 8-K filed on February 7, 2017 (solely with respect to Item 8.01), February 8, 2017, February 13, 2017, March 6, 2017 (solely with respect to Item 5.02 on such date), March 8, 2017 (solely with respect to Items 3.02 and 8.01 on such date) and on May 9, 2017;

4. Our Proxy Statement on Schedule 14A for the Bank's Annual Meeting of Shareholders held on May 9, 2017; and
5. All documents we subsequently file pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act, prior to the sale of all shares of common stock subject to, or the discontinuance of, the Plan.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this offering circular to the extent that a statement incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this offering circular.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This offering circular, including the documents that are incorporated by reference, contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements in this offering circular that are not historical facts are hereby identified as "forward-looking statements" for the purpose of the safe harbor provided by Section 21E of the Exchange Act. Any statements about our expectations, beliefs, plans, predictions, forecasts, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as "anticipates," "believes," "can," "could," "may," "predicts," "potential," "should," "will," "estimates," "plans," "projects," "continuing," "ongoing," "expects," "intends" and similar words or phrases. Accordingly, these statements are only predictions and involve estimates, known and unknown risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed in them. Our actual results could differ materially from those anticipated in such forward-looking statements as a result of risks and uncertainties more fully described in our Annual Report on Form 10-K for the year ended December 31, 2016 and Quarterly Report on Form 10-Q for the quarter ended March 31, 2017.

Forward-looking statements involving such risks and uncertainties include, but are not limited to, statements regarding:

- Projections of loans, assets, deposits, liabilities, revenues, expenses, tax liabilities, net income, capital expenditures, liquidity, dividends, capital structure, investments or other financial items;
- Expectations regarding the banking and wealth management industries;
- Descriptions of plans or objectives of management for future operations, products or services;
- Forecasts of future economic conditions generally and in our market areas in particular, which may affect the ability of borrowers to repay their loans and the value of real property or other property held as collateral for such loans;
- Our opportunities for growth and our plans for expansion (including opening new offices);
- Expectations about the performance of any new offices;
- Projections about the amount and the value of intangible assets, as well as amortization of recorded amounts;

- Future provisions for loan losses, changes in nonperforming assets, impairment of investments and our allowance for loan losses;
- Projections about future levels of loan originations or loan repayments;
- Projections regarding costs, including the impact on our efficiency ratio; and
- Descriptions of assumptions underlying or relating to any of the foregoing.

Factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to:

- Significant competition to attract and retain banking and wealth management customers, from both traditional and non-traditional financial services and technology companies;
- Our ability to recruit and retain key managers, employees and board members;
- The possibility of earthquakes and other natural disasters affecting the markets in which we operate;
- Interest rate risk and credit risk;
- Our ability to maintain and follow high underwriting standards;
- Economic and market conditions affecting the valuation of our investment securities portfolio, which could result in other-than-temporary impairment if the general economy deteriorates, credit ratings decline, the financial condition of issuers deteriorates, interest rates increase or the liquidity for securities is limited;
- Real estate prices generally and in our markets;
- Our geographic and product concentrations;
- Demand for our products and services;
- The regulatory environment in which we operate, our regulatory compliance and future regulatory requirements;
- The phase-in of the final capital rules regarding the Basel Committee’s “Basel III” December 2010 framework, changes to the definitions and components of regulatory capital and a new approach for risk-weighted assets;
- Legislative and regulatory actions affecting us and the financial services industry, such as the Dodd- Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), including increased compliance costs, limitations on activities and requirements to hold additional capital;
- Our ability to avoid litigation and its associated costs and liabilities;

- The impact of new accounting standards;
- Future FDIC special assessments or changes to regular assessments;
- Fraud, cybersecurity and privacy risks; and
- Custom technology preferences of our customers and our ability to successfully execute on initiatives relating to enhancements of our technology infrastructure, including client-facing systems and applications.

For a discussion of these and other risks and uncertainties, see the risk factors in our Annual Report on Form 10-K for the year ended December 31, 2016, Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 and any subsequent reports filed by First Republic Bank under the Exchange Act. All forward-looking statements are necessarily only estimates of future results, and there can be no assurance that actual results will not differ materially from expectations, and, therefore, you are cautioned not to place undue reliance on such statements. Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout our filings under the Exchange Act. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events.

GENERAL INFORMATION REGARDING THE 2017 OMNIBUS AWARD PLAN

The following is a brief description of the First Republic Bank 2017 Omnibus Award Plan (the “Plan”). The description of the Plan contained in this offering circular is qualified by reference to the Plan, a copy of which is attached as Annex A to this offering circular. This offering circular may not contain all the information that may be important to you, and you are encouraged to read this entire offering circular and the documents incorporated by reference herein prior to making an investment decision. All references in this offering circular to “we,” “our,” “us,” and the “Bank” refer to First Republic Bank.

Overview

The Plan replaces the First Republic Bank 2010 Omnibus Award Plan, which became effective when approved by our shareholders on June 30, 2010, as amended through May 12, 2015 (the “Prior Plan”), for awards granted on or after it becomes effective. The Plan was adopted by our board of directors (the “Board”) to provide a means through which the Bank and its affiliates may attract and retain key personnel and whereby directors, officers, employees, consultants and advisors of the Bank and its affiliates can acquire and maintain an equity interest in the Bank or be paid incentive compensation, including incentive compensation measured by reference to the value of our common stock, par value \$0.01 per share (“common stock”), thereby strengthening their commitment to the welfare of the Bank and its affiliates and aligning their interests with those of our shareholders. The Plan became effective when approved by our shareholders on May 9, 2017 (the “Effective Date”).

The Plan is not an “employee benefit plan” under Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and, accordingly, is not subject to the provisions of ERISA. Further, the Plan is not a tax-qualified plan under Section 401(a) of the Internal Revenue Code of

1986, as amended (the “Code”). A brief description of the U.S. federal income tax consequences for participants in the Plan is set forth below under “Certain U.S. Federal Income Tax Consequences.”

Investment in our common stock is not without risk. Information regarding our business, strategy and risks inherent in investing in our common stock can be found in the reports described below under “Where You Can Find More Information,” which are incorporated by reference into this offering circular. We encourage you to review those reports prior to making an investment decisions regarding our common stock.

Participation

You are eligible to participate in the Plan if you are an employee, director, officer, consultant or advisor of the Bank or its affiliates who has been selected by the committee administering the Plan in its sole discretion.

The Plan permits the grant of the following types of awards (collectively, “Awards”): (i) incentive stock options within the meaning of Section 422(b) of the Code (“Incentive Stock Options”); (ii) options that are not incentive stock options (“Non-Qualifying Stock Options” and, together with Incentive Stock Options, “Options”); (iii) stock appreciation rights (“SARs”); (iv) shares of restricted stock (“Restricted Stock”); (v) restricted stock units (“Restricted Stock Units”); (vi) performance awards (“Performance Awards”) and (vii) other cash-based or stock-based awards (“Other Awards”). The Plan also permits Awards to be granted in substitution for outstanding Awards previously issued by the Bank or in assumption of awards issued by any entity acquired by the Bank.

Each Award issued under the Plan will be evidenced by a written Award Agreement (an “Award Agreement”). Each Award Agreement will be in such form as the Plan’s administrator approves from time to time, and such form will comply with and be subject to the terms and conditions of the Plan. Award Agreements need not be the same for each person participating in the Plan.

Shares Authorized for Issuance under the Plan and Grant of Awards

A maximum of 4,500,000 shares of common stock, plus the number of shares of common stock remaining available to be delivered under the Prior Plan, may be issued under the Plan, subject to limited re-issuance. Shares issued under the Plan may be authorized but unissued shares of common stock, treasury shares or shares of common stock purchased on the open market. If any Award issued under the Plan terminates or is cancelled or forfeited for any reason, or the fair market value equivalent of such shares is paid in cash, the shares of common stock covered by such Award will again become available for other Awards under the Plan; provided that, the following will not again become available for issuance under the Plan: (A) any shares of common stock tendered or withheld in respect of taxes, (B) any shares of common stock tendered or withheld to pay the exercise price of Options, (C) any shares of common stock repurchased by us from you with the proceeds from the exercise of Options and (D) any shares of common stock subject to SARs granted in tandem with Options but not issued on exercise. Upon payment in shares of common stock pursuant to the exercise or settlement of an Award, the number of shares available for issuance under the Plan will be reduced only by the number of shares actually issued in such payment.

All Awards under the Plan will be subject to a minimum vesting schedule of at least twelve months following the Grant Date (as defined in the Plan) of the Award, provided, however, that Awards up to 5% of the aggregate share limit may be granted with a shorter minimum vesting schedule. The aggregate number of shares of common stock subject to Awards granted under the Plan during any fiscal

year to any one participant (other than a participant who is a non-employee director) will not exceed 500,000 in respect of Options, 500,000 in respect of SARs, and 500,000 (or for Other Awards denominated in cash, the fair market value of 500,000 shares of common stock as of the Effective Date) in respect of awards (other than Options and SARs) intended to be “qualified performance-based compensation” under Section 162(m) of the Code.

Non-Employee Director Awards

No non-employee director may be granted, during any fiscal year, cash and non-cash compensation with respect to the non-employee director’s service as a director, with an aggregate value in excess of \$750,000, with the value of any stock-based awards based on the accounting grant date value of such award.

Administration of the Plan

The Plan is administered by the Compensation Committee of the Board or, if there is no Compensation Committee, by the Board itself (in either case, the “Administrator”). Subject to the provisions of the Plan, any employment or consulting agreement to which the Bank and a participant in the Plan are parties, and applicable law, the Administrator will have sole and plenary authority to administer the Plan, including, but not limited to, the power to:

- (i) Designate participants in the Plan;
- (ii) Determine the type or types of Awards to be granted to a participant;
- (iii) Determine the number of shares of common stock to be covered by, or with respect to which payments, rights, or other matters are to be calculated in connection with, Awards;
- (iv) Determine the terms and conditions of any Award;
- (v) Establish or verify the extent of satisfaction of any performance goals or other conditions applicable to the grant, issuance, exercisability, vesting and/or ability to retain any Award;
- (vi) Determine whether, to what extent, and under what circumstances Awards may be settled or exercised in cash, common stock, other securities, other Awards or other property, or canceled, forfeited, or suspended;
- (vii) Determine whether, to what extent, and under what circumstances the delivery of cash, common stock, other securities, other Awards or other property and other amounts payable with respect to an Award will be deferred, either automatically or at the election of the participant or of the Administrator;
- (viii) Interpret, administer, reconcile any inconsistency in, correct any defect in or supply any omission in the Plan and any instrument or agreement relating to, or Award granted under, the Plan;
- (ix) Establish, amend, suspend, or waive any rules and regulations and appoint such agents as the Administrator will deem appropriate for the proper administration of the Plan;

- (x) Subject to applicable regulations accelerate the vesting or exercisability of, payment for or lapse of restrictions on, Awards (including previously deferred Awards); and
- (xi) Make any other determination and take any other action that the Administrator deems necessary or desirable for the administration of the Plan.

All questions of interpretation, implementation and application of the Plan, any Award and any Award Agreement will be determined by the Administrator, in its sole discretion, and all such determinations will be final, conclusive and binding on all persons. Except as prohibited by applicable law or the rules of any applicable stock exchange or national market system or quotation system on which our common stock is listed or quoted, the Administrator may assign all or any portion of its responsibilities and powers to any person or persons it selects. The Administrator may revoke any such assignment of responsibilities and powers at any time.

Award Agreements will be given to each recipient at the time any Award is made. Each employee receiving Awards may access statements through software located on our internal computer network reflecting information on the Awards made to such employee, including the number of shares such employee has purchased or received and the number of options vested with respect to such employee. Each employee may use this software to sell shares of our common stock or exercise any vested options. Employees may also contact their Human Resources Administrator for information on Awards made under the Plan.

Notwithstanding anything to the contrary, the Board may, at any time and from time to time in its sole discretion, grant Awards under the Plan and administer the Plan with the same authority granted to the Administrator.

No member of the Board or the committee that acts as Administrator or any employee or agent to whom authority has been delegated will be liable for any act or omission on the member's own part, including but not limited to the exercise of any power or discretion given to the member under the Plan, except for those acts or omissions constituting bad faith, fraud, or a willful criminal act or omission.

Stock Options

The Administrator, at any time and from time to time, may grant Options to any participant in the Plan. Each Award Agreement representing a grant of Options will set forth the terms and conditions pertaining to the Options. All Options will be Non-Qualifying Stock Options unless (i) the Board determines otherwise and (ii) the applicable Award Agreement expressly states that the Option is an Incentive Stock Option.

Incentive Stock Options may only be granted to employees of the Bank or its affiliates and are also subject to the rules prescribed by Section 422 of the Code. The Bank does not represent or warrant that an Option intended to be an Incentive Stock Option qualifies as such under the Code. Any Option (or any portion thereof) intended to qualify as an Incentive Stock Option that does not qualify as such for any reason will, to the extent of such nonqualification, constitute a Non-Qualifying Stock Option granted under the Plan. The aggregate number of shares of common stock subject to Options granted under the Plan during any fiscal year to any one participant will not exceed 500,000 (subject to adjustment upon certain events in accordance with the Plan).

Vesting

Options will vest and become exercisable in such manner and on such date or dates determined by the Administrator and as set forth in the applicable Award Agreement, provided that no Option will be exercisable more than ten years after the Grant Date. Vesting may be time-based, performance-based or a combination thereof.

Option Exercise Price and Time of Exercise

The Administrator will determine the exercise price for any shares of common stock to be issued pursuant to the exercise of an Option. Except for Options granted as substitute awards, the per share exercise price will not be less than 100% of the fair market value (as defined in the Plan) of a share of common stock on the Grant Date. The Grant Date for Options under the Plan is the date that the grant of such Options is authorized, or such other date as is specified in the authorization granting such Options.

The Administrator may, in its sole discretion and notwithstanding any vesting dates previously set forth in an Award Agreement, accelerate the exercisability of any Option upon death, disability or retirement (or on any other termination of employment or service) of a participant. Any such which acceleration will not affect the terms and conditions of the Option other than with respect to exercisability, and in no event will any such acceleration contravene the prohibitions on golden parachute payments under applicable Federal Deposit Insurance Corporation (“FDIC”) rules and regulations.

Exercise of Options

Any Option granted under the Plan will be exercisable according to the terms of the Plan and as set forth in the applicable Award Agreement. An Option will be deemed exercised when the Bank receives written or electronic notice from you to the Bank at the address specified in the Award Agreement and full payment of the exercise price specified in the applicable Award Agreement per share of common stock with respect to which the Option is exercised (together with any applicable withholding taxes). Payment of any Option’s exercise price may be made wholly or partly as provided below:

- *By Cash.* You may make payment of the aggregate exercise price by cash, check or cash equivalent.
- *By Tender of Stock.* If expressly permitted by the terms of the Award Agreement, you may make payment of the aggregate exercise price by tendering to the Bank shares of common stock you own or by delivering a properly executed form of attestation of ownership of shares of common stock as the Administrator may require, which have a fair market value on the date of tender or attestation equal to the aggregate exercise price of the shares of common stock as to which the Option will be exercised. Shares of common stock subject to any pledge or security interest may not be used to pay any part of the exercise price.
- *By Net Exercise.* If expressly permitted by the terms of the Award Agreement, and to the extent not prohibited by applicable law, you may make payment of the aggregate exercise price by a “net exercise” procedure effected by withholding the minimum number of shares of common stock otherwise deliverable in respect of an Option that are needed to pay the aggregate exercise price and all applicable required withholding taxes. Unless otherwise provided in the Award Agreement, no net exercise will be permitted (i) if

effecting a net exercise would violate or cause a default under any credit or other agreement to which the Bank is a party or any regulatory requirement or (ii) if a participant is exercising an Option upon or following a termination for cause (as defined in the Plan).

- *By Cashless Exercise.* The Administrator may also, in its discretion, permit you to pay the aggregate exercise price through other methods, including by means of a broker-assisted “cashless exercise” pursuant to which the Bank is delivered a copy of irrevocable instructions to a stockbroker to sell the shares of common stock otherwise deliverable upon the exercise of the Option and to deliver promptly to the Bank an amount equal to the exercise price.

After receiving proper notice of exercise and payment, the Bank will issue you shares of common stock, evidenced by issuing a certificate(s) for the shares purchased or by the appropriate entry on the books of the Bank or of an authorized transfer agent. Until the shares of common stock are issued in this manner, no right to vote or to receive dividends or any other rights as a shareholder will exist with respect to the awarded stock, notwithstanding the exercise of the Option. Any fractional shares of common stock to be issued to you will be settled in cash.

Special Rules for 10% Owners

If you own stock representing more than 10% of the voting power of all classes of stock of the Bank, the exercise price of any Incentive Stock Option granted to you will not be less than 110% of the fair market value of a share of common stock on the Grant Date, and no Incentive Stock Option granted to you will be exercisable after five years from the Grant Date.

For purposes of determining whether you own stock possessing more than 10% of the total voting power of all classes of stock, you will be considered as owning the stock owned, directly or indirectly, by or for your brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants. Stock owned, directly or indirectly, by or for a corporation, partnership, estate, or trust will be considered as being owned proportionately by or for its shareholders, partners, or beneficiaries. Stock with respect to which you hold an Option will not be counted.

Restrictions on Incentive Stock Options

Shares of common stock acquired pursuant to the exercise of an Incentive Stock Option are subject to additional restrictions on transfer in certain circumstances under the Plan. You are required to notify the Bank in writing immediately after making any disposition of shares of common stock acquired pursuant to the exercise of an Incentive Stock Option before the later of (i) two years after the Grant Date of the Incentive Stock Option or (ii) one year after the date of exercise of the Incentive Stock Option. If the Administrator so determines, the Bank may retain possession of any common stock acquired pursuant to the exercise of an Incentive Stock Option until the end of the notice period previously described. You are still entitled to instruct the Bank, and the Bank is required to comply with, regarding the sale of any shares of common stock retained by the Bank upon your exercise of Incentive Stock Options.

Prohibition on Repricing Stock Options

In no event may any Option be amended, other than as permitted by the Plan upon certain adjustment events, to decrease the exercise price thereof, be cancelled in conjunction with the grant of any new Option with a lower exercise price, SAR with a lower strike price or Award measured by the full

value of a share, be repurchased for cash or other consideration (in each case that has the effect of reducing the strike price), or otherwise be subject to any action that would be treated as a repricing of such Option, unless such amendment, cancellation, repurchase or other action is approved by the Bank's shareholders.

Stock Appreciation Rights

The Administrator may, at any time and from time to time, grant SARs to any eligible participant separately or in tandem with any Options that have been or are granted under the Plan. The aggregate number of shares of common stock subject to SARs granted under the Plan during any fiscal year to any one participant will not exceed 500,000 (subject to adjustment upon certain events in accordance with the Plan).

Vesting

Stand-Alone SARs. SARs granted separately from any Options will vest and become exercisable in the manner and on the date or dates determined by the Administrator and as set forth in the applicable Award Agreement, provided that no Option will be exercisable more than ten years after its Grant Date.

Tandem SARs. SARs granted in connection with Options will become exercisable and expire according to the same vesting schedule and expiration provisions as the corresponding Options and as set forth in the Applicable Award Agreement.

Exercise Price

Stand-Alone SARs. The Administrator will determine the exercise price per share of common stock for any SARs issued under the Plan. Except for SARs granted as substitute awards, the exercise price will not be less than 100% of the fair market value of a share of common stock on the Grant Date for such SARs. The exercise price per share of common stock for any SARs granted in substitution for an Option previously granted will be the exercise price for the corresponding Option.

Tandem SARs. The exercise price per share of common stock for any SARs granted in tandem with an Option previously granted will be the exercise price for the corresponding Option.

Time of Exercise

Any SAR granted under the Plan will be exercisable according to the terms of the Plan and as set forth in the applicable Award Agreement. A SAR will be deemed exercised when the Bank receives written or electronic notice from you to the Bank at the address specified in the Award Agreement specifying the number of SARs to be exercised and the date on which such SARs were awarded. Upon your exercise of a SAR, the Bank will pay you an amount (less any applicable withholding taxes) equal to the number of shares of common stock subject to the SAR that are being exercised multiplied by the excess, if any, of (i) the fair market value of one share of common stock on the exercise date over (ii) the strike price of the applicable SAR. This payment will be in shares of common stock, except that the Bank may make a cash payment in lieu of the issuance of a fractional share.

The Administrator may, in its sole discretion and notwithstanding any vesting dates previously set, accelerate the exercisability of any SAR upon death, disability or retirement (or on any other termination of employment or service) of a participant. Any such which acceleration will not affect the terms and conditions of the SAR other than with respect to exercisability, and in no event will any such

acceleration contravene the prohibitions on golden parachute payments under applicable FDIC rules and regulations.

Substitution of SARs for Non-Qualifying Stock Options

Except as otherwise provided in the applicable Award Agreement, the Administrator may, in its sole discretion and without the consent of any affected person, substitute SARs settled in shares of common stock for outstanding Non-Qualifying Stock Options, provided that (i) the substitution will not otherwise modify the terms of such Non-Qualifying Stock Options, (ii) the number of shares of common stock underlying the substituted SARs is the same as that underlying the Non-Qualifying Stock Options, and (iii) the strike price of the substituted SARs equals the exercise price of the Non-Qualifying Stock Options.

Prohibition on Repricing SARs

In no event may any SAR be amended, other than as permitted by the Plan upon certain adjustment events, to decrease the strike price thereof, be cancelled in conjunction with the grant of any new SAR with a lower strike price, Option with a lower exercise price or Award measured by the full value of a share, be repurchased for cash or other consideration (in each case that has the effect of reducing the strike price), or otherwise be subject to any action that would be treated as a repricing of such SAR, unless such amendment, cancellation, repurchase or other action is approved by the Bank's shareholders.

Restricted Stock and Restricted Stock Units

The Administrator may, at any time and from time to time, grant Restricted Stock and Restricted Stock Units in amounts as the Administrator, in its sole discretion, will determine.

Vesting and Forfeiture

Each Award Agreement regarding Restricted Stock or Restricted Stock Units will provide a vesting schedule, which may be time-based, performance-based or a combination thereof. The Administrator will determine the treatment of the unvested portion of Restricted Stock and Restricted Stock Units upon termination of your employment or service, subject to the terms of your Award Agreement. The Administrator may, in its sole discretion, accelerate the lapse of any or all of the restrictions on the Restricted Stock and Restricted Stock Units upon your death, disability or retirement (or on any other termination of employment or service), which acceleration will not affect any other terms and conditions of such Awards.

Each Award Agreement regarding Restricted Stock or Restricted Stock Units may also set forth additional restrictions concerning the grant or transfer of such shares. Upon the expiration of any vesting period or other restricted period specified in the applicable Award Agreement, all restrictions contained in the applicable Award Agreement will terminate (except as may otherwise be set forth in the Award Agreement).

Delivery of Restricted Stock and Settlement of Restricted Stock Units

Restricted Stock. Upon grant to you of Restricted Stock, such shares will be issued in your name in either certificated or book-entry form. If the Administrator determines that the Restricted Stock should be held by the Bank or in escrow pending the vesting and release of applicable restrictions, you may be

required to execute and deliver to the Bank (i) an escrow agreement satisfactory to the Administrator and (ii) a stock power (endorsed in blank) with respect to such Restricted Stock. If you do not execute the escrow agreement and stock power within the time specified by the Administrator, your award of Restricted Stock will be null and void. If your shares of Restricted Stock are held in escrow, the Bank will deliver you or your beneficiary a stock certificate or notice of book-entry ownership of the shares of Restricted Stock which have not been forfeited upon the expiration of any vesting period or other restricted period specified in the applicable Award Agreement.

Restricted Stock Units. Upon the expiration of any vesting or restricted period contained in the applicable Award Agreement and except as otherwise provided in such Award Agreement, the Bank will deliver you or your beneficiary one share of common stock (or other securities or property as applicable) for each outstanding Restricted Stock Unit. In lieu of delivery of shares of common stock, the Administrator may, in its sole discretion, permit the Bank to pay cash or part cash and part common stock in settlement of any Restricted Stock Units or to defer the delivery of common stock or cash until the expiration of any vesting or restricted period. If a cash payment is made in lieu of delivering shares of common stock, the amount of such payment will be equal to the fair market value of the common stock as of the date on which the restricted period lapsed with respect to such Restricted Stock Units. To the extent provided in your Award Agreement, you will be entitled to be credited with dividend equivalent payments (upon the payment by the Bank of dividends on shares of common stock) either in cash or, at the sole discretion of the Administrator, in shares of common stock having a fair market value equal to the amount of such dividends; provided that, such dividend equivalent payments will only be paid upon the release of restrictions on such Restricted Stock Units, and, if such Restricted Stock Units are forfeited, you will have no right to such dividend equivalent payments, and no such dividend equivalent payments may be released to you until the restrictions on such Awards are released.

Performance Awards

The Administrator may grant Awards intended to qualify for exemption from the deduction limitation of Section 162(m) of the Code as “qualified performance-based compensation.” The amount potentially available under such Award will be subject to the attainment of pre-established, objective performance goals relating to a specified period of service based on one or more of the following performance criteria: revenue; earnings; return on average common equity; return on average tangible common equity; return on average assets; return on average tangible assets; pretax or after-tax diluted earnings per share; growth in revenue, earnings, return on equity, return on assets, or earnings per share; net income or pretax earnings; net operating income; net interest income; net interest margin; asset quality standards such as nonperforming assets and net charge-offs in amount and percent of total assets; the level of or growth in total deposits, non-CD deposits, or checking deposits; growth in wealth management assets or revenues; efficiency ratio; share price (including without limitation growth measures, total shareholder return or comparison to indices); economic value added measurements; employee turnover; specified objective social goals; capital ratios; or certain regulatory criteria; any of which may be measured either individually, alternatively or in any combination, applied to either the Bank as a whole or to a business unit or affiliate, either individually, alternatively or in any combination, and measured either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years’ results or to a designated comparison group or index, in each case as specified by the Administrator in an award. The Administrator may provide for adjustment of any evaluation of performance under performance criteria for asset impairments or write-downs, litigation or claim judgments or settlements; the effect of changes in tax law, accounting principles or other such laws or provisions affecting reported results, any infrequently occurring or nonrecurring items and other similar events in each case as set forth in the Plan.

Other Cash-Based or Stock-Based Awards

The Administrator may also grant Other Awards, including unrestricted shares of common stock, rights to receive cash or grants of Awards at a future date or other Awards denominated in cash or shares of common stock, alone or in tandem with other Awards and in such amounts as the Administrator may determine from time to time in its sole discretion. Any Other Awards granted by the Administrator would be subject to terms and conditions contained in the applicable Award Agreement and consistent with the Plan.

Changes in Control and Bank Capital Structure

In the event of any extraordinary dividend or other distribution, recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, split-off, spin-off, combination, repurchase or exchange of shares of common stock or other securities of the Bank, issuance of warrants or other rights to acquire shares of common stock or other securities of the Bank, or other similar corporate transaction or event that affects our common stock (including a Change in Control as defined below), the Administrator may make such adjustments to the terms of any Award in any manner as it deems equitable, including adjustments regarding the kind, exercise price (or purchase price, as applicable), and number of shares of common stock (including, but not limited to, the maximum number of shares reserved under the Plan) that are or may become subject to Awards granted or to be granted under the Plan. A "Change in Control" as defined in the Plan generally means the consummation of a reorganization, merger or consolidation, or sale or other disposition of all or substantially all of the assets of the Bank to a person (other than an employee benefit plan maintained by the Bank or an affiliate of the Bank or a person a majority of whose voting power is owned, directly or indirectly, by the Bank) in each case, unless (i) the existing shareholders of the Bank continue to own more than 50% of the then-outstanding shares of common stock of the Bank or any resulting or surviving entity (including any ultimate parent corporation that beneficially owns at least 95% of the voting power of any resulting or surviving entity), and (ii) individuals who constitute the Board before the transaction continue to constitute at least a majority of the members of the board of directors of the corporation or other business entity resulting from the transaction. Any adjustment to an outstanding Option or SAR will comply with Section 424 of the Code. The determination by the Administrator as to the terms of any of the adjustments will be conclusive and binding on all persons.

Impact of a Change in Control

At the time of a Change in Control, subject to the terms of your Award Agreement, the surviving, continuing, successor or purchasing corporation or its parent may either assume the Bank's rights and obligations with respect to outstanding Awards, substitute for outstanding Awards substantially equivalent Awards for the acquiror's stock, or cancel and pay out the value of outstanding Awards in cash, stock or other consideration. Subject to the description below, if Awards are terminated or are not otherwise substituted, assumed, replaced or continued by a successor, the Administrator may provide that for a period of at least 20 days prior to the Change in Control, any Options or SARs that would not otherwise become exercisable prior to the Change in Control will be exercisable as to all shares of common stock subject thereto (but any such exercise will be contingent upon and subject to the occurrence of the Change in Control and if the Change in Control does not take place within a specified period after giving such notice for any reason whatsoever, the exercise will be null and void) and that any Options or SARs not exercised prior to the consummation of the Change in Control will terminate and be of no further force and effect as of the consummation of the Change in Control.

Substitution or Assumption by Successor. Unless otherwise provided in your Award Agreement, upon a Change in Control in which Awards are assumed or substituted with an equivalent value Award, the Awards (including any replacement Awards) will continue in accordance with their terms and vest on the vesting dates applicable to such Award immediately prior to the Change in Control, and any Award subject to performance conditions will convert to a non-performance based award (without proration) and will be subject only to continuous service through each such vesting date, with performance conditions deemed to be met (1) in full, if achievement of such performance condition is a vesting condition but does not determine the number of shares of common stock earned in respect of the Award or (2) at the target level of performance (or, if higher, the actual level of performance), if the level of performance determines the number of shares of common stock that may be earned in respect of the Award. If your continuous service terminates within 24 months following a Change in Control as a result of your termination by the Bank without Cause, as defined in the Plan, or your resignation for “Good Reason”, as may be provided in your Award Agreement, the vesting of outstanding Awards will accelerate in full upon such termination.

No Substitution or Assumption by Successor. Unless otherwise provided in your Award Agreement, upon a Change in Control in which Awards are terminated or are not otherwise substituted, assumed, replaced or continued by a successor, the vesting of the Awards will be accelerated upon any Change in Control, subject to your continuous service through the Change in Control date.

Miscellaneous Plan Provisions

Amendment and Termination of the Plan

The Plan terminates on May 9, 2027 unless earlier terminated by the Board. The Board may at any time amend, alter, suspend, discontinue, cancel or terminate the Plan or any portion thereof. The Bank will obtain shareholder and regulatory approval of any Plan amendment to the extent necessary and desirable to comply with the rules and regulations of any securities exchange or inter-dealer quotation system on which the Bank’s securities may be listed or quoted. No amendment, alternation, suspension, discontinuation, cancellation or termination of the Plan will materially and adversely affect your rights without your consent. Except as otherwise provided in any Award Agreement, termination of the Plan will not affect the Administrator’s ability to exercise its powers with respect to Awards granted under the Plan prior to the date of termination.

Dividends and Dividend Equivalents

The Administrator in its sole discretion may provide you as part of your Award (other than an Option or a SAR Award), with dividends or dividend equivalents, payable in cash, shares of common stock, other securities, other Awards (other than Options or SARs) or other property, on a current or deferred basis, on such terms and conditions as may be determined by the Administrator in its sole discretion and set forth in your Award Agreement, including without limitation, payment directly to you or reinvestment in additional shares of common stock, Restricted Stock or other Awards (other than Options or SARs); provided however, that such dividends or dividend equivalents will be subject to the same performance conditions or service conditions, as applicable, as the underlying Award, and no dividends or dividend equivalents will be released to you until the Award to which they pertain has vested.

Forfeiture of Awards

An Award Agreement may provide that the Administrator may in its sole discretion cancel your Award, in whole or in part, if you, without the consent of the Bank, while employed by or providing services to the Bank or any affiliate or after termination of such employment or service, violate a non-competition, non-solicitation or non-disclosure covenant or agreement with the Bank or any affiliate, or otherwise engage in activity that is in conflict with or adverse to the interest of the Bank or any affiliate, including fraud or conduct contributing to any financial restatements or irregularities, as determined by the Administrator in its sole discretion. The Administrator may also provide in an Award Agreement that if you engage in any activity referred to in the preceding sentence, you will forfeit any gain realized on the vesting or exercise of such Award, and must repay the gain to the Bank.

The Administrator may also cancel any Award or any portion of an Award if the Administrator determines, in its sole discretion, that legal or contractual restrictions or market considerations would make the issuance of common stock to you or would make your acquisition of common stock illegal, impracticable or inadvisable. If any of your Awards were cancelled by the Administrator in accordance with this authority, the Bank would pay you an amount in cash equal to the excess of (i) the aggregate fair market value of the shares of common stock subject to such Award or portion of an Award cancelled over (ii) the aggregate exercise price or strike price (in the case of an Option or SAR) or any amount payable as a condition of delivery of shares of common stock (in the case of any other Award).

Notwithstanding any provisions of the Plan or any Award Agreement, in the event that the Bank's capital falls below minimum applicable requirements, as determined by either the California Department of Business Oversight or the FDIC, then the FDIC may direct the Bank to require you and other Plan participants to exercise or forfeit your stock rights under any Award Agreement. If so directed, the Bank will establish and implement procedures for the exercise or forfeiture of such rights.

No Shareholder or Employment Rights

You have no rights as a shareholder with respect to any shares of common stock covered by your Award until such shares are issued. Unless otherwise determined by the Administrator, no adjustment will be made for dividends (ordinary or extraordinary, whether in cash, securities, or other property), distributions, or other rights for which the record date is prior to the date any such shares of common stock are issued.

Nothing in the Plan gives you any right to be granted an Award. Neither the Plan nor the granting of an Award nor any other action taken pursuant to the Plan acts as an agreement or understanding, express or implied, that the Bank will utilize your services for any period of time, or in any position, or at any particular rate of compensation.

Termination of Employment

If your employment or service with the Bank, whether in the capacity of an employee, a director, or a consultant, terminates, your rights under Awards granted to you will be limited. Your employment will not be deemed to have terminated merely because of a change in the capacity in which you render service with the Bank, provided that your employment or service with the Bank is not interrupted or terminated. Your employment with the Bank will be treated as continuing intact while you are temporarily absent due to illness, vacation or other bona fide leave of absence. Subject to the above, the Administrator, in its sole discretion, will determine whether your service has terminated and the effective

date your termination. The applicable Award Agreement may provide specific or different rules for exercise rights upon termination of employment.

Taxes and Withholding

Prior to the delivery of any shares of common stock or cash pursuant to an Award (or exercise thereof), the Bank has the right to deduct from the shares issuable or the cash payable, or to require you to remit to the Bank, an amount sufficient to satisfy any federal, state, local and foreign taxes, if any, required by law to be withheld by the Bank with respect to an Award.

It is intended that the Plan comply with or be exempt from the provisions of Section 409A of the Code. Each participant, however, is solely responsible and liable for the satisfaction of any taxes and penalties that may be imposed on or in respect of such participant in connection with the Plan (including any taxes and penalties under Section 409A of the Code).

Securities Law Requirements

Shares of common stock will not be issued pursuant to the exercise or settlement of an Award unless the exercise or settlement of the Award and the issuance and delivery of the shares under the Award comply with all Applicable Laws. Furthermore, issuance of shares under the Award is subject to the approval of Bank's counsel with respect to such compliance. As a condition to the exercise or receipt of an Award, the Bank may require you to represent and warrant at the time of any exercise or receipt that you are acquiring your shares without a view toward distribution. The inability of the Bank to obtain, from any regulatory body having jurisdiction, the authority deemed by the Bank's counsel to be necessary for the lawful issuance and sale of any shares under this Plan or the unavailability of an exemption from registration for the issuance and sale of any shares under this Plan will relieve the Bank of any liability in respect of the nonissuance or sale of the shares as to which the requisite authority will not have been obtained.

Applicable Law

This Plan and each Award Agreement will be governed by and construed in accordance with the laws of the State of California applicable to contracts wholly made and performed in the State of California, without giving effect to the conflict of law provision thereof, except to the extent superseded by federal law.

Severability

If any provision of the Plan or any Award Agreement, or its application to any person, place, or circumstance, is held by an arbitrator or a court of competent jurisdiction to be invalid, unenforceable, or void, that provision will be enforced to the greatest extent permitted by law, and the remainder of this Plan and any such Award Agreement and of such provision will remain in full force and effect as applied to other persons, places, and circumstances.

Conflicts

If and to the extent any term of the Plan or an Award conflicts with any term of an employment agreement entered into before the effective date of the Plan, then the terms of such employment agreement will prevail.

RESALE RESTRICTIONS

This offering circular does not cover the resale of shares of common stock or Awards acquired by participants under the Plan. Employees who are officers or directors of the Bank (and owners of 10% or more of Shares, or those otherwise in a position of control) may be deemed “affiliates” of the Bank pursuant to Rule 144 under the “Securities Act. As such, unless the shares and Awards are exempt from registration under the Securities Act by virtue of Section 3(a)(2) thereof, such persons may resell shares and Awards they receive under the Plan only (i) pursuant to an effective registration statement and reoffer prospectus, (ii) subject to the limitations of Rule 144, or (iii) in a private transaction in compliance with the Securities Act. Any sale of shares of common stock or Awards is also subject to the additional restrictions discussed below.

Restrictions Under the Plan

Unless permitted by the Board, you may not assign, alienate, pledge, attach, sell or otherwise transfer or encumber your Awards, whether by operation of law or otherwise, other than by will or by the laws of descent and distribution. During your lifetime only you, or in the event of your incapacity, only your legal representative or guardian, or a permitted transferee may exercise Awards granted under the Plan. If any purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance violated the terms of transfer in the Plan, it will be null and void. If the Board makes an Award transferable, it may adopt such restrictions on transfer as it deems appropriate (including restrictions on the ability of subsequent transferees to transfer any Award).

Restrictions Under Section 16 of the Securities Exchange Act

A “Section 16 insider” is an executive officer or director of the Bank or a shareholder who beneficially owns more than 10% of the Bank’s outstanding securities. The federal securities laws prohibit the taking of short-swing profits by designated insiders. Specifically, Section 16(b) of the Exchange Act requires the Bank to recover any profit realized by a Section 16 insider from any purchase and sale, or sale and purchase, of shares of the Bank’s common stock made within a period of less than six months.

Section 16(b) is a strict liability statute that does not focus upon the intent of the Section 16 insider or the use of inside information in connection with the transaction. Rather, the statute simply matches certain transactions that are deemed under the rules of the Securities and Exchange Commission to be “purchases” and “sales” and requires disgorgement of any profits realized in connection with matched transactions. In the absence of an exemption, the grant of options and many other types of awards are all deemed to be “purchases” of the underlying stock for purposes of determining Section 16(b) liability. An Award granted pursuant to the Plan, however, is intended to be exempt from Section 16(b)-3 and will not be deemed a “purchase” because, pursuant to Rule 16b-3 of the Exchange Act, the grant will be made to you by the Bank and will be approved either by the Board or by a committee of the Board composed solely of non-employee directors.

Nonetheless, if you are a Section 16 insider and you receive an Award under the Plan or are eligible to receive Awards under the Plan, you should consult either counsel for the Bank or your own counsel before disposing of any shares of our common stock. In addition, Section 16(a) of the Exchange Act requires Section 16 insiders to report all transactions in the Bank’s common stock to the FDIC on Form 4, subject to limited exemptions.

All transactions in Bank stock, whether the stock was purchased or received by a grant from the Bank, are subject to the Bank's Insider Trading Policy.

Restrictions Under the Bank's Insider Trading Policy

Employees and directors of the Bank and its subsidiaries purchasing shares of common stock under the Plan are also subject to the transaction restrictions contained in the Bank's Insider Trading Policy (the "Policy"). The Policy applies to all employees and directors of the Bank or its subsidiaries as well as all members of any such employee or director's immediate family and any account controlled by, among others, the employee or director or such employee or director's immediate family (such persons and accounts, "Related Persons"). The Policy prohibits any employee or director of the Bank or its subsidiaries, or any of such employee or director's Related Persons, from engaging in transactions involving securities issued by the Bank or its subsidiaries or any related derivative securities if the employee or director is aware of material, nonpublic information about the Bank or its subsidiaries.

In addition to the above restrictions, the Policy specifies additional restrictions applicable to various classes of employees and directors defined in the Policy:

- *Designated Officers and Directors* – All officers of the Bank who are "officers" for purposes of Section 16 of the Exchange Act constitute "Designated Officers" under the Policy. All transactions in securities of the Bank or its subsidiaries by a Designated Officer or a director must be pre-approved, and the Bank may deny any trade submitted for pre-approval for any reason. Designated Officers and directors are also prohibited from effecting any transaction other than during the period commencing one full trading day after the release of the Bank's earnings for a particular fiscal quarter or year and continuing until the close of business on the 15th day of the third calendar month of the next quarter (such period, a "Window Period"). Designated Officers and directors are prohibited from effecting any transaction during any blackout period designated by the Bank's General Counsel (a "Blackout Period").
- *Access Persons* – All employees of the Bank or its subsidiaries having or obtaining access to interim financial results before such results are made publicly available, all members of the Bank's legal department and any other person designated by the Bank's General Counsel constitutes an "Access Person" under the Policy. All transactions in securities of the Bank or its subsidiaries by an Access Person must be effected during a Window Period and may not be effected during a Blackout Period.
- *Non-Access Persons* – Any employee that is not a Designated Officer, director or an Access Person constitutes a "Non-Access Person" under the Policy. Non-Access Persons may not effect transactions in securities of the Bank or its subsidiaries on the day the Bank releases its earnings for a fiscal quarter or year or the business day thereafter.

The Policy may continue to apply to transactions in Bank securities by an employee or director or Related Person even after such employee or director's termination from employment or service, if the employee or director or Related Person was aware of material nonpublic information at the time of the termination of employment or service. Officers, directors and employees of subsidiaries of the Bank may be subject to additional insider trading restrictions established by such subsidiaries.

The above description of the Policy is qualified by reference to the complete text of the Policy. Employees or directors with questions concerning the Policy or who wish to obtain a copy of the Policy should contact the Bank's General Counsel.

DESCRIPTION OF CAPITAL STOCK

The following description summarizes the material terms of our capital stock. Because it is only a summary, it may not contain all the information that is important to you. For a complete description, you should refer to our Restated Articles of Incorporation (the "Articles"), Amended and Restated Bylaws (the "Bylaws"), certificates of determination and any applicable provisions of relevant law.

General

The Articles authorize us to issue a total of 425,000,000 shares of capital stock, of which we are authorized to issue 400,000,000 shares of common stock, par value \$0.01 per share, and 25,000,000 shares of preferred stock, par value \$0.01 per share. As of May 8, 2017, there were 157,266,948 shares of common stock outstanding held by fewer than 50 record holders and we believe approximately 110,000 beneficial owners. As of May 8, 2017, we had six series of preferred stock issued and outstanding, for a total of 940,000 shares of preferred stock issued and outstanding, with each series held by one record holder.

Common Stock

Voting. Each holder of our common stock is entitled to one vote per share held on all matters on which shareholders generally are entitled to vote, except as otherwise required by law and subject to the rights and preferences of the holders of any outstanding series of our preferred stock. Holders of common stock are not entitled, however, to vote on any amendment to the Articles that relates solely to the terms of one or more outstanding series of preferred stock if the holders of such series are entitled, either separately or together with the holders of one or more other such series, to vote on such amendment pursuant to the Articles or the California General Corporation Law (the "CGCL"). Other than elections to office, any shareholder entitled to vote on a matter may vote part of the shares such shareholder is entitled to vote in favor of the matter and refrain from voting the remaining shares or vote them against the matter. If a shareholder fails to specify the number of shares such shareholder is voting affirmatively, however, it is conclusively presumed that the shareholder is voting affirmatively with respect to all shares such shareholder is entitled to vote. Our Articles do not allow shareholders to cumulate votes in the election of directors.

Dividends and Other Distributions. Subject to the rights and preferences of the holders of any outstanding series of preferred stock, dividends may be declared and paid on our common stock at the discretion of our Board from any lawfully available funds. Holders of our common stock are also entitled to share ratably in our assets legally available for distribution to our shareholders in the event of our liquidation, winding up or dissolution, after payment of or adequate provision for all of our known debts and liabilities. These rights are subject to the preferential rights of any other class or series of our stock.

Pre-emptive and Other Rights. Our Articles do not grant any pre-emptive rights to our shareholders. There are no sinking fund, conversion or redemption provisions applicable to our common stock.

Preferred Stock

The Articles permit the Board to issue one or more series of preferred stock, fix the number of shares and determine the rights, preferences, privileges and restrictions of any such series of preferred stock. There are currently six series of preferred stock issued and outstanding: (a) a series of 150,000 shares of 6.20% Noncumulative Perpetual Series B Preferred Stock (“Series B Preferred Stock”), represented by 6,000,000 depositary shares, each representing a 1/40th interest in a share of Series B Preferred Stock; (b) a series of 150,000 shares of 5.625% Noncumulative Perpetual Series C Preferred Stock (“Series C Preferred Stock”), represented by 6,000,000 depositary shares, each representing a 1/40th interest in a share of Series C Preferred Stock; (c) a series of 190,000 shares of 5.50% Noncumulative Perpetual Series D Preferred Stock (“Series D Preferred Stock”), represented by 7,600,000 depositary shares, each representing a 1/40th interest in a share of Series D Preferred Stock; (d) a series of 200,000 shares of 7.00% Noncumulative Perpetual Series E Preferred Stock (“Series E Preferred Stock”), represented by 8,000,000 depositary shares, each representing a 1/40th interest in a share of Series E Preferred Stock; (e) a series of 100,000 shares of 5.70% Noncumulative Perpetual Series F Preferred Stock (“Series F Preferred Stock”), represented by 4,000,000 depositary shares, each representing a 1/40th interest in a share of Series F Preferred Stock; and (f) a series of 150,000 shares of 5.50% Noncumulative Perpetual Series G Preferred Stock (“Series G Preferred Stock”), represented by 6,000,000 depositary shares, each representing a 1/40th interest in a share of Series G Preferred Stock.

Each outstanding series of our preferred stock has a liquidation preference of \$1,000 per share and is perpetual. Each series of our preferred stock is entitled to receive noncumulative cash dividends when, as and if declared by the Board on a quarterly basis, at a rate per annum as follows: 6.20% on the Series B Preferred Stock, 5.625% on the Series C Preferred Stock, 5.50% on the Series D Preferred Stock, 7.00% on the Series E Preferred Stock, 5.70% on the Series F Preferred Stock and 5.50% on the Series G Preferred Stock. Each outstanding series of our preferred stock has no pre-emptive rights, is not subject to a sinking fund, and is not convertible into or exchangeable or exercisable for any of our other securities. Each outstanding series of preferred stock is redeemable at our option either (i) in whole or in part, from time to time, for cash, on or after June 1, 2017, in the case of the Series B Preferred Stock, on or after December 29, 2017, in the case of the Series C Preferred Stock, on or after June 29, 2018, in the case of the Series D Preferred Stock, on or after December 28, 2018, in the case of the Series E Preferred Stock, on or after June 30, 2020, in the case of the Series F Preferred Stock, and on or after March 30, 2021, in the case of the Series G Preferred Stock, or (ii) in whole but not in part at any time within 90 days following our good faith determination that, as a result of a change or proposed change in law or regulation or an administrative or judicial action that there is more than an insubstantial risk that we will not be entitled to treat the full liquidation value of such series of preferred stock then outstanding as Tier 1 capital. In either case, no redemption premium will be paid.

Each outstanding series of our preferred stock ranks senior to our common stock, and equally with all existing series of preferred stock, as well as with all future series of preferred stock that by their terms do not rank junior to such series with respect to the payment of dividends and distributions upon liquidation, dissolution or winding up. Each series of our preferred stock generally has no voting rights. However, if dividends on any outstanding shares of any series of our preferred stock are not paid (whether or not declared) for any six dividend periods (whether or not consecutive), holders of that series of preferred stock, voting as a separate class with the holders of all other series of preferred stock upon which like voting rights have been conferred and are exercisable, will be entitled to elect two directors to serve on our Board until all dividends on that series are paid in full for at least four consecutive dividend periods. The holders of all of our outstanding series of preferred stock together will not have the right to elect more than two directors to serve on our Board. In addition, the affirmative vote of holders of at least

two-thirds of the outstanding shares of any outstanding series of preferred stock will be required to (i) create any class or series of shares that ranks, as to dividends and distributions upon liquidation, senior to that series or (ii) alter or change the provisions of our Articles, the certificate of determination governing that series of preferred stock or our Bylaws so as to adversely affect the voting powers, preferences or special rights of the holders of that series.

Exemption from Registration

All shares of common stock currently outstanding were offered and sold pursuant to an exemption from registration under the Securities Act, and other exemptions provided by the laws of the United States and other jurisdictions where such securities were offered and sold. Shares of our common stock may only be transferred or sold in compliance with all applicable state, federal and foreign securities laws.

Ownership Limitations

Federal and state banking laws prevent any holder of the Bank's capital stock from acquiring "control" of the Bank, as defined under applicable statutes and regulations, without obtaining the prior approval of the Federal Reserve, the FDIC or the California Department of Business Oversight, as applicable.

Listing and Trading

Our common stock is listed on the NYSE under the symbol "FRC."

No preferred stock series is currently listed on any securities exchange or displayed on any electronic communications network. Our depositary shares, each representing 1/40th interest in a share of Series B Preferred Stock, are listed on the NYSE under the symbol "FRC-PrB." Our depositary shares, each representing 1/40th interest in a share of Series C Preferred Stock, are listed on the NYSE under the symbol "FRC-PrC." Our depositary shares, each representing 1/40th interest in a share of Series D Preferred Stock, are listed on the NYSE under the symbol "FRC-PrD." Our depositary shares, each representing 1/40th interest in a share of Series E Preferred Stock, are listed on the NYSE under the symbol "FRC-PrE." Our depositary shares, each representing 1/40th interest in a share of Series F Preferred Stock, are listed on the NYSE under the symbol "FRC-PrF." Our depositary shares, each representing 1/40th interest in a share of Series G Preferred Stock, are listed on the NYSE under the symbol "FRC-PrG."

Book Entry, Delivery and Form

The Depository Trust Company ("DTC") acts as securities depository for our common stock. Any common stock issued under the Plan will be registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC.

DTC has advised us that it is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered under the provisions of Section 17A of the Exchange Act. DTC holds securities that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct

Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or through intermediaries ("Indirect Participants"). The rules applicable to DTC and its Direct and Indirect Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com and <http://www.dtc.org>.

Purchases of shares of common stock under the DTC system must be made by or through Direct Participants, which will receive a credit for the shares of common stock on DTC's records. The ownership interest of each actual purchaser of shares of common stock (the "beneficial owner") is in turn recorded on the Direct and Indirect Participants' records. Beneficial owners will not receive written confirmation from DTC of their purchase. Beneficial owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the beneficial owner entered into the transaction. Transfers of ownership interest in the common stock will be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interest in the common stock, except in the event that use of the book-entry system for the common stock is discontinued. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

To facilitate subsequent transfers, the shares of our common stock deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of common stock with DTC and its registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the common stock. DTC's records reflect only the identity of the Direct Participants to whose accounts are credited, which may or may not be the beneficial owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

In those instances where a vote is required, neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the common stock unless authorized by a Direct Participant. Under its usual procedures, DTC mails an omnibus proxy to us as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the common stock is credited on the record date, which accounts are identified in a listing attached to the omnibus proxy.

Distributions and dividend payments on the common stock will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from us or our agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct or Indirect Participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or

registered in “street name,” and will be the responsibility of such Direct or Indirect Participant and not of DTC (nor its nominee), us or any agent of ours, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of distributions and dividends to Cede & Co. (or such other DTC nominee) is the responsibility of us or our agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the beneficial owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the common stock at any time by giving reasonable notice to us or our agent. Additionally, we may decide to discontinue the book- entry only system of transfers with respect to the common stock. Under such circumstances, if a successor depository is not obtained, we will print and deliver certificates in fully registered form for the common stock.

The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy thereof.

Transfer Agent

Computershare Inc. and Computershare Trust Company, N.A., collectively, act as registrar and transfer agent for our common stock. Registration of transfers of shares of the common stock will be effected without charge but only upon payment of any tax or other governmental charges that may be imposed in connection with any transfer or exchange.

Certain Provisions of California Law and of Our Articles and Bylaws

Amendment of Articles of Incorporation and Bylaws

Under California law, a California corporation cannot amend its articles of incorporation unless the amendment is approved by the Board and, except for certain limited matters as prescribed by law, by the affirmative vote of a majority of the outstanding shares entitled to vote, either before or after the approval by the Board, and in matters affecting a particular class of shares, by the affirmative vote of holders of a majority of the outstanding shares of that class. Our Articles specify that amendments of certain provisions require the affirmative vote of two-thirds of the outstanding shares entitled to vote. Additionally, under California law, a California bank cannot amend its articles of incorporation unless the amendment is approved by the California Commissioner of Business Oversight (the “Commissioner”).

Under California law, the Board or the shareholders may adopt, amend or repeal the Bank’s Bylaws with the affirmative vote of a majority of the directors then in office or the affirmative vote of the holders of a majority of the Bank’s shares entitled to be cast; provided, however, that Bylaws specifying a fixed number of directors, or the maximum or minimum number of directors, or changing from a fixed to a variable board of directors or vice versa, may only be adopted by the vote of a majority of the outstanding shares. Under California law, a bank may not amend the articles of incorporation or its bylaws so as to reduce the number of directors below five.

Power to Authorize and Issue Additional Shares of Common Stock and Preferred Stock

The Board, with approval by an affirmative vote of a majority of the outstanding shares entitled to vote, and in some cases, the approval by an affirmative vote of a majority of the outstanding shares of certain classes, has the authority to amend the Articles to increase or decrease the aggregate number of shares of stock or the number of shares of authorized stock of any class or series that the Bank has the

authority to issue. The Board can cause us to issue additional authorized shares without shareholder approval, unless shareholder approval is required by applicable law or by the rules of the NYSE. Although we have no present intention of doing so, we could issue a class or series of stock that could delay, defer or prevent a transaction or a change in control of the Bank that might involve a premium price for holders of common stock or otherwise be in their best interest.

Restrictions on the Bank's Sale of Its Securities

Under California law, a California bank may not offer or sell its own securities unless the Commissioner has issued a permit authorizing the sale, with certain limited exceptions. For a permit to be issued, the Commissioner must find that the proposed sale is "fair, just, and equitable."

Meetings of Shareholders

Under our Bylaws, with respect to annual meetings of shareholders, nominations of persons for election as directors and the proposal of business to be considered may be made: (i) pursuant to our notice of meeting; (ii) by the Board; or (iii) by any shareholder entitled to vote at the meeting who has complied with the advance notice procedures in our Bylaws.

Special meetings of shareholders may be called at any time by the Board or our Chairman, if any, President, if any, or shareholders entitled to cast at least one-tenth of the votes which all shareholders are entitled to cast at an annual or special meeting of shareholders. Only business specified in the notice of a special meeting of shareholders may be conducted at the meeting. Nominations of persons for election as directors at a special meeting at which directors are to be elected may be made: (i) by the Board; or (ii) by any shareholder entitled to vote at the meeting who has complied with the advance notice procedures in our Bylaws.

Board of Directors

Under our Bylaws, the number of directors will not be less than nine nor more than fifteen. Under our Bylaws, the exact number of directors is fixed, from time to time, by the approval of the Board. No person may serve as a director if that person is not qualified to serve as a director under applicable banking laws or regulations or if that person's service as a director is opposed in writing by any bank regulatory official having jurisdiction over us.

The Board is not divided into different classes of directors. At each annual meeting of shareholders, in an uncontested election, each nominee receiving the affirmative vote of the majority of the shares present or represented and voting (and a majority of shares required to constitute a quorum) will be elected as a director and, in a contested election, the nominees receiving the highest number of votes will be elected as directors.

Supermajority Voting for Fundamental Transactions

The Articles require the approval of two-thirds of the outstanding shares of common stock entitled to vote to approve a merger, sale of control or sale of substantially all of our assets unless such transaction was previously approved by the Board or is with a majority-owned subsidiary of the Bank.

Removal of Directors

Any or all of the directors may be removed without cause if such removal is approved by a majority of the outstanding common stock, except that no director may be removed (unless the entire Board is removed) when the votes cast against removal, or not consenting in writing to removal, would be sufficient to elect such director if voted cumulatively at an election in which the same total number of votes were cast and the entire number of directors authorized at the most recent election were then being elected.

Limitation of Liability and Indemnification

California law permits us to include in the Articles a provision limiting the liability of our directors to us and our shareholders for money damages, except for liability resulting from: (i) acts or omissions that involve intentional misconduct or a knowing and culpable violation of law; (ii) acts or omissions that a director believes to be contrary to the best interests of the corporation or its shareholders or that involve the absence of good faith on the part of the director; (iii) any transaction from which a director derived an improper personal benefit; (iv) acts or omissions that show a reckless disregard for the director's duty to the corporation or its shareholders in circumstances in which the director was aware, or should have been aware, in the ordinary course of performing a director's duties, of a risk of serious injury to the corporation or its shareholders; (v) acts or omissions that constitute an unexcused pattern of inattention that amounts to an abdication of the director's duty to the corporation or its shareholders; (vi) acts arising from an interested director transaction listed under Section 310 of the CGCL; or (vii) acts arising from the approval of specific corporate action listed under Section 316 of the CGCL.

The Articles and Bylaws contain provisions which eliminate directors' liability to the fullest extent permitted by California law. Under California law and our Bylaws, we are authorized to obtain and have obtained directors' and officers' liability insurance.

California law grants us the power to indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the corporation to procure a judgment in its favor) by reason of the fact that the person is or was an agent of the corporation (including but not limited to a director, officer or employee) against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with the proceeding if that person acted in good faith and in a manner the person reasonably believed to be in the best interests of the corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of the person was unlawful. California law permits us to advance expenses incurred in defending any proceeding prior to its final disposition upon receipt of an undertaking by or on behalf of the agent to repay that amount if it is determined ultimately that the agent is not entitled to be indemnified.

California law does not allow us to indemnify our agents for: (i) any claim, issue or matter as to which the person has been adjudged to be liable to the corporation in the performance of that person's duty to the corporation and its shareholders, unless and only to the extent that the court in which the proceeding is or was pending will determine upon application that, in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for expenses and then only to the extent that the court determines; (ii) any amounts paid in settling or otherwise disposing of a pending action without court approval; and (iii) any expenses incurred in defending a pending action which is settled or otherwise disposed of without court approval.

The Articles and Bylaws state that we will, to the fullest extent permitted by California law, provide indemnification to our agents against losses if they acted in good faith and in a manner they

reasonably believed to be in the best interests of the corporation and, in the case of a criminal proceeding, if they had no reasonable cause to believe their conduct was unlawful. Except in the case of expenses incurred in a successful defense, indemnification requires that the person to be indemnified is determined to have met the necessary standard of conduct by (i) a majority of a quorum of directors who are not parties to the proceeding, (ii) if such a quorum is unobtainable, by independent legal counsel in a written opinion, (iii) approval of shareholders as set forth in Section 153 of the CGCL or (iv) the court in which the proceeding is or was pending. Under federal banking law, we may not indemnify our agents against liability or legal expenses with regard to certain administrative proceedings or civil actions brought by the FDIC. We have entered into agreements with our directors indemnifying them to the fullest extent permitted by law and all applicable limitations imposed by the FDIC and the California Department of Business Oversight.

MATERIAL FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of the U.S. federal income tax consequences of participating in the Plan. This discussion does not address all aspects of the U.S. federal tax income tax consequences of participating in the Plan that may be relevant to you in light of your personal investment or tax circumstances and does not discuss any state, local or foreign tax consequences of participating in the Plan. This section is based on the Code, its legislative history, existing and proposed regulations under the Code, and published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis. Please consult your own tax advisor concerning the application of the U.S. federal income tax laws to your particular situation, as well as the applicability and effect of any state, local or foreign tax laws before taking any actions with respect to the following Awards.

Incentive Stock Options

You generally will not be subject to tax upon the grant of an Incentive Stock Option or upon the exercise of an Incentive Stock Option. However, the excess of the fair market value of the shares of common stock on the date of exercise over the exercise price paid will be included in your alternative minimum taxable income. Whether you are subject to the alternative minimum tax will depend on your particular circumstances. Your basis in the shares of common stock received will be equal to the exercise price paid, and your holding period in such Shares will begin on the day following the date of exercise.

If you dispose of the shares of common stock on or after the later of (i) the second anniversary of the Grant Date of the Incentive Stock Option and (ii) the first anniversary of the date of exercise of the Incentive Stock Option (the “statutory holding period”), you will recognize a capital gain or loss in an amount equal to the difference between the amount realized on such disposition and your basis in the shares. Such capital gain or loss will be subject to the rules set forth under “Disposition of Plan Shares” below.

If you dispose of the shares of common stock before the end of the statutory holding period, you will have engaged in a “disqualifying disposition.” As a result, you will be subject to tax:

(i) on the excess of the fair market value of the shares on the date of exercise (or the amount realized on the disqualifying disposition, if less) over the exercise price paid, as ordinary income, and

(ii) on the excess, if any, of the amount realized on such disqualifying disposition over the fair market value of the shares on the date of exercise, as capital gain. Such capital gain will be subject to the rules set forth under “Disposition of Plan Shares” below.

If the amount you realize from a disqualifying disposition is less than the exercise price paid (i.e., your basis) and the loss sustained upon such disposition would otherwise be recognized, you will not recognize any ordinary income from such disqualifying disposition and instead you will recognize a capital loss. In the event of a disqualifying disposition, the amount recognized by you as ordinary income is generally deductible by the Bank or one of its subsidiaries.

The current position of the Internal Revenue Service is that income tax withholding and FICA and FUTA taxes (“employment taxes”) do not apply upon the exercise of an Incentive Stock Option or upon any subsequent disposition, including a disqualifying disposition, of Shares acquired pursuant to the exercise of the Incentive Stock Option.

Non-Qualifying Stock Options

You generally will not be subject to tax upon the grant of an Option which is not intended to be (or does not qualify as) an Incentive Stock Option (i.e., a Non-Qualifying Stock Option). Upon exercise of a Non-Qualifying Stock Option, an amount equal to the excess of the fair market value of the shares of common stock acquired on the date of exercise over the exercise price paid is taxable to you as ordinary income, and such amount is generally deductible by the Bank. This amount of income will be subject to income tax withholding and employment taxes. Your basis in the shares of common stock received will equal the fair market value of the shares on the date of exercise, and your holding period in such shares will begin on the day following the date of exercise.

Exercise of Options with Previously Acquired Shares

If you use previously acquired shares of common stock to pay all or a portion of the exercise price on the exercise of an Incentive Stock Option or a Non-Qualifying Stock Option, you will not be subject to tax with respect to the shares of common stock that you transfer to us. Instead, the number of shares of common stock we deliver to you upon exercise of the option that equals the number of shares of common stock you transferred to us (the “substitute shares”) will have the same basis and holding period as the shares of common stock you transferred to us.

However, where you use shares of common stock that were acquired pursuant to the previous exercise of an Incentive Stock Option (the “first Incentive Stock Option”) to acquire shares of common stock under another Incentive Stock Option (the “second Incentive Stock Option”), and the statutory holding period discussed above has not been met with respect to the shares of common stock that you transfer to us, the exchange will be deemed a disqualifying disposition and you will recognize ordinary income to the extent the fair market value of the shares of common stock on the date of exercise of the first Incentive Stock Option (or, if less, the fair market value of the shares of common stock on the date of exercise of the second Incentive Stock Option) exceeds the exercise price paid pursuant to the exercise of the first Incentive Stock Option. In such a case, your basis in the substitute shares of common stock received will be equal to the basis of the shares of common stock that you transferred to us plus the ordinary income taxable to you as a result of the disqualifying disposition, and your holding period in the substitute shares of common stock received will be the same as the holding period in the shares of common stock that you transferred to us. However, your statutory holding period in the substitute shares of common stock received will begin on the date of exercise of the second Incentive Stock Option.

If you use previously acquired shares of common stock to pay the entire option exercise price of a Non-Qualifying Stock Option, then the fair market value of the shares of common stock received which are not substitute shares of common stock (the “additional shares”) is taxable to you as ordinary income, and such amount is generally deductible by us or one of our subsidiaries. Your basis in the additional

shares will be equal to the fair market value of the shares of common stock on the date of exercise, and your holding period in the additional shares will begin on the day following the date of exercise. In the event you use previously acquired shares to pay a portion of the exercise price of a Non-Qualifying Stock Option and you use cash to pay the remainder of such exercise price, then the exercise will be bifurcated into (i) an exercise using previously acquired shares which will be subject to the tax rules in the preceding paragraphs and (ii) an exercise using cash which will be subject to the tax rules under “Non-Qualifying Stock Options” above.

If you use previously acquired shares of common stock to pay the entire option exercise price of an Incentive Stock Option, then you will have a zero basis in the additional shares received, and your holding period in the additional shares will begin on the day such shares are transferred to you. However, the statutory holding period for the additional shares will begin on the date of exercise of the Incentive Stock Option. In the event you use previously acquired shares to pay a portion of the exercise price of an Incentive Stock Option and you use cash to repay the remainder of such exercise price, then the exercise will be bifurcated into (i) an exercise using previously acquired shares which will be subject to the tax rules in the preceding paragraphs and (ii) an exercise using cash which will be subject to the tax rules under “Incentive Stock Options” above.

Stock Appreciation Rights

You generally will not be subject to tax upon the grant of a SAR. Upon exercise of a SAR, an amount equal to the cash and/or the fair market value (measured on the date of exercise) of the shares of common stock received will be taxable to you as ordinary income, and such amount is generally deductible by the Bank. This amount of income will be subject to income tax withholding and employment taxes. Your basis in any shares received will be equal to the fair market value of such shares on the date of exercise, and your holding period in such shares will begin on the day following the date of exercise.

Restricted Stock

You generally will not be subject to tax upon receipt of an Award of shares of common stock subject to forfeiture conditions and transfer restrictions (the “restrictions”) under the Plan unless you make the election referred to below. Upon lapse of the restrictions, you will recognize ordinary income equal to the fair market value of the shares on the date of lapse, and such income will be subject to income tax withholding and employment taxes. Your basis in the shares received will be equal to the fair market value of the shares on the date the restrictions lapse, and your holding period in such shares begins on the day after the restrictions lapse. If any dividends are paid on such shares prior to the lapse of the restrictions they will be includible in your income during the restricted period as additional compensation (and not as dividend income) and will be subject to income tax withholding and employment taxes.

If permitted by the applicable Award Agreement and the Plan, you may elect, within thirty days after the date of the grant of the restricted stock, to recognize immediately (as ordinary income) the fair market value of the shares, determined on the Grant Date (without regard to the restrictions). Such income will be subject to income tax withholding and employment taxes at such time. If you make this election, your holding period will begin the day after the Grant Date, dividends paid on the shares will be subject to the normal rules regarding distributions on stock, and no additional income will be recognized by you upon the lapse of the restrictions. However, if you forfeit the restricted shares before the restrictions lapse, no deduction or capital loss will be available to you (even though you previously recognized income with respect to such forfeited shares). This election is made pursuant to Section 83(b) of the Code and the regulations thereunder, and no such election (or any election under a similar provision

of law) may be made unless expressly permitted by the terms of the applicable Award Agreement or by action of the Administrator in writing prior to the making of such election. If you make this election, you must notify the Bank of such election within ten days of filing notice of the election with the Internal Revenue Service or other governmental authority, in addition to any filing and notification required pursuant to Section 83(b) of the Code or other applicable provision.

In the taxable year in which you recognize ordinary income on account of shares of common stock awarded to you, the Bank or one of its subsidiaries is generally entitled to a deduction equal to the amount of income recognized by you. In the event that the restricted shares are forfeited by you after having made the Section 83(b) election referred to above, the Bank or one of its subsidiaries generally will include in its income the amount of its original deduction.

Restricted Stock Units

You generally will not be subject to tax upon the grant of a Restricted Stock Unit. Upon vesting of the Restricted Stock Units, the fair market value of the shares of common stock covered by the Award on the vesting date will be subject to employment taxes. Upon distribution of the cash and/or shares underlying the Restricted Stock Units, you will recognize as ordinary income an amount equal to the cash and/or fair market value (measured on the distribution date) of the shares received, and such amount is generally deductible by the Bank. This amount of income will generally be subject to income tax withholding on the date of distribution. Your basis in any shares of common stock received will be equal to the fair market value of the shares on the date of distribution, and your holding period in such shares will begin on the day following the date of distribution.

Disposition of Plan Shares

Unless stated otherwise above, upon the subsequent disposition shares of common stock acquired under any of the preceding Awards, you will recognize capital gain or loss based upon the difference between the amount realized on such disposition and your basis in the shares, and such amount will be long-term capital gain or loss if such shares were held for more than one year. Long-term capital gain is generally taxed at preferential rates.

Additional Medicare Tax

You generally will be subject to a 3.8% tax on the lesser of (i) your “net investment income” for the relevant taxable year and (ii) the excess of your modified adjusted gross income for the taxable year over a certain threshold (between \$125,000 and \$250,000, depending on your circumstances). Your net investment income generally includes net gains from the disposition of shares. You are urged to consult your tax advisor regarding the applicability of this Medicare tax to your income and gains in respect of your investment in the shares.

Section 409A

If an Award is subject to Section 409A of the Code, but does not comply with the requirements of Section 409A of the Code, the taxable events as described above could apply earlier than described, and could result in the imposition of additional taxes and penalties.

ANNEX A

First Republic Bank 2017 Omnibus Award Plan

1. Purpose. The purpose of the First Republic Bank 2017 Omnibus Award Plan is to provide a means through which Bank and the Affiliates may attract and retain key personnel and to provide a means whereby directors, officers, employees, consultants and advisors of Bank and the Affiliates can acquire and maintain an equity interest in Bank or be paid incentive compensation, including incentive compensation measured by reference to the value of Common Stock, thereby strengthening their commitment to the welfare of Bank and the Affiliates and aligning their interests with those of Bank's shareholders.

2. Definitions. The following definitions shall be applicable throughout the Plan.

(a) "Absolute Share Limit" has the meaning given such term in Section 5(b).

(b) "Affiliate" means (i) any person or entity that directly or indirectly controls, is controlled by or is under common control with Bank and/or (ii) to the extent provided by the Committee, any person or entity in which Bank has a significant interest. The term "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as applied to any person or entity, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person or entity, whether through the ownership of voting or other securities, by contract or otherwise.

(c) "Award" means, individually or collectively, any Incentive Stock Option, Nonqualified Stock Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit, and Other Cash-Based or Stock-Based Award granted under the Plan.

(d) "Bank" means First Republic Bank, a California state-chartered bank, and any successor thereto.

(e) "Board" means the Board of Directors of Bank.

(f) "Cause" means, in the case of a particular Award, unless the applicable Award agreement states otherwise, (i) Bank or an Affiliate having "cause" to terminate a Participant's employment or service, as defined in any employment or consulting agreement between the Participant and Bank or an Affiliate in effect at the time of such termination or (ii) in the absence of any such employment or consulting agreement (or the absence of any definition of "cause" or similar term with like import contained therein), (A) continued neglect of his or her duties to Bank or an Affiliate (other than as a result of his or her incapacity due to physical or mental illness or injury), (B) Participant engaging or taking steps to engage in conduct injurious to Bank or an Affiliate, (C) the commission by the Participant of a felony or any crime involving as a material element fraud or dishonesty, (D) the failure of the Participant to follow the lawful instructions of the Board or his or her direct superiors, or (E) violation by the Participant of the rules, regulations, procedures or instructions (whether written or oral) relating to the conduct of employees, directors, officers and/or consultants of Bank. Unless otherwise provided in any

other agreement between Bank or an Affiliate and the Participant, any determination of whether Cause exists shall be made by the Committee in its sole discretion.

(g) “Change in Control” shall, in the case of a particular Award, unless the applicable Award agreement states otherwise or contains a different definition of “Change in Control,” shall mean, in one or a series of transactions, the consummation of a reorganization, merger or consolidation, or sale or other disposition of all or substantially all of the assets of Bank (a “Business Combination”) to a person (or group of persons acting in concert), other than to any employee benefit plan (or trust forming a part thereof) maintained by Bank or an Affiliate or to a person of which a majority of its voting power or other equity securities is owned, directly or indirectly, by Bank, in each case, unless, following such Business Combination, (1) individuals and entities who were the beneficial owners, respectively, of the then-outstanding shares of common stock of Bank (the “Outstanding Common Stock”) or the combined voting power of the then-outstanding voting securities of Bank entitled to vote generally in the election of directors (the “Outstanding Voting Securities”), immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then-outstanding shares of common stock of Bank or any resulting or surviving entity (including, if applicable, any ultimate parent corporation that beneficially owns, directly or indirectly, at least 95% of the voting power of any resulting or surviving entity); and (2) individuals who, as of the Effective Date, constitute the Board (the “Incumbent Board”) continue to constitute at least a majority of the members of the board of directors of the corporation or other business entity resulting from the Business Combination; provided, however, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by Bank’s shareholders was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents, by or on behalf of a person other than the Board.

(h) “Code” means the Internal Revenue Code of 1986, as amended, and any successor thereto. Reference in the Plan to any section of the Code shall be deemed to include any regulations or other interpretative guidance under such section, and any amendments or successor provisions to such section, regulations or guidance.

(i) “Committee” means the Compensation Committee of the Board, which the Board may appoint to administer the Plan, or if no such committee has been appointed by the Board, the Board.

(j) “Common Stock” means the Common Stock, par value \$0.01 per share, of Bank (and any stock or other securities into which such common stock may be converted or into which it may be exchanged).

(k) “Date of Grant” means the date on which the granting of an Award is authorized, or such other date as may be specified in such authorization.

(l) “Disability” means, unless in the case of a particular Award the applicable Award agreement states otherwise, Bank or an Affiliate having cause to terminate a Participant’s employment or service on account of “disability,” as defined in any then-existing employment, consulting or other similar agreement between the Participant and Bank or an Affiliate or, in the absence of such an employment, consulting or other similar agreement (or the absence of any such definition contained therein), a condition entitling the Participant to receive benefits under a long-term disability plan of Bank or an Affiliate, or, in the absence of such a plan, the complete and permanent inability by reason of illness or accident to perform the duties of the occupation at which a Participant was employed or served when such disability commenced, as determined by the Committee based upon medical evidence acceptable to it; provided, however, that in the case of any Award that is subject to Section 409A of the Code, Disability shall not be deemed to occur unless a Participant qualifies as “disabled” under Treasury Regulation §1.409A-3(i)(4) (or any successor provision and any related Internal Revenue Service guidance).

(m) “Effective Date” means May 9, 2017.

(n) “Eligible Person” means any (i) individual regularly employed by Bank or an Affiliate; (ii) director or officer of Bank or an Affiliate; or (iii) consultant or advisor to Bank or an Affiliate, who, in the case of each of clauses (i) through (iii) above has entered into an Award agreement or who has received written notification from the Committee or its designee that they have been selected to participate in the Plan; provided, however, that in the case of any Award that is an Incentive Stock Option, “Affiliate” in this definition shall mean a “parent corporation” or “subsidiary corporation” as such terms are defined in Sections 424(e) and (f), respectively, of the Code.

(o) “Exchange Act” means the Securities Exchange Act of 1934, as amended, and any successor thereto. Reference in the Plan to any section of (or rule promulgated under) the Exchange Act shall be deemed to include any rules, regulations or other interpretative guidance under such section or rule, and any amendments or successor provisions to such section, rules, regulations or guidance.

(p) “Exercise Price” has the meaning given such term in Section 6(b) of the Plan.

(q) “Fair Market Value” means, on a given date, (i) if the Common Stock is listed on a national securities exchange, the closing sales price of the Common Stock reported on the primary exchange on which the Common Stock is listed and traded on such date, or, if there is no such sale on that date, then on the last preceding date on which such a sale was reported; (ii) if the Common Stock is not listed on any national securities exchange but is quoted in an inter-dealer quotation system on a last sale basis, the average between the closing bid price and ask price reported on such date, or, if there is no such sale on that date, then on the last preceding date on which a sale was reported; or (iii) if the Common Stock is not listed on a national securities exchange or quoted in an inter-dealer quotation system on a last sale basis, the amount determined by the Committee in good faith to be the fair market value of the Common Stock.

(r) “Golden Parachute Rules” shall mean the rules of the Federal Deposit Insurance Corporation (“FDIC”) as set forth in 12 C.F.R. Part 359.

- (s) “Incentive Stock Option” means an Option which is designated by the Committee as an incentive stock option as described in Section 422 of the Code and otherwise meets the requirements set forth in the Plan.
- (t) “Indemnifiable Person” shall have the meaning set forth in Section 4(e) of the Plan.
- (u) “Nonqualified Stock Option” means an Option which is not designated by the Committee as an Incentive Stock Option.
- (v) “Option” means an Award granted under Section 6 of the Plan.
- (w) “Option Period” has the meaning given such term in Section 6(c) of the Plan.
- (x) “Other Cash-Based or Stock-Based Award” means an Award granted under Section 9(b) of the Plan.
- (y) “Participant” means an Eligible Person who has been selected by the Committee to participate in the Plan and to receive an Award pursuant to Section 5 of the Plan.
- (z) “Permitted Transferee” shall mean (A) a member of the transferring Participant’s immediate family (as such term is defined in Rule 16a-1 under the Exchange Act), (B) a trust controlled for the sole benefit of any of the foregoing or his or her successors upon death or (C) a partnership, the partners of which consist of the Participant and/or one or more members of the Participant’s immediate family (as such term is defined in Rule 16a-1 under the Exchange Act).
- (aa) “Plan” means this First Republic Bank 2017 Omnibus Award Plan, as amended from time to time.
- (bb) “Prior Plan” has the meaning given to such term in Section 3.
- (cc) “Restricted Period” means the period of time determined by the Committee during which an Award is subject to restrictions or, as applicable, the period of time within which performance is measured for purposes of determining whether an Award has been earned.
- (dd) “Restricted Stock” means Common Stock, subject to certain specified restrictions (including, without limitation, a requirement that the Participant remain continuously employed or provide continuous services for a specified period of time), granted under Section 8 of the Plan.
- (ee) “Restricted Stock Unit” means an unfunded and unsecured promise to deliver shares of Common Stock, cash, other securities or other property, subject to certain restrictions (including, without limitation, a requirement that the Participant remain continuously employed or provide continuous services for a specified period of time), granted under Section 8 of the Plan.

(ff) “SAR Period” has the meaning given such term in Section 7(c) of the Plan.

(gg) “Securities Act” means the Securities Act of 1933, as amended, and any successor thereto. Reference in the Plan to any section of (or rule promulgated under) the Securities Act shall be deemed to include any rules, regulations or other interpretative guidance under such section or rule, and any amendments or successor provisions to such section, rules, regulations or guidance.

(hh) “Stock Appreciation Right” or “SAR” means an Award granted under Section 7 of the Plan.

(ii) “Strike Price” has the meaning given such term in Section 7(b) of the Plan.

(jj) “Substitute Award” has the meaning given such term in Section 5(e).

3. Effective Date; Duration. The Plan replaces the First Republic Bank 2010 Omnibus Award Plan, which was approved by Bank’s shareholders at the 2010 Annual Meeting of Shareholders and effective on June 30, 2010, as amended through May 12, 2015 (the “Prior Plan”), for awards granted on or after the Effective Date. Awards may not be granted under the Prior Plan beginning on the Effective Date, but this Plan will not affect the terms and conditions of any equity award grants under the Prior Plan (or any predecessor plans) granted before the Effective Date. The validity and exercisability of any and all Awards granted pursuant to the Plan are contingent upon approval of the Plan by Bank’s shareholders in accordance with all applicable laws, which approval shall have been obtained as of the annual meeting of Bank’s shareholders to be held on May 9, 2017. Unless earlier terminated pursuant to Section 12 of the Plan, the expiration date of the Plan, on and after which date no Awards may be granted hereunder, shall be the tenth anniversary of the Effective Date; provided, however, that such expiration shall not affect Awards then outstanding, and the terms and conditions of the Plan shall continue to apply to such Awards.

4. Administration. (a) Except with respect to Section 13(c), the Committee shall administer the Plan.

(b) Subject to the provisions of the Plan and applicable law and to the terms of any employment or consulting agreement to which a Participant and Bank shall be parties, the Committee shall have the sole and plenary authority, in addition to other express powers and authorizations conferred on the Committee by the Plan, to: (i) designate Participants; (ii) determine the type or types of Awards to be granted to a Participant; (iii) determine the number of shares of Common Stock to be covered by, or with respect to which payments, rights, or other matters are to be calculated in connection with, Awards; (iv) determine the terms and conditions of any Award; (v) establish or verify the extent of satisfaction of any performance goals or other conditions applicable to the grant, issuance, exercisability, vesting and/or ability to retain any Award; (vi) determine whether, to what extent, and under what circumstances Awards may be settled or exercised in cash, shares of Common Stock, other securities, other Awards or other property, or canceled, forfeited, or suspended and the method or methods by which Awards may be settled, exercised, canceled, forfeited, or suspended; (vii) determine whether, to what extent, and under what circumstances the delivery of cash, Common Stock, other securities,

other Awards or other property and other amounts payable with respect to an Award shall be deferred either automatically or at the election of the Participant or of the Committee; (viii) interpret, administer, reconcile any inconsistency in, correct any defect in and/or supply any omission in the Plan and any instrument or agreement relating to, or Award granted under, the Plan; (ix) establish, amend, suspend, or waive any rules and regulations and appoint such agents as the Committee shall deem appropriate for the proper administration of the Plan; (x) subject to applicable regulations accelerate the vesting or exercisability of, payment for or lapse of restrictions on, Awards (including previously deferred Awards), and (xi) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan.

(c) Except to the extent prohibited by applicable law or the applicable rules and regulations of any securities exchange or inter-dealer quotation system on which the securities of Bank are listed or traded, the Committee may allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any part of its responsibilities and powers to any person or persons selected by it. Any such allocation or delegation may be revoked by the Committee at any time. Without limiting the generality of the foregoing, the Committee may delegate to one or more officers of Bank or any Affiliate the authority to act on behalf of the Committee with respect to any matter, right, obligation, or election which is the responsibility of or which is allocated to the Committee herein, and which may be so delegated as a matter of law.

(d) Unless otherwise expressly provided in the Plan or an Award agreement or any employment or consulting agreement to which a Participant and Bank shall be parties, all designations, determinations, interpretations, and other decisions under or with respect to the Plan or any Award or any documents evidencing Awards granted pursuant to the Plan shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive and binding upon all persons or entities, including, without limitation, Bank, any Affiliate, any Participant, any holder or beneficiary of any Award, and any shareholder of Bank.

(e) No member of the Board, the Committee or any employee or agent of Bank to whom authority has been delegated (each such person, an “Indemnifiable Person”) shall be liable for any action taken or omitted to be taken or any determination made with respect to the Plan or any Award hereunder (unless constituting bad faith, fraud or a willful criminal act or omission). Each Indemnifiable Person shall be indemnified and held harmless by Bank against and from any loss, cost, liability, or expense (including attorneys’ fees) that may be imposed upon or incurred by such Indemnifiable Person in connection with or resulting from any action, suit or proceeding to which such Indemnifiable Person may be a party or in which such Indemnifiable Person may be involved by reason of any action taken or omitted to be taken or determination made under the Plan or any Award agreement and against and from any and all amounts paid by such Indemnifiable Person with Bank’s approval, in settlement thereof, or paid by such Indemnifiable Person in satisfaction of any judgment in any such action, suit or proceeding against such Indemnifiable Person, provided that Bank shall have the right, at its own expense, to assume and defend any such action, suit or proceeding and once Bank gives notice of its intent to assume the defense, Bank shall have sole control over such defense with counsel of Bank’s choice. The foregoing right of indemnification shall not be available to an Indemnifiable Person to the extent that a final judgment or other final adjudication (in either

case not subject to further appeal) binding upon such Indemnifiable Person determines that the acts or omissions or determinations of such Indemnifiable Person giving rise to the indemnification claim resulted from such Indemnifiable Person's bad faith, fraud or willful criminal act or omission or that such right of indemnification is otherwise prohibited by law or by Bank's Articles of Incorporation or Bylaws. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such Indemnifiable Persons may be entitled under Bank's Articles of Incorporation or Bylaws, as a matter of law, or otherwise, or any other power that Bank may have to indemnify such Indemnifiable Persons or hold them harmless.

(f) Notwithstanding anything to the contrary contained in the Plan, the Board may, in its sole discretion, at any time and from time to time, grant Awards and administer the Plan with respect to such Awards. In any such case, the Board shall have all the authority granted to the Committee under the Plan.

5. Grant of Awards; Shares Subject to the Plan; Limitations; Eligibility. (a) The Committee may, from time to time, grant Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, and/or Other Cash-Based or Stock-Based Awards to one or more Eligible Persons.

(b) Awards granted under the Plan shall be subject to the following limitations: (i) subject to Section 10 of the Plan, no more than 4,500,000 shares of Common Stock, plus the number of shares of Common Stock remaining available to be delivered under the Prior Plan as of the Effective Date (including as permitted pursuant to the operation of Section 5(c) thereof), may be delivered in the aggregate pursuant to Awards granted under the Plan (the "Absolute Share Limit"); (ii) subject to Section 10 of the Plan, no more than the number of shares of Common Stock equal to the Absolute Share Limit may be delivered in the aggregate pursuant to the exercise of Incentive Stock Options granted under the Plan; and (iii) subject to Section 10 of the Plan, the aggregate number of shares of Common Stock subject to Awards granted under this Plan during any fiscal year to any one Participant (other than a Participant who is a non-employee director) shall not exceed 500,000 in respect of Options, 500,000 in respect of SARs, and 500,000 (or for Other Cash-Based or Stock-Based Awards denominated in cash, the fair market value of 500,000 shares of Common Stock as of the Effective Date) in respect of Awards (other than Options and SARs) intended to be "qualified performance-based compensation" under Section 162(m) of the Code.

(c) No non-employee director of Bank may be granted (in any fiscal year) cash and non-cash compensation, with respect to the non-employee director's service to Bank or its Affiliates as a director, with an aggregate value in excess of \$750,000, with the value of any stock-based Awards based on the accounting grant date value of such Award.

(d) If and to the extent an Award under the Plan or the Prior Plan expires, terminates or is canceled or forfeited for any reason whatsoever, or the Fair Market Value equivalent of such shares is paid in cash, the shares covered by such Award shall again become available for other Awards under the Plan; provided, that the following will not again become available for issuance under the Plan: (A) any shares of Common Stock tendered or withheld in respect of taxes, (B) any shares of Common Stock tendered or withheld to pay the exercise price of

Options, (C) any shares of Common Stock repurchased by the Bank from the Participant with the proceeds from the exercise of Options and (D) any shares of Common Stock subject to SARs but not issued on exercise as a result of the operation of Section 7(c). Notwithstanding the foregoing provisions of this Section 5(c), the maximum number of shares of Common Stock that may be delivered pursuant to the exercise of Incentive Stock Options will equal the Absolute Share Limit plus, to the extent allowable under Section 422 of the Code, any shares that become available for issuance under the Plan pursuant to this Section 5(c) and (y) the aggregate Fair Market Value (determined as of the time the Option is granted) of the stock with respect to which Incentive Stock Options are exercisable by any Participant for the first time during any calendar year (under all such plans of the Bank and its Affiliates) will not exceed \$100,000.

(e) Shares of Common Stock delivered by Bank in settlement of Awards may be authorized and unissued shares, shares held in the treasury of Bank, shares purchased on the open market or by private purchase or a combination of the foregoing.

(f) Awards may, in the sole discretion of the Committee, be granted under the Plan in assumption of, or in substitution for, outstanding awards previously granted by an entity directly or indirectly acquired by Bank or with which Bank combines (“Substitute Awards”). Substitute Awards shall not be counted against the Absolute Share Limit and shall not be subject to the minimum vesting provisions of Section 5(g); provided, that Substitute Awards issued in connection with the assumption of, or in substitution for, outstanding options intended to qualify as “incentive stock options” within the meaning of Section 422 of the Code shall be counted against the aggregate number of shares of Common Stock available for Awards of Incentive Stock Options under the Plan.

(g) All Awards granted under the Plan shall be subject to a minimum vesting schedule of at least twelve months following the date of grant of the Award. Notwithstanding the foregoing, Awards in respect of up to 5% of the Absolute Share Limit may be granted with a minimum vesting schedule that is shorter than mandated in this Section 5(g). Any Award agreement may also provide that shares of Common Stock issued or acquired in connection with the applicable Award will be subject to additional holding requirements specified in such Award agreement.

(h) Participation shall be limited to Eligible Persons.

(i) Notwithstanding any other provision of this Plan or of any Award agreement entered into pursuant hereto, in the event that Bank’s capital falls below minimum applicable requirements, as determined by either the California Department of Business Oversight or the FDIC, then the FDIC may direct Bank to require Plan participants to exercise or forfeit their stock rights hereunder or under any Award agreement, subject, in each case, to compliance with applicable securities law or the applicable rules and regulations of any securities exchange or inter-dealer quotation system on which shares of Bank are listed or traded. If so directed, Bank shall establish and implement procedures for the exercise or forfeiture of such rights.

6. Options. (a) Generally. Each Option granted under the Plan shall be evidenced by an Award agreement. Each Option so granted shall be subject to the conditions set forth in this

Section 6, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award agreement. All Options granted under the Plan shall be Nonqualified Stock Options unless the Board determines otherwise and the applicable Award agreement expressly states that the Option is intended to be an Incentive Stock Option. Incentive Stock Options shall be granted only to Eligible Persons who are employees of Bank and the Affiliates, and no Incentive Stock Option shall be granted to any Eligible Person who is ineligible to receive an Incentive Stock Option under the Code. No Option shall be treated as an Incentive Stock Option unless the Plan has been approved by the shareholders of Bank in a manner intended to comply with the shareholder approval requirements of Section 422(b)(1) of the Code, provided that any Option intended to be an Incentive Stock Option shall not fail to be effective solely on account of a failure to obtain such approval, but rather such Option shall be treated as a Nonqualified Stock Option unless and until such approval is obtained. In the case of an Incentive Stock Option, the terms and conditions of such grant shall be subject to and comply with such rules as may be prescribed by Section 422 of the Code. If for any reason an Option intended to be an Incentive Stock Option (or any portion thereof) shall not qualify as an Incentive Stock Option, then, to the extent of such nonqualification, such Option or portion thereof shall be regarded as a Nonqualified Stock Option appropriately granted under the Plan. Notwithstanding anything in the Plan to the contrary, subject to Section 10 of the Plan, the aggregate number of shares of Common Stock subject to Options granted under this Plan during any fiscal year to any one Participant shall not exceed 500,000.

(b) Exercise Price. Except as otherwise provided by the Committee in the case of Substitute Awards, the exercise price (“Exercise Price”) per share of Common Stock for each Option shall not be less than 100% of the Fair Market Value of such share (determined as of the Date of Grant); provided, however, that in the case of an Incentive Stock Option granted to an employee who, at the time of the grant of such Option, owns stock representing more than 10% of the voting power of all classes of stock of Bank and any “parent corporation” or “subsidiary corporation,” as such terms are defined in Sections 424(e) and (f), respectively, of the Code (“10% Shareholder”), the Exercise Price per share shall be no less than 110% of the Fair Market Value per share on the Date of Grant.

(c) Vesting and Expiration. Options shall vest and become exercisable in such manner and on such date or dates determined by the Committee and shall expire after such period, not to exceed ten years, as may be determined by the Committee (the “Option Period”); provided, however, that the Option Period shall not exceed five years from the Date of Grant in the case of an Incentive Stock Option granted to a 10% Shareholder; provided, further, that notwithstanding any vesting dates set by the Committee, and consistent with the Committee’s power under Section 4(b), the Committee may, in its sole discretion, accelerate the exercisability of any Option upon death, Disability or retirement (or on any other termination of employment or service) of a Participant, which acceleration shall not affect the terms and conditions of such Option other than with respect to exercisability, but in no event shall any such acceleration contravene the prohibitions on golden parachute payments under the Golden Parachute Rules.

(d) Method of Exercise and Form of Payment. No shares of Common Stock shall be delivered pursuant to any exercise of an Option until payment in full of the Exercise Price therefor is received by Bank and the Participant has paid to Bank an amount equal to any

Federal, state, local and non-U.S. income and employment taxes required to be withheld in a manner permitted by Section 13(e). Options which have become exercisable may be exercised by delivery of written or electronic notice of exercise to Bank in accordance with the terms of the Option accompanied by payment of the Exercise Price. The Exercise Price shall be payable (i) in cash, check and/or cash equivalent; (ii) if expressly permitted under a Participant's Award agreement, in shares of Common Stock valued at the Fair Market Value at the time the Option is exercised (including, pursuant to procedures approved by the Committee, by means of attestation of ownership of a sufficient number of shares of Common Stock in lieu of actual delivery of such shares to Bank); provided, that such shares of Common Stock are not subject to any pledge or other security interest; (iii) if expressly permitted under a Participant's Award agreement, a "net exercise" procedure effected by withholding a number of shares of Common Stock otherwise deliverable in respect of an Option that are needed to pay the Exercise Price and all applicable required withholding taxes (subject to Section 13(e)); provided, however, that unless otherwise provided in the Award agreement, no net exercise will be permitted (A) if effecting a net exercise would violate or cause a default under any credit or other agreement to which Bank is a party or any regulatory requirement or (B) if a Participant is exercising an Option upon or following a termination for Cause; or (iv) by such other method as the Committee may permit in its sole discretion, including without limitation: (A) in other property having a fair market value on the date of exercise equal to the Exercise Price or (B) if there is a public market for the shares of Common Stock at such time, by means of a broker-assisted "cashless exercise" pursuant to which Bank is delivered a copy of irrevocable instructions to a stockbroker to sell the shares of Common Stock otherwise deliverable upon the exercise of the Option and to deliver promptly to Bank an amount equal to the Exercise Price. Any fractional shares of Common Stock shall be settled in cash.

(e) Notification upon Disqualifying Disposition of an Incentive Stock Option. Each Participant awarded an Incentive Stock Option under the Plan shall notify Bank in writing immediately after the date he or she makes a disqualifying disposition of any Common Stock acquired pursuant to the exercise of such Incentive Stock Option. A disqualifying disposition is any disposition (including, without limitation, any sale) of such Common Stock before the later of (A) two years after the Date of Grant of the Incentive Stock Option or (B) one year after the date of exercise of the Incentive Stock Option. Bank may, if determined by the Committee and in accordance with procedures established by the Committee, retain possession, as agent for the applicable Participant, of any Common Stock acquired pursuant to the exercise of an Incentive Stock Option until the end of the period described in the preceding sentence, subject to complying with any instructions from such Participant as to the sale of such Common Stock.

(f) Compliance With Laws, Etc. Notwithstanding the foregoing, in no event shall a Participant be permitted to exercise an Option in a manner which the Committee determines would violate the Sarbanes-Oxley Act of 2002, or any other applicable law or the applicable rules and regulations of any securities exchange or inter-dealer quotation system on which the securities of Bank are listed or traded.

(g) Prohibition on Repricing Stock Options. In no event may any Option granted under the Plan be amended, other than pursuant to Section 10, to decrease the Exercise Price thereof, be cancelled in conjunction with the grant of any new Option with a lower Exercise

Price, SAR with a lower Strike Price or Award measured by the full value of a share, be repurchased for cash or other consideration (in each case that has the effect of reducing the Strike Price), or otherwise be subject to any action that would be treated as a “repricing” of such Option, unless such amendment, cancellation, repurchase or action is approved by Bank’s shareholders.

7. Stock Appreciation Rights. (a) Generally. Each SAR granted under the Plan shall be evidenced by an Award agreement. Each SAR so granted shall be subject to the conditions set forth in this Section 7, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award agreement. Any Option granted under the Plan may include tandem SARs. The Committee also may award SARs to Eligible Persons independent of any Option. Notwithstanding anything in the Plan to the contrary, subject to Section 10 of the Plan, the aggregate number of shares of Common Stock subject to SARs granted under this Plan during any fiscal year to any one Participant shall not exceed 500,000.

(b) Strike Price. Except as otherwise provided by the Committee in the case of Substitute Awards, the strike price (“Strike Price”) per share of Common Stock for each SAR shall not be less than 100% of the Fair Market Value of such share (determined as of the Date of Grant). Notwithstanding the foregoing, a SAR granted in tandem with (or in substitution for) an Option previously granted shall have a Strike Price equal to the Exercise Price of the corresponding Option.

(c) Vesting and Expiration. A SAR granted in connection with an Option shall become exercisable and shall expire according to the same vesting schedule and expiration provisions as the corresponding Option. A SAR granted independent of an Option shall vest and become exercisable and shall expire in such manner and on such date or dates determined by the Committee and shall expire after such period, not to exceed ten years, as may be determined by the Committee (the “SAR Period”); provided, however, that notwithstanding any vesting dates set by the Committee, and consistent with the Committee’s power under Section 4(b) the Committee may, in its sole discretion, accelerate the exercisability of any SAR upon death, Disability or retirement (or on any other termination of employment or service) of a Participant, which acceleration shall not affect the terms and conditions of such SAR other than with respect to exercisability, but in no event shall any such acceleration contravene the prohibitions on golden parachute payments under Golden Parachute Rules.

(d) Method of Exercise. SARs which have become exercisable may be exercised by delivery of written or electronic notice of exercise to Bank in accordance with the terms of the Award, specifying the number of SARs to be exercised and the date on which such SARs were awarded.

(e) Payment. Upon the exercise of a SAR, Bank shall pay to the Participant an amount equal to the number of shares subject to the SAR that are being exercised multiplied by the excess, if any, of the Fair Market Value of one share of Common Stock on the exercise date over the Strike Price, less an amount equal to any Federal, state, local and non-U.S. income and employment taxes required to be withheld. Bank shall pay such amount in shares of Common Stock valued at Fair Market Value. No cash payment shall be made by Bank in respect of any

SAR; provided, however, that Bank may make a cash payment in lieu of the issuance of a fractional share of Common Stock.

(f) Substitution of SARs for Nonqualified Stock Options. Except as otherwise provided in an Award agreement, the Committee shall have the authority in its sole discretion to substitute, without the consent of the affected Participant or any holder or beneficiary of SARs, SARs settled in shares of Common Stock for outstanding Nonqualified Stock Options, provided that (i) the substitution shall not otherwise result in a modification of the terms of any such Nonqualified Stock Option, (ii) the number of shares of Common Stock underlying the substituted SARs shall be the same as the number of shares of Common Stock underlying such Nonqualified Stock Options and (iii) the Strike Price of the substituted SARs shall be equal to the Exercise Price of such Nonqualified Stock Options; provided, however, that if, in the opinion of Bank's independent public accounting firm, the foregoing provision creates adverse accounting consequences for Bank, such provision shall be considered null and void.

(g) Prohibition on Repricing SARs. In no event may any SAR granted under the Plan be amended, other than pursuant to Section 10, to decrease the Strike Price thereof, be cancelled in conjunction with the grant of any new SAR with a lower Strike Price, Option with a lower Exercise Price or Award measured by the full value of a share, be repurchased for cash or other consideration (in each case that has the effect of reducing the Strike Price) or otherwise be subject to any action that would be treated as a "repricing" of such SAR, unless such amendment, cancellation, repurchase or action is approved by Bank's shareholders.

8. Restricted Stock and Restricted Stock Units. (a) Generally. Each grant of Restricted Stock and Restricted Stock Units shall be evidenced by an Award agreement. Each Restricted Stock and Restricted Stock Unit grant shall be subject to the conditions set forth in this Section 8, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award agreement.

(b) Stock Certificates and Book Entry; Escrow or Similar Arrangement. Upon the grant of Restricted Stock, the Committee shall cause a stock certificate registered in the name of the Participant to be issued or shall cause share(s) of Common Stock to be registered in the name of the Participant and held in book-entry form subject to Bank's directions and, if the Committee determines that the Restricted Stock shall be held by Bank or in escrow rather than delivered to the Participant pending the release of the applicable restrictions, the Committee may require the Participant to additionally execute and deliver to Bank (i) an escrow agreement satisfactory to the Committee, if applicable, and (ii) the appropriate stock power (endorsed in blank) with respect to the Restricted Stock covered by such agreement. If a Participant shall fail to execute an agreement evidencing an Award of Restricted Stock and, if applicable, an escrow agreement and blank stock power within the amount of time specified by the Committee, the Award shall be null and void. To the extent shares of Restricted Stock are forfeited, any stock certificates issued to the Participant evidencing such shares shall be returned to Bank, and all rights of the Participant to such shares and as a shareholder with respect thereto shall terminate without further obligation on the part of Bank.

(c) Vesting; Acceleration of Lapse of Restrictions. The Restricted Period with respect to Restricted Stock and Restricted Stock Units shall lapse in such manner and on such

date or dates determined by the Committee and the Committee shall determine the treatment of the unvested portion of Restricted Stock and Restricted Stock Units upon termination of employment or service of the Participant granted the applicable Award, subject to the terms of the applicable Award agreement. Consistent with the Committee's power under Section 4(b), the Committee may in its sole discretion accelerate the lapse of any or all of the restrictions on the Restricted Stock and Restricted Stock Units upon death, Disability or retirement (or on any other termination of employment or service) of a Participant, which acceleration shall not affect any other terms and conditions of such Awards.

(d) Delivery of Restricted Stock and Settlement of Restricted Stock Units. (i) Upon the expiration of the Restricted Period with respect to any shares of Restricted Stock, the restrictions set forth in the applicable Award agreement shall be of no further force or effect with respect to such shares, except as set forth in the applicable Award agreement. If an escrow arrangement is used, upon such expiration, Bank shall deliver to the Participant, or his or her beneficiary, without charge, the stock certificate (or, if applicable, a notice evidencing a book entry notation) evidencing the shares of Restricted Stock which have not then been forfeited and with respect to which the Restricted Period has expired (rounded down to the nearest full share).

(ii) Unless otherwise provided by the Committee in an Award agreement, upon the expiration of the Restricted Period with respect to any outstanding Restricted Stock Units, Bank shall deliver to the Participant, or his or her beneficiary, without charge, one share of Common Stock (or other securities or other property, as applicable) for each such outstanding Restricted Stock Unit; provided, however, that unless otherwise provided in the Award agreement, the Committee may, in its sole discretion, elect to (i) pay cash or part cash and part Common Stock in lieu of delivering only shares of Common Stock in respect of such Restricted Stock Units or (ii) defer the delivery of Common Stock (or cash or part Common Stock and part cash, as the case may be) beyond the expiration of the Restricted Period. If a cash payment is made in lieu of delivering shares of Common Stock, the amount of such payment shall be equal to the Fair Market Value of the Common Stock as of the date on which the Restricted Period lapsed with respect to such Restricted Stock Units. To the extent provided in an Award agreement, the holder of outstanding Restricted Stock Units shall be entitled to be credited with dividend equivalent payments (upon the payment by Bank of dividends on shares of Common Stock) either in cash or, at the sole discretion of the Committee, in shares of Common Stock having a Fair Market Value equal to the amount of such dividends; provided that, such dividend equivalent payments shall only be paid upon the release of restrictions on such Restricted Stock Units, and, if such Restricted Stock Units are forfeited, the Participant shall have no right to such dividend equivalent payments, and no such dividend equivalent payments may be released to a Participant until the restrictions on such Awards are released.

(e) Legends on Restricted Stock. Each stock certificate representing Restricted Stock awarded under the Plan, if any, shall bear a legend, as applicable, substantially in the form of the following, in addition to any other information Bank deems appropriate, until the lapse of all restrictions with respect to such Common Stock:

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE EXEMPT FROM

REGISTRATION UNDER SECTION 3(a)(2) OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED, AND HAVE NOT BEEN REGISTERED UNDER ANY FOREIGN OR STATE SECURITIES LAWS (TOGETHER WITH THE SECURITIES ACT, THE “SECURITIES LAWS”). THE SHARES HAVE BEEN ACQUIRED FOR INVESTMENT AND NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, ANY REGISTRATION REQUIREMENTS OF THE SECURITIES LAWS.

9. Performance and Other Cash-Based or Stock-Based Awards.

(a) Performance Awards. The number of shares of Common Stock or other benefits granted, issued, retainable and/or vested under an Award may be made subject to the attainment of performance goals. Notwithstanding anything in the Plan to the contrary, subject to Section 10 of the Plan, the aggregate number of shares of Common Stock subject to Awards (other than Options or SARs) granted under this Plan during any fiscal year to any one Participant that are intended to be “qualified performance-based compensation” under Section 162(m) of the Code shall not exceed 500,000 (or for Other Cash-Based or Stock-Based Awards denominated in cash, the fair market value of 500,000 shares of Common Stock as of the Effective Date). The Committee may utilize any performance criteria selected by it in its sole discretion to establish performance goals; provided, however, that where any Award (other than an Option or SAR) is intended to qualify for exemption from the deduction limitation of Section 162(m) of the Code as “qualified performance-based compensation,” the following conditions shall apply:

(i) The amount potentially available under an Award shall be subject to the attainment of pre-established, objective performance goals relating to a specified period of service based on one or more of the following performance criteria:

- (1) revenue;
- (2) earnings;
- (3) return on average common equity;
- (4) return on average tangible common equity;
- (5) return on average assets;
- (6) return on average tangible assets;
- (7) pretax or after-tax diluted earnings per share
- (8) growth in revenue, earnings, return on equity, return on assets, or earnings per share;

- (9) net income or pretax earnings;
- (10) net operating income;
- (11) net interest income;
- (12) net interest margin;
- (13) asset quality standards such as nonperforming assets and net charge-offs in amount and percent of total assets;
- (14) the level of or growth in total deposits, non- CD deposits, or checking deposits;
- (15) growth in wealth management assets or revenues;
- (16) efficiency ratio;
- (17) share price (including without limitation growth measures, total shareholder return or comparison to indices);
- (18) economic value added measurements;
- (19) employee turnover;
- (20) specified objective social goals;
- (21) capital ratios; or
- (22) certain regulatory criteria;

(“Qualifying Performance Criteria”), any of which may be measured either individually, alternatively or in any combination, applied to either the Bank as a whole or to a business unit or Affiliate, either individually, alternatively or in any combination, and measured either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years’ results or to a designated comparison group or index, in each case as specified by the Committee in the Award;

(ii) The Committee may determine to appropriately provide for adjustment of any evaluation of performance under a Qualifying Performance Criteria for one or more of the following events that occurs during a performance period: (1) asset impairments or write-downs; (2) litigation or claim judgments or settlements; (3) the effect of changes in tax law, accounting principles or other such laws or provisions affecting reported results; (4) accruals for reorganization and restructuring programs; (5) any infrequently occurring or nonrecurring items as described in Accounting Standards Update 2015-01 (or any successor pronouncement) and/or in managements’ discussion and analysis of financial condition and results of operations appearing in the Bank’s annual report to shareholders for the applicable year; (6) the operations of any business acquired by the Bank or any

Affiliate or of any joint venture in which the Bank or any Affiliate participates; (7) the divestiture of one or more business operations or the assets thereof; (8) the costs incurred in connection with such acquisitions or divestitures; (9) charges for stock based compensation; or (10) executive or employee bonus accruals, in each case within the time prescribed by, and otherwise in compliance with, Section 162(m) of the Code;

(iii) The Committee shall establish the applicable performance goals in writing and an objective method for determining the Award earned by a Participant if the goals are attained, while the outcome is substantially uncertain and not later than the 90th day of the performance period (but in no event after 25% of the period of service with respect to which the performance goals relate has elapsed), and shall determine and certify in writing, for each Participant, the extent to which the performance goals have been met prior to payment or vesting of the Award; and

(iv) The Committee may reduce, but not in any event increase, the amount of compensation payable under the Plan upon the attainment of the pre-established performance goals to a Participant who is a “covered employee” within the meaning of Section 162(m) of the Code; and

(v) Any Awards intended to be “qualified performance-based compensation under Section 162(m) of the Code shall otherwise be administered in a manner consistent with the requirements of Section 162(m) of the Code.

(b) Other Cash-Based or Stock-Based Awards. The Committee may issue unrestricted Common Stock, rights to receive cash or grants of Awards at a future date or other Awards denominated in cash (and subject to Section 9(a)) or Common Stock, under the Plan to Eligible Persons, alone or in tandem with other Awards, in such amounts as the Committee shall from time to time in its sole discretion determine. Each Other Cash-Based or Stock-Based Award granted under the Plan shall be evidenced by an Award agreement. Each Other Cash-Based or Stock-Based Award so granted shall be subject to such conditions not inconsistent with the Plan as may be reflected in the applicable Award agreement.

10. Changes in Capital Structure and Similar Events. In the event of (a) any dividend (other than ordinary cash dividends) or other distribution (whether in the form of cash, shares of Common Stock, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, split-off, spin-off, combination, repurchase or exchange of shares of Common Stock or other securities of Bank, issuance of warrants or other rights to acquire shares of Common Stock or other securities of Bank, or other similar corporate transaction or event (including, without limitation, a Change in Control) that affects the shares of Common Stock, or (b) unusual or nonrecurring events (including, without limitation, a Change in Control) affecting Bank, any Affiliate, or the financial statements of Bank or any Affiliate, or changes in applicable rules, rulings, regulations or other requirements or any governmental body or securities exchange or inter-dealer quotation system, accounting principles or law, such that in either case an adjustment is determined by the Committee in its sole discretion to be necessary or appropriate, then, subject to Section 13(t) of the Plan, the Committee shall make any such adjustments in such manner as it may deem equitable, including

without limitation, any or all of the adjustments described in paragraphs (i) through (iii) below. In no event shall any such adjustment contravene the Golden Parachute Rules.

(i) adjusting any or all of (A) the number of shares of Common Stock or other securities of Bank (or number and kind of other securities or other property) which may be delivered in respect of Awards or with respect to which Awards may be granted under the Plan (including, without limitation, adjusting any or all of the limitations under Section 5 of the Plan) and (B) the terms of any outstanding Award, including, without limitation, (1) the number of shares of Common Stock or other securities of Bank (or number and kind of other securities or other property) subject to outstanding Awards or to which outstanding Awards relate, (2) the Exercise Price or Strike Price with respect to any Award, provided that such Exercise Price or Strike Price may not be less than the fair market value of the stock (as may be adjusted to reflect events described in the preceding provisions of this Section 10) on the date of grant of the Award, or (3) any applicable performance measures;

(ii) (A) providing for a substitution or assumption of Awards, (B) accelerating the exercisability of or lapse of restrictions on Awards, (C) terminating Awards or providing for a period of time for exercise prior to the occurrence of such event or (D) if the consideration paid to the Bank's shareholders in respect of any Change in Control transaction includes contingent value rights, determining if the Awards, as may be substituted, assumed, replaced or settled, are (x) valued at the consummation of such Change in Control taking into account such contingent consideration (with the value determined by the Committee in its sole discretion) or (y) entitled to a share of the contingent consideration; and

(iii) if Awards are terminated or are not otherwise substituted, assumed, replaced or continued by a successor, (A) cancelling any one or more outstanding Awards and causing to be paid to the holders thereof, in cash, shares of Common Stock, other securities or other property, or any combination thereof, the value of such Awards, if any, as determined by the Committee (which if applicable may be based upon the price per share of Common Stock received or to be received by other shareholders of Bank in such event, including contingent consideration as described in paragraph (ii)(D) above), including without limitation, in the case of an outstanding Option or SAR, a cash payment in an amount equal to the excess, if any, of the Fair Market Value (as of a date specified by the Committee) of the shares of Common Stock subject to such Option or SAR over the aggregate Exercise Price or Strike Price of such Option or SAR, respectively (it being understood that, in such event, any Option or SAR having a per share Exercise Price or Strike Price equal to, or in excess of, the Fair Market Value of a share of Common Stock subject thereto may be canceled and terminated without any payment or consideration therefor); and/or (B) provide that for a period of at least 20 days prior to the Change in Control, any Options or SARs that would not otherwise become exercisable prior to the Change in Control will be exercisable as to all shares of Common Stock subject thereto (but any such exercise will be contingent upon and subject to the occurrence of the Change in Control and if the Change in Control does not take place within a specified period after giving such notice for any reason whatsoever, the exercise will be null and void) and that any Options or SARs not exercised prior to

the consummation of the Change in Control will terminate and be of no further force and effect as of the consummation of the Change in Control.

provided, however, that in the case of any “equity restructuring” (within the meaning of the Financial Accounting Standards Board Accounting Standards Codification Topic 718), the Committee shall make an equitable or proportionate adjustment to outstanding Awards to reflect such equity restructuring; provided, further, that any adjustment in Incentive Stock Options under this Section 10 (other than any cancellation of Incentive Stock Options) shall be made only to the extent not constituting a “modification” within the meaning of Section 424(h)(3) of the Code. Any such adjustment shall be conclusive and binding for all purposes.

11. Impact of a Change In Control.

(a) Substitution or Assumption by Successor. Unless otherwise provided in an Award agreement, upon a Change in Control in which Awards are assumed or substituted with an equivalent value award, the Awards (including any replacement awards) will continue in accordance with their terms and vest on the vesting dates applicable to such Award immediately prior to the Change in Control, and any Award subject to performance conditions will convert to a non-performance based award (without proration) and will be subject only to continuous service through each such vesting date, with performance conditions deemed to be met (1) in full, if achievement of such performance condition is a vesting condition but does not determine the number of shares of Common Stock earned in respect of the Award or (2) at the target level of performance (or, if higher, the actual level of performance), if the level of performance determines the number of shares of Common Stock that may be earned in respect of the Award. If Participant’s continuous service terminates within 24 months following a Change in Control as a result of Bank’s termination of Participant without Cause, as defined in the Plan, or Participant’s resignation for “Good Reason”, as may be provided in an Award agreement, the vesting of outstanding Awards will accelerate in full upon such termination.

(b) No Substitution or Assumption by Successor. Unless otherwise provided in an Award agreement, upon a Change in Control in which Awards are terminated or are not otherwise substituted, assumed, replaced or continued by a successor, notwithstanding Section 11(a), the vesting of the Awards shall be accelerated upon any Change in Control, subject to Participant’s continuous service through the Change in Control date.

12. Amendments and Termination. (a) Amendment and Termination of the Plan. Except as otherwise provided in an award Agreement, the Board may amend, alter, suspend, discontinue, cancel or terminate the Plan or any portion thereof at any time; provided, that no such amendment, alteration, suspension, discontinuation or termination shall be made without shareholder approval if such approval is necessary to comply with any regulatory requirement applicable to the Plan (including, without limitation, as necessary to comply with any rules or regulations of any securities exchange or inter-dealer quotation system on which the securities of Bank may be listed or quoted); provided, further, that any such amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely affect the rights of any Participant or any holder or beneficiary of any Award theretofore granted shall not to that extent be effective without the consent of the affected Participant, holder or beneficiary.

(b) Amendment of Award Agreements. Except as otherwise provided in an Award agreement, the Committee may, to the extent consistent with the terms of any applicable Award agreement, waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, any Award theretofore granted or the associated Award agreement, prospectively or retroactively; provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely affect the rights of any Participant with respect to any Award or any holder or beneficiary of any Award theretofore granted shall not to that extent be effective without the consent of the affected Participant, holder or beneficiary.

13. General. (a) Award Agreements. Each Award under the Plan shall be evidenced by an Award agreement, which shall be delivered to the Participant and shall specify the terms and conditions of the Award and any rules applicable thereto, including without limitation, the effect on such Award of the death, Disability or termination of employment or service of a Participant, or of such other events as may be determined by the Committee. For purposes of the Plan, an Award agreement may be in any such form (written or electronic) as determined by the Committee (including, without limitation, a Board or Committee resolution, an employment agreement, a notice, a certificate or a letter) evidencing the Award. The Committee need not require an Award agreement to be signed by the Participant or a duly authorized representative of Bank.

(b) Representation. The Committee may require each Participant purchasing or receiving shares pursuant to an Award to represent to and agree with Bank in writing that such Participant is acquiring the shares without a view to the distribution thereof. The certificates for such shares may include any legend which the Committee deems appropriate to reflect any restrictions on transfer, including but not limited to the legend referred to in Section 8(e) hereof.

(c) Nontransferability. (i) Each Award shall be exercisable only by a Participant during the Participant's lifetime, or, if permissible under applicable law, by the Participant's legal guardian or representative or a Permitted Transferee (in accordance with this Section 13(c)(i)). No Award may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant other than by will or by the laws of descent and distribution or, with the consent of the Committee, to a Permitted Transferee, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against Bank or an Affiliate; provided that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance.

(ii) The terms of any Award transferred in accordance with the immediately preceding sentence shall apply to the Permitted Transferee and any reference in the Plan, or in any applicable Award agreement, to a Participant shall be deemed to refer to the Permitted Transferee, except that (A) Permitted Transferees shall not be entitled to transfer any Award, other than by will or the laws of descent and distribution; (B) Permitted Transferees shall not be entitled to exercise any transferred Option unless there shall be in effect a registration statement on an appropriate form covering the shares of Common Stock to be acquired pursuant to the exercise of such Option if the Board determines, consistent with any applicable Award agreement, that such a registration

statement is necessary or appropriate; (C) none of the Board, the Committee or Bank shall be required to provide any notice to a Permitted Transferee, whether or not such notice is or would otherwise have been required to be given to the Participant under the Plan or otherwise; and (D) the consequences of the termination of the Participant's employment by, or services to, Bank or an Affiliate under the terms of the Plan and the applicable Award agreement shall continue to be applied with respect to the Participant, including, without limitation, that an Option shall be exercisable by the Permitted Transferee only to the extent, and for the periods, specified in the Plan and the applicable Award agreement.

(d) Dividends and Dividend Equivalents. The Committee in its sole discretion may provide a Participant as part of an Award, other than an Option or a SAR, with dividends or dividend equivalents, payable in cash, shares of Common Stock, other securities, other Awards (other than Options or SARs) or other property, on a current or deferred basis, on such terms and conditions as may be determined by the Committee in its sole discretion and set forth in the applicable Award agreement, including without limitation, payment directly to the Participant or reinvestment in additional shares of Common Stock, Restricted Stock or other Awards (other than Options or SARs); provided, however, that such dividends or dividend equivalents shall be subject to the same performance conditions or service conditions, as applicable, as the underlying Award, and no dividends or dividend equivalents shall be released to a Participant until the Award to which they pertain has vested.

(e) Tax Withholding. (i) A Participant shall be required to pay to Bank or any Affiliate, and Bank or any Affiliate shall have the right and is hereby authorized to withhold, from any cash, shares of Common Stock, other securities or other property deliverable under any Award or from any compensation or other amounts owing to a Participant, the amount (in cash, Common Stock, other securities or other property) of any required withholding taxes in respect of an Award, its exercise, or any payment or transfer under an Award or under the Plan and to take such other action as may be necessary in the opinion of the Committee or Bank to satisfy all obligations for the payment of such withholding and taxes.

(ii) Without limiting the generality of clause (i) above, the Committee may, in its sole discretion, permit a Participant to satisfy, in whole or in part, the foregoing withholding liability (but no more than the minimum required statutory withholding liability) by (A) the delivery of shares of Common Stock (which are not subject to any pledge or other security interest) owned by the Participant having a Fair Market Value equal to such withholding liability, (B) having Bank withhold from the number of shares of Common Stock otherwise issuable or deliverable pursuant to the exercise or settlement of the Award a number of shares with a Fair Market Value equal to such withholding liability or (C) any other suitable arrangements to withhold such taxes, in each case, in an amount not to exceed the maximum individual tax withholding rates applicable to the Participant, as determined by the Bank; provided, however, that to the extent provided in the Award agreement, no such share withholding will be permitted (1) if Bank lacks sufficient liquidity to effect such withholding, (2) if effecting such withholding would violate or cause a default under any credit or other agreement to which Bank is a party or (3) if a Participant is exercising an Option upon or following a termination for Cause.

(f) No Claim to Awards; No Rights to Continued Employment; Waiver. No employee of Bank or an Affiliate, or other person, shall have any claim or right to be granted an Award under the Plan or, having been selected for the grant of an Award, to be selected for a grant of any other Award. There is no obligation for uniformity of treatment of Participants or holders or beneficiaries of Awards. The terms and conditions of Awards and the Committee's determinations and interpretations with respect thereto need not be the same with respect to each Participant and may be made selectively among Participants, whether or not such Participants are similarly situated. Neither the Plan nor any action taken hereunder shall be construed as giving any Participant any right to be retained in the employ or service of Bank or an Affiliate, nor shall it be construed as giving any Participant any rights to continued service on the Board. Bank or any of the Affiliates may at any time dismiss a Participant from employment or discontinue any consulting relationship, free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan or any Award agreement. By accepting an Award under the Plan, a Participant shall thereby be deemed to have waived any claim to continued exercise or vesting of an Award or to damages or severance entitlement related to non-continuation of the Award beyond the period provided under the Plan or any Award agreement.

(g) Designation and Change of Beneficiary. Each Participant may file with the Committee a written designation of one or more persons as the beneficiary(ies) who shall be entitled to receive the amounts payable with respect to an Award, if any, due under the Plan upon his or her death. A Participant may, from time to time, revoke or change his or her beneficiary designation without the consent of any prior beneficiary by filing a new designation with the Committee. The last such designation received by the Committee shall be controlling; provided, however, that no designation, or change or revocation thereof, shall be effective unless received by the Committee prior to the Participant's death, and in no event shall it be effective as of a date prior to such receipt. If no beneficiary designation is filed by a Participant, the beneficiary shall be deemed to be his or her spouse or, if the Participant is unmarried at the time of death, his or her estate.

(h) Termination of Employment. Except as otherwise provided in an Award agreement or an employment or consulting or similar agreement with a Participant, the following provisions shall apply unless determined otherwise by the Committee at any point following such event: (i) neither a temporary absence from employment or service due to illness, vacation or leave of absence nor a transfer from employment or service with Bank to employment or service with an Affiliate (or vice-versa) shall be considered a termination of employment or service of such Participant with Bank or an Affiliate; and (ii) if a Participant's employment with Bank and the Affiliates terminates, but such Participant continues to provide services to Bank and the Affiliates in a non-employee capacity, such change in status shall not, to the extent provided in the terms of an Award or as determined by the Committee, be considered a termination of employment or service of such Participant with Bank or an Affiliate for purposes of the Plan. Notwithstanding the foregoing, with respect to the time of payments of any amounts under the Plan or any Award agreement that are "deferred compensation" subject to Section 409A of the Code, references in the Plan and such Award agreement to "termination of employment" (and substantially similar phrases) shall mean "separation from service" within the meaning of Section 409A of the Code.

(i) No Rights as a Shareholder. Except as otherwise specifically provided in the Plan or any Award agreement, no person shall be entitled to the privileges of ownership in respect of shares of Common Stock which are subject to Awards hereunder until such shares have been issued or delivered to that person.

(j) Government and Other Regulations. (i) The obligation of Bank to settle Awards in Common Stock or other consideration shall be subject to all applicable laws, rules, and regulations, and to such approvals by governmental agencies as may be required. Notwithstanding any terms or conditions of any Award to the contrary, Bank shall be under no obligation to offer to sell or to sell any shares of Common Stock pursuant to an Award unless such shares have been properly registered for sale pursuant to the Securities Act with the Securities and Exchange Commission or unless Bank has received advice of counsel, satisfactory to Bank, that such shares may be offered or sold without such registration pursuant to an available exemption therefrom and Bank has determined that the terms and conditions of such exemption have been fully complied with. Bank shall be under no obligation to register for sale under the Securities Act any of the shares of Common Stock to be offered or sold under the Plan. If Bank deems it necessary to ensure that the issuance of shares of Common Stock under the Plan is not required to be registered under any applicable securities laws, each Participant to whom such shares would be issued shall deliver to Bank an agreement or certificate containing such representations, warranties and covenants as Bank determines necessary or appropriate to satisfy such requirements. The Committee shall have the authority to provide that all shares of Common Stock or other securities of Bank or any Affiliate delivered under the Plan shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable to comply with the Plan, the applicable Award agreement, the Federal or state securities laws, or the rules, regulations and other requirements of the Securities and Exchange Commission or any governmental entity with jurisdiction thereof, any securities exchange or inter-dealer quotation system on which the securities of Bank are listed or quoted and any other applicable Federal, state, local or non-U.S. laws and without limiting the generality of Section 8 of the Plan, the Committee may cause a legend or legends to be put on certificates representing shares of Common Stock or other securities of Bank or any Affiliate delivered under the Plan to make appropriate reference to such restrictions or may cause such Common Stock or other securities of Bank or any Affiliate delivered under the Plan in book entry form to be held subject to Bank's instructions or subject to appropriate stop transfer orders. Notwithstanding any provision in the Plan to the contrary, the Committee reserves the right to add any additional terms or provisions to any Award granted under the Plan that it in its sole discretion deems necessary or advisable in order that such Award complies with the legal requirements of any governmental entity to whose jurisdiction the Award is subject.

(ii) Unless otherwise provided in the Award agreement, the Committee may cancel an Award or any portion thereof if it determines, in its sole discretion, that legal or contractual restrictions and/or blockage and/or other market considerations would make Bank's issuance of Common Stock to the Participant and/or the Participant's acquisition of Common Stock from Bank illegal, impracticable or inadvisable. If the Committee determines to cancel all or any portion of an Award in accordance with the foregoing, Bank shall pay to the Participant an amount equal to the excess of (A) the aggregate Fair Market Value of the shares of Common Stock subject to such Award or

portion thereof canceled (determined as of the applicable exercise date, or the date that the shares would have been vested or delivered, as applicable), over (B) the aggregate Exercise Price or Strike Price (in the case of an Option or SAR, respectively) or any amount payable as a condition of delivery of shares of Common Stock (in the case of any other Award). Such amount shall be delivered to the Participant as soon as practicable following the cancellation of such Award or portion thereof.

(k) Nonexclusivity of the Plan; Nonuniformity of Treatment. Neither the adoption of the Plan by the Board nor the submission of the Plan to the shareholders of Bank for approval shall be construed as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of stock options otherwise than under the Plan, and such arrangements may be either applicable generally or only in specific cases. There is no obligation for uniformity of treatment of Participants or holders or beneficiaries of Awards. The terms and conditions of Awards and the Committee's determinations and interpretations with respect thereto need not be the same with respect to each Participant and may be made selectively among Participants, whether or not such Participants are similarly situated.

(l) No Trust or Fund Created. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between Bank or any Affiliate, on the one hand, and a Participant or other person or entity, on the other hand. No provision of the Plan or any Award shall require Bank, for the purpose of satisfying any obligations under the Plan, to purchase assets or place any assets in a trust or other entity to which contributions are made or otherwise to segregate any assets, nor shall Bank maintain separate bank accounts, books, records or other evidence of the existence of a segregated or separately maintained or administered fund for such purposes. Participants shall have no rights under the Plan other than as unsecured general creditors of Bank, except that insofar as they may have become entitled to payment of additional compensation by performance of services, they shall have the same rights as other employees under general law.

(m) Reliance on Reports. Each member of the Committee and each member of the Board shall be fully justified in acting or failing to act, as the case may be, and shall not be liable for having so acted or failed to act in good faith, in reliance upon any report made by the independent public accountant of Bank and the Affiliates and/or any other information furnished in connection with the Plan by any agent of Bank or the Committee or the Board, other than himself.

(n) Relationship to Other Benefits. No payment under the Plan shall be taken into account in determining any benefits under any pension, retirement, profit sharing, group insurance or other benefit plan of Bank except as otherwise specifically provided in such other plan.

(o) Governing Law. The Plan shall be governed by and construed in accordance with the internal laws of the State of California applicable to contracts made and performed wholly within the State of California, without giving effect to the conflict of laws provisions thereof.

(p) Severability; Conflicts. If any provision of the Plan or any Award or Award agreement is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any person or entity or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be construed or deemed stricken as to such jurisdiction, person or entity or Award and the remainder of the Plan and any such Award shall remain in full force and effect. Notwithstanding anything in this Plan or an Award to the contrary, if and to the extent any term of this Plan or an Award conflicts with any term of an employment agreement with a Participant entered into before the Effective Date (as such employment agreement may be amended from time to time), then the terms of such employment agreement will prevail.

(q) Obligations Binding on Successors. The obligations of Bank under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of Bank, or upon any successor corporation or organization succeeding to substantially all of the assets and business of Bank.

(r) 409A of the Code. Notwithstanding any provision of the Plan to the contrary, it is intended that the provisions of the Plan comply with or exempt from Section 409A of the Code, and all provisions of the Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A of the Code. No Award shall be granted, deferred, accelerated, extended, paid out or modified under the Plan in a manner that would result in the imposition of an additional tax under Section 409A of the Code upon a Participant. Solely to the extent required by Section 409A of the Code, and notwithstanding any other provision of the Plan, any payments made hereunder on account as a “separation of service” within the meaning of Section 409A(a)(2)(A)(i) of the Code of a Participant who is determined to be a “specified employee” within the meaning of Section 409A(a)(2)(B)(i) of the Code, shall not actually be paid before the date which is six months after the Participant’s separation from service (or, if earlier, the date of death of the Participant or a “change in control event” within the meaning of Section 409A of the Code). Any Award under the Plan that constitutes “non-qualified deferred compensation” (within the meaning of Section 409A of the Code) that is payable as a result of a Change in Control should only be payable if such Change in Control also constitutes a “change in control event” within the meaning of Section 409A of the Code. However, notwithstanding the foregoing, each Participant is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or in respect of such Participant in connection with the Plan (including any taxes and penalties under Section 409A of the Code), and neither Bank nor any Affiliate shall have any obligation to indemnify or otherwise hold such Participant (or any beneficiary) harmless from any or all of such taxes or penalties.

(s) Clawback/Forfeiture. Notwithstanding anything to the contrary contained herein, an Award agreement may provide that the Committee may in its sole discretion cancel such Award, in whole or in part, if the Participant, without the consent of Bank, while employed by or providing services to Bank or any Affiliate or after termination of such employment or service, violates a non-competition, non-solicitation or non-disclosure covenant or agreement

with Bank or any Affiliate, or otherwise engages in activity that is in conflict with or adverse to the interest of Bank or any Affiliate, including fraud or conduct contributing to any financial restatements or irregularities, as determined by the Committee in its sole discretion. The Committee may also provide in an Award agreement that if the Participant engages in any activity referred to in the preceding sentence, the Participant will forfeit any gain realized on the vesting or exercise of such Award, and must repay the gain to Bank. Furthermore, Awards under the Plan will be subject to any clawback or recapture policy that Bank or the Affiliates may adopt from time to time to the extent provided in such policy and, in accordance with such policy, may be subject to the requirement that the Awards be repaid to Bank after they have been distributed to the Participant.

(t) Expenses; Gender; Titles and Headings. The expenses of administering the Plan shall be borne by Bank and the Affiliates. Masculine pronouns and other words of masculine gender shall refer to both men and women. The titles and headings of the sections in the Plan are for convenience of reference only, and in the event of any conflict, the text of the Plan, rather than such titles or headings shall control.

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