



March 28, 2025

Dear Shareholder:

First Resource Bancorp, Inc. will hold its 2025 Annual Meeting of Shareholders on May 6, 2025 at 9:00 a.m. at the Hilton Garden Inn, 720 Eagleview Blvd., Exton, PA 19341.

At the Meeting, you will be asked to vote on three matters: (i) the election of three Class I directors; (ii) approval of the First Resource Bancorp, Inc. 2025 Equity Incentive Plan; and (iii) the ratification of S.R. Snodgrass P.C. as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2025.

These matters are described in the accompanying Notice of Annual Meeting and Proxy Statement.

We would be pleased for you to attend the meeting. If you plan to attend, please call (610) 561-6025.

If you cannot attend the meeting, your shares should still be represented at the meeting. We urge you to sign and date the enclosed proxy card and return it in the enclosed envelope as soon as possible. If you are a registered shareholder, you may also vote electronically or by telephone by following the instructions included with your proxy card.

Thank you very much for your interest in and support of First Resource Bancorp, Inc.

Sincerely,

A handwritten signature in black ink that reads 'Lauren C. Ranalli'.

Lauren C. Ranalli  
President & Chief Executive Officer

**FIRST RESOURCE BANCORP, INC.**

**NOTICE OF  
ANNUAL MEETING OF SHAREHOLDERS  
to be held May 6, 2025**

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NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders (the "Meeting") of First Resource Bancorp, Inc., a Pennsylvania corporation and registered bank holding company (the "Company"), will be held on May 6, 2025, at the Hilton Garden Inn, 720 Eagleview Blvd., Exton, PA 19341 at 9:00 a.m. for the following purposes:

- (1) to elect three (3) Class I directors of the Company ("Matter No. 1");
- (2) to consider and approve the First Resource Bancorp, Inc. 2025 Equity Incentive Plan ("Matter No. 2");
- (3) to ratify the appointment of S.R. Snodgrass P.C. as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2025 ("Matter No. 3"); and
- (4) to transact such other business as may properly be presented at the Meeting.

Only shareholders of record of the Company's common stock at the close of business on March 10, 2025 are entitled to notice of, and to vote at, the Meeting.

We urge you to read the entire Proxy Statement carefully. Whether or not you plan to attend the Meeting, please vote by promptly completing the enclosed proxy card and then signing, dating and returning it in the postage-prepaid envelope provided so that your shares may be represented at the Meeting. If you are a registered shareholder, you may also vote electronically or by telephone by following the instructions included with your proxy card. Prior to the vote, you may revoke your proxy or change your vote in the manner described in the Proxy Statement. Properly executed proxy cards with no instructions indicated on the proxy card will be voted "FOR" the matters described above and in the discretion of the persons named as proxies on other matters that may properly come before the Meeting.

BY ORDER OF THE BOARD OF DIRECTORS

*Kristen Fries*

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Kristen Fries, Secretary

Exton, Pennsylvania  
March 28, 2025

**FIRST RESOURCE BANCORP, INC.**  
**800 North Pottstown Pike**  
**Exton, Pennsylvania 19341**  
**(610) 363-9400**

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**PROXY STATEMENT**  
**ANNUAL MEETING OF SHAREHOLDERS**  
**Wednesday, May 6, 2025**

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**GENERAL INFORMATION**

**Solicitation of Proxies.** The Board of Directors of First Resource Bancorp, Inc. (the “Company”), a registered bank holding company and the owner of all the outstanding stock of First Resource Bank (the “Bank”), is providing this Proxy Statement to solicit proxies for the Company’s 2025 Annual Meeting of Shareholders (the “Meeting”) to be held on May 6, 2025, or any adjournment thereof. The Company is first mailing this Proxy Statement and the accompanying proxy card on or about March 28, 2025. The Company will pay the expense of soliciting proxies. The Company expects to solicit proxies primarily by mail. The Company’s directors and officers may also solicit proxies personally, by telephone and by facsimile, without additional compensation.

**Voting and Revocation of Proxies.** The execution and return of the enclosed proxy will not affect a shareholder’s right to attend the Meeting and vote in person. Any shareholder giving a proxy may revoke it at any time before it is exercised by submitting written notice of its revocation or a subsequently executed proxy bearing a later date to the Company’s Secretary, or by attending the Meeting and electing to vote in person. Shareholders of record at the close of business on March 10, 2025 (the “Record Date”) are entitled to notice of, and to vote at, the Meeting. On the Record Date, there were 3,000,055 shares of the Company’s common stock outstanding, each of which will be entitled to one vote at the Meeting.

If the enclosed proxy is appropriately marked, signed and returned in time to be voted at the Meeting, the shares represented by the proxy will be voted in accordance with the instructions marked thereon. If your proxy is not marked to the contrary, it will be voted **“FOR”** the election, as directors, of the Board of Directors’ nominees, **“FOR”** approval of the 2025 Equity Incentive Plan, and **“FOR”** the ratification of S.R. Snodgrass P.C., as the Company’s independent registered public accounting firm for the year ending December 31, 2025. Signed proxies will be voted in accordance with the instructions of the Board of Directors with respect to any other matter that properly comes before the Meeting, or any adjournment of the Meeting, in the discretion of the persons named as proxyholders.

**Quorum and Voting.** The presence, in person or by proxy, of shareholders entitled to cast at least a majority of the votes that all shareholders are entitled to cast will constitute a quorum at the Meeting. Abstentions and broker non-votes with respect to any proposal voted upon at the Meeting will be included for purposes of determining the presence of a quorum at the Meeting.

Assuming the presence of a quorum, the three nominees for director receiving the highest number of votes cast by shareholders entitled to vote at the Meeting will be elected. The affirmative vote of a majority of the votes cast by shareholders at the Meeting is required for approval of both the 2025 Equity Incentive Plan (Matter No. 2) and ratification of S.R. Snodgrass, P.C. as the independent registered public accounting firm for the year ending December 31, 2025 (Matter No. 3). Abstentions and broker non-votes are not considered votes “cast” under Pennsylvania law and, accordingly, will not affect the outcome of the voting on Matter No. 2 or Matter No. 3.

## **MATTER NO. 1 ELECTION OF DIRECTORS**

Under the Company’s Articles of Incorporation, directors are divided into three classes: Class I, Class II and Class III.

The Board of Directors has unanimously nominated James B. Griffin, Glenn B. Marshall and Joseph J. DiSciullo for election as Class I directors to serve for a period of three years or until their successor is duly elected. Each of the nominees has consented to being named in this Proxy Statement and to serve if elected. If any of the nominees becomes unable to accept nomination or election, the persons named in the proxy may vote for a substitute nominee selected by the Board of Directors. The Company’s management, however, has no present reason to believe that any nominee listed will be unable to serve as a director, if elected.

**The Board of Directors recommends voting “FOR” the election of the Class I nominees.**

Shares represented by a properly executed proxy in the accompanying form will be voted **“FOR”** the Class I nominees named above unless otherwise specified in the proxy by the shareholder. Any shareholder who wishes to withhold authority from the proxyholders to vote for the election of directors or to withhold authority to vote for any individual nominee may do so by marking his or her proxy to that effect. Shareholders cannot cumulate their votes for the election of directors. No proxy may be voted for a greater number of persons than the number of nominees named.

The following table sets forth certain information concerning (i) the nominees for election as Class I directors, (ii) continuing Class II and Class III directors, (iii) each executive officer and (iv) all directors and executive officers as a group, including their direct ownership of shares of the Company’s common stock as of the Record Date.

<u>Name</u>	<u>Current Principal Business Occupation</u>	<u>Director Since</u>	<u>Direct Ownership (1)</u>	<u>Percent of Common Stock</u>
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**NOMINEES FOR ELECTION AS CLASS I DIRECTORS**

James B. Griffin (Age 59)	President, James B. Griffin, P.C., Attorney at Law; Certified Public Accountant	2005	37,569	1.25%
Glenn B. Marshall (Age 66)	Vice Chair, First Resource Bancorp, Inc. and First Resource Bank	2005	68,282	2.28%
Joseph J. DiSciullo (Age 68)	President, Zeke's Inc.	2005	111,679	3.72%

**CLASS II DIRECTORS TO SERVE UNTIL 2026**

Pamela M. Cyr (Age 57)	Chief Operating Officer, Title Alliance, LTD	2024	14,500	0.48%
Ann Duke (Age 66)	Principal Attorney, Duke Law Offices PC	2019	2,000	0.07%
Robert E. Rigg (Age 72)	Managing Partner, J&R Real Estate and Silver Oak Properties.	2012	133,703	4.46%

**CLASS III DIRECTORS TO SERVE UNTIL 2027**

Michael Hohl (Age 55)	Owner, Lyons and Hohl Site Contracting and Paving	2024	18,655	0.62%
Richard Orlow (Age 67)	General Counsel, Piazza Management Company	2005	23,390	0.78%
Lauren C. Ranalli (Age 50)	President & CEO, First Resource Bancorp, Inc. and First Resource Bank	2005	34,993	1.17%
			<u>444,771</u>	<u>14.83%</u>

Total directors and executive officers

(1) The table reflects information supplied by each director and executive officer

## Board Meetings and Committees

The Boards of Directors of the Company and First Resource Bank held a combined eighteen (18) meetings during 2024. The Board of Directors maintains an Executive Committee, an Audit Committee, an ALCO Committee, a Loan Committee, a CRA Committee, a Compensation Committee, an Enterprise Risk Committee, and a Corporate Governance and Nominating Committee. The Executive Committee, which met thirteen (13) times during 2024, consists of Directors Griffin (Chairperson), Marshall and Ranalli. The Audit Committee, which met five (5) times during 2024, consists of Directors Orlow (Chairperson), Griffin, DiSciullo, Duke, Hohl, Marshall and Rigg. The ALCO Committee, which met four (4) times during 2024, consists of Directors Griffin (Chairperson), Cyr, DiSciullo, Duke, Marshall and Ranalli. The Loan Committee, which met thirty-six (36) times during 2024, consists of Directors Orlow (Chairperson), DiSciullo, Duke, Griffin, Hohl, Marshall and Ranalli. The CRA Committee, which met one (1) time during 2024, consists of Directors DiSciullo (Chairperson), Duke, Hohl, Marshall and Rigg. The Compensation Committee, which consists of Directors Duke (Co-Chairperson), Marshall (Co-Chairperson), Griffin, Orlow and Rigg, met three (3) times during 2024. The Enterprise Risk Committee, which consists of Directors Ranalli (Chairperson), Cyr, Griffin, Marshall, Orlow, and Rigg, met four (4) times during 2024. The Corporate Governance and Nominating Committee, which consists of Directors Marshall (Chairperson), Cyr, Duke, Griffin and Orlow, held three (3) meetings during 2024.

## Ownership of Common Stock by Certain Persons

The following persons are known to beneficially own shares of the Company's common stock in excess of 5% of shares outstanding on the record date:

Name of Beneficial Owner	Number of Shares Beneficially Owned <sup>(1)</sup>	Percent of Class Beneficially Owned <sup>(2)</sup>
AllianceBernstein L.P.	295,495	9.85%
Philip J. Timyan	205,406	6.85%
Mark T. Lynch	195,123	6.50%
Tontine Financial Partners LP	194,630	6.49%

- (1) Beneficial ownership in the foregoing table is based solely upon information available to the Company, including record ownership as shown on the Company's share transfer records.
- (2) Ownership is stated as of the record date, March 10, 2025, and percentages are based on 3,000,055 shares outstanding on that date.

## Director Compensation

During 2024, the Chairman of the Board received \$10,250 per quarter, the Vice Chairman of the Board received \$6,250 per quarter, the Audit Committee Chairman received \$6,500 per quarter, and all other outside directors received \$4,250 per quarter. Mr. Marshall, who retired as an executive officer of the Company and the Bank on April 1, 2024, also received

payments under his supplemental executive retirement plan, dated February 28, 2012, commencing in May 2024 (see “Executive Officer Compensation”).

## Executive Officer Compensation

The following table displays summary compensation information for the Company’s executive officers for 2024.

### SUMMARY COMPENSATION TABLE

<u>Name &amp; Position</u>	<u>Year</u>	<u>Annual Compensation</u>		<u>Long Term Compensation</u>	
		<u>Salary</u>	<u>Bonus</u>	<u>Securities Underlying Options</u>	<u>Other Compensation</u>
Glenn B. Marshall, Chief Executive Officer (Retired)	2024	\$ 83,337	\$30,000	-	\$76,986
	2023	\$270,000	\$40,000	-	-
	2022	\$240,000	\$40,000	-	-
Lauren C. Ranalli, President & Chief Executive Officer	2024	\$285,000	\$30,000	-	-
	2023	\$270,000	\$40,000	-	-
	2022	\$230,000	\$40,000	-	-

Mr. Marshall retired as Chief Executive Officer of the Company and the Bank on April 1, 2024, at which time Ms. Ranalli, previously President and Chief Financial Officer of the Company and the Bank, became President and Chief Executive Officer of each of the Company and the Bank. Salary and bonus amounts for Mr. Marshall for 2024 reflect amounts paid through the date of his retirement as an officer of the Company and the Bank. Amounts shown under the “Other Compensation” Column for 2024 represent amounts paid during 2024 under Mr. Marshall’s supplemental executive retirement plan, dated February 12, 2012. (See “Supplemental Retirement Plans (SERPs)” for a description of the supplemental retirement plans.)

## Officer Stock Option Grants

There were no stock option grants to executive officers during 2022, 2023 or 2024.

## Employment and Change in Control Agreements

Lauren C. Ranalli, President and Chief Executive Officer of the Company and the Bank since April 1, 2024, is a party to an employment agreement with the Bank.

Under her employment agreement, Ms. Ranalli is employed for a term of three years. Beginning with the second day of the term of the agreement, and on each day thereafter, the term is extended by one day, so that, at all times, the term of the agreement is three years. First Resource Bank may, however, at any time deliver to Ms. Ranalli a written notice advising her that it desires to terminate the automatic renewal provisions, in which event the term of the agreement continues through the remainder of the term in effect on the date such notice of

non-renewal is given. In addition to her current annual base salary of \$285,000, under the agreement, Ms. Ranalli is entitled to receive certain customary benefits such as insurance and vacation, and she is entitled to participate in any incentive bonus plan established by the Board of Directors for employees.

If Ms. Ranalli resigns from employment for “good reason” (as defined in the agreement), or her employment is terminated without “cause” (as defined in the agreement), then, for a period of 36 months following termination, Ms. Ranalli will receive monthly an amount equal to 1/12<sup>th</sup> of the sum of (i) her highest annualized base salary during the employment period and (ii) the highest annual bonus (or aggregate bonuses) paid or payable to her with respect to any calendar year during the employment period. In addition, for a period of 36 months following termination, Ms. Ranalli will receive monthly (in lieu of continued pension and welfare benefits) an amount equal to 1/12<sup>th</sup> of the product of (i) 22.5% multiplied by (ii) her highest annualized base salary during the term of the employment agreement. If Ms. Ranalli retires after January 1, 2026 she would be entitled to receive a retirement benefit under her employment agreement in an annual amount equal to 25% of the sum of (i) her highest annualized base salary during the employment period, plus (ii) the highest annual bonus (or aggregate bonuses) paid or payable to her with respect to any calendar year during the employment period, plus (iii) the product of 22.5% times her highest annualized base salary (in lieu of continued pension and welfare benefits). Such retirement benefit is payable over thirty-six months beginning with the first month following retirement.

Ms. Ranalli’s agreement contains noncompete covenants that apply for specified periods following termination of Ms. Ranalli’s employment, which generally prohibit her from engaging in banking activities in any county in which First Resource Bank is engaged in banking activities or any contiguous county, and nonsolicitation covenants relating to customers and employees that apply for specified periods following termination of employment.

Natalie M. Carrozza, the Chief Risk Officer, and Lisa A. Donnon, the Chief Credit Officer of First Resource Bank, have entered into change in control agreements with the Company and First Resource Bank. The agreements provide that, if Ms. Carrozza or Ms. Donnon resigns from employment for good reason (as defined in the agreement), or her employment with First Resource Bank is terminated within six months following a change in control (as defined in the agreement), then for a period of twelve months following termination, she will be entitled to receive monthly an amount equal to 1/12<sup>th</sup> of her annualized base salary (excluding bonuses or additional compensation benefits).

### **Supplemental Executive Retirement Plans (SERPs)**

On February 28, 2012, First Resource Bank and each of Glenn Marshall and Lauren Ranalli entered into supplemental executive retirement plan agreements which provide for annual retirement benefits in the amounts of \$40,000 and \$100,000, respectively, to the executive upon reaching age 65 and continuing for fifteen years thereafter. Should the executive retire from employment prior to reaching age 65 for reasons other than cause, then the executive will receive a reduced retirement benefit depending on the number of years which the executive has participated in the plan.

Mr. Marshall retired as Chief Executive Officer of the Company and the Bank effective April 1, 2024, and is collecting full benefits under his agreement. Under his agreement, Mr. Marshall is entitled to receive a retirement benefit in an annual amount equal to 20% of the sum of (i) his highest annualized base salary during his employment period, plus (ii) the highest



annual bonus (or aggregate bonuses) paid or payable to him with respect to any calendar year during his employment period, plus (iii) the product of 22.5% times his highest annualized base salary (in lieu of continued pension and welfare benefits). Mr. Marshall's retirement benefit is payable over thirty-six months beginning with the first month following retirement.

## **Indemnification**

The Company's bylaws provide for the (i) indemnification of directors and officers and (ii) elimination of a director's liability for monetary damages, each to the fullest extent permitted by Pennsylvania law. Pennsylvania law provides that a Pennsylvania corporation may indemnify directors, officers, employees and agents of the corporation against liabilities they may incur in such capacities for any action taken or any failure to act, whether or not the corporation would have the power to indemnify the person under any provision of law, unless such action or failure to act is determined by a court to have constituted recklessness or willful misconduct. Pennsylvania law also permits the adoption of a bylaw amendment, approved by shareholders, providing for the elimination of a director's liability for monetary damages for any action taken or any failure to take any action unless (1) the director has breached or failed to perform the duties of his office and (2) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

## **Certain Transactions**

Certain directors and executive officers of the Company, and their associates, were customers of and had transactions with First Resource Bank in the ordinary course of business during the fiscal year ended December 31, 2024. Similar transactions may be expected to take place in the future. Such transactions included the establishment of checking and savings accounts, the purchase of certificates of deposit and extensions of credit in the ordinary course of business on substantially the same terms, including interest rate and collateral, as those prevailing at the time for comparable transactions with other persons and did not involve more than the normal risks of collectability or present other unfavorable features. It is First Resource Bank's policy that any other transactions with directors and officers and their associates in the future will be conducted on the same basis.

## **Report of Audit Committee**

The Audit Committee, which met five times during 2024, operates under a written charter adopted by the Board of Directors. The Audit Committee of the Board of Directors is composed of seven independent directors.

The Audit Committee has reviewed the audited financial statements of First Resource Bancorp, Inc. for the fiscal year ended December 31, 2024, and discussed them with management and First Resource Bancorp's independent accountants, S.R. Snodgrass P.C. The Audit Committee also has discussed with the independent accountants the matters required to be discussed by the U.S. Statement of Auditing Standards SAS No. 61.

The Audit Committee has received from the independent accountants the written disclosures and letter required by the U.S. Independence Standards Board Standard No. 1, and the Audit Committee has discussed with the accountants their independence from First Resource Bancorp, Inc. and management.

In connection with applicable standards for independence of First Resource Bancorp's external auditors, during the 2024 fiscal year the Audit Committee considered whether the provision of any non-audit services by First Resource Bancorp's independent accountants was compatible with maintaining such independence. The Audit Committee will continue to consider similar matters relating to independence during the 2025 fiscal year.

Richard D. Orlow, Chairman  
Joseph J. DiSciullo  
Ann Duke  
James B. Griffin  
Michael Hohl  
Glenn B. Marshall  
Robert E. Rigg

## **MATTER NO. 2**

### **PROPOSAL TO APPROVE 2025 EQUITY INCENTIVE PLAN**

The Board of Directors has approved the First Resource Bancorp, Inc. 2025 Equity Incentive Plan, subject to approval by the Company's shareholders. The Equity Incentive Plan will enable the Board to provide stock-based compensation to employees and non-employee directors of the Company and its subsidiaries, including First Resource Bank. The following summary of the Equity Incentive Plan is subject to the specific provisions of the Plan set forth on Appendix A to this Proxy Statement.

The Board believes that an equity-based compensation plan is an important component to the Company's overall compensation program and provides incentives to promote superior financial performance. The Board of Directors has unanimously approved the 2025 Equity Incentive Plan and recommends that shareholders approve the Plan.

#### **Key Terms**

<i>Plan Effective Date:</i>	Upon approval by shareholders at 2025 Annual Meeting.
<i>Plan Expiration Date:</i>	Ten years from the date of shareholder approval.
<i>Eligible Participants:</i>	All employees and non-employee directors of the Company and its subsidiaries, including the Bank and any other subsidiary formed in the future. (Number of shares available for issuance to non-employee directors during Plan term is capped at 50,000 shares, or 33.3% of total Plan shares available.)
<i>Total Shares Authorized:</i>	150,000 shares (approximately 5% of outstanding shares) are authorized and reserved for issuance during the term of the Plan. Shares authorized and awards under the Plan are subject to customary anti-dilution provisions.

<i>Award Types:</i>	<p>The following types of awards may be issued under the Plan (see <i>more detailed description of each type of award below</i>):</p> <ul style="list-style-type: none"> <li>• <b>incentive stock options</b> with a term not longer than 10 years;</li> <li>• <b>non-qualified stock options</b> with a term not longer than 10 years and one month;</li> <li>• <b>restricted stock</b>;</li> <li>• <b>restricted stock units</b>; and</li> <li>• <b>other equity-based awards</b>.</li> </ul>
<i>Share Limits Per Person:</i>	<p>Awards to any individual Employee during any calendar year cannot exceed 5,000 shares. Awards to any individual non-employee director during any calendar year cannot exceed 1,000 shares.</p>
<i>Aggregate Limit on Awards to Non-Employee Directors:</i>	<p>Awards to all non-employee directors during the term of the Plan are limited to 50,000 shares (or 33.3% of total Plan shares available).</p>
<i>Vesting:</i>	<p>Determined by the Compensation Committee of the Board (the “Committee”) at the time of each Award, but all Awards are subject to a minimum one-year vesting requirement.</p>
<i>Performance Criteria:</i>	<p>Awards may be made subject to specific performance criteria determined by the Committee, but performance criteria are <u>not</u> mandatory for any Award.</p>
<i>Actions Not Permitted under Plan</i>	<p>The following are not permitted under the Plan:</p> <ul style="list-style-type: none"> <li>• granting stock options at a price below Fair Market Value;</li> <li>• repricing stock options;</li> <li>• increasing the annual per person share limit with respect to awards; or</li> <li>• increasing the aggregate limit for awards to non-employee directors.</li> </ul>

*Reduction or Forfeiture Events:*

The Committee may specify in any Award agreement that the Plan participant's rights will be subject to reduction, cancellation, forfeiture or recoupment under specified circumstances that are in addition to any prescribed vesting provisions, including breach of non-solicitation, non-competition, or confidentiality provisions contained in the award agreement or otherwise applicable to the participant, termination for "cause" and engaging in a "Harmful Activity" (as defined in the Plan).

*Clawback:*

Awards are subject to any "clawback" policy that the Company may adopt or modify from time to time.

## **Types of Awards Authorized**

The following types of awards may be made under the Plan:

- ***Incentive Stock Options.*** Incentive stock options permit an optionee to purchase a fixed number of shares of Common Stock at a fixed exercise price over a specified time period. Incentive stock options must satisfy the requirements of Internal Revenue Code Section 422.
- ***Nonqualified Stock Options.*** Nonqualified stock options permit an optionee to purchase a fixed number of shares of Common Stock at a fixed price over a specified time period. Nonqualified stock options are not required to satisfy the requirements of Code Section 422.
- ***Restricted Stock.*** Awards of restricted stock involve grants of Common Stock to a participant that are subject to forfeiture unless and until the vesting conditions applicable to the award are satisfied. Subject to any restrictions set forth in an award agreement, holders of restricted stock awards are generally entitled to vote the shares underlying the award and are entitled to receive dividends on shares subject to an award, which dividend payments are released to the participant only when the shares subject to the award have vested. Upon vesting, certificates representing shares of restricted stock previously granted are released to the participant, together with cash (without interest) equal to dividends that were paid on such shares.
- ***Restricted Stock Units.*** Awards of restricted stock units represent an unsecured promise by the Company to deliver shares of Common Stock if and when vesting conditions applicable to an award are satisfied. Holders of restricted stock units have no voting rights with respect to restricted stock units. Under the Plan, the Committee may, in its discretion, credit restricted stock units with cash and stock dividends paid on shares of Common Stock underlying the restricted stock unit. Upon vesting, the participant receives one share of Common Stock for each outstanding restricted stock unit and cash equal to dividend equivalents, if any, applicable to the restricted stock unit. At the discretion of the Committee and if provided in an award agreement, restricted stock units may be settled in cash or part cash and part Common Stock.

- **Other Equity-Based Awards.** Other equity-based awards are awards, other than incentive stock options, non-qualified stock options, restricted stock, and restricted stock units, that are payable in shares of Common Stock or which are measured by the value of Common Stock. Other equity-based awards may be made either alone or in tandem with other awards. Other equity-based awards are subject to such conditions, not inconsistent with the Plan, as the Committee determines in its sole discretion.

## **Administration**

The Plan is administered by the Compensation Committee of the Board of Directors, consisting of two or more members of the Board who are “non-employee directors.” The Committee has the power to: (i) select the employees and non-employee directors who will receive awards; (ii) determine the number of shares covered by any award; (iii) determine the dates when awards will be granted; (iv) prescribe the terms, conditions and other provisions of awards; (v) amend outstanding awards, including for the purpose of modifying the time or manner of vesting, subject to a participant’s consent if an amendment impairs the participant’s rights or increases a participant’s obligations under an award; (vi) determine whether an option constitutes an incentive stock option or a nonqualified stock option; (vii) determine any performance criteria applicable to an award, if any; (viii) determine the duration and purpose of leaves of absence that may be granted to a participant without constituting a termination of employment or service; and (ix) make decisions with respect to outstanding awards that may become necessary upon a “change in control” of the Company or an event that triggers anti-dilution adjustments. The Committee has the sole authority to interpret the Plan, and establish, amend, or rescind any rules relating to the Plan.

## **Eligibility**

Employees and non-employee directors of the Company and its subsidiaries are eligible to receive awards. The Committee will determine which employees and non-employee directors will be eligible to receive awards under the Plan.

## **Shares Authorized**

The aggregate number of shares of Common Stock for which awards may be made under the Plan is 150,000. Shares of Common Stock subject to an award that expires or is cancelled, forfeited, or terminated without issuance of the full number of shares to which the award related will again be available for issuance. Shares will not again be made available for issuance under the Plan, however, if the shares are tendered in payment of the exercise price for a stock option or delivered to the Company to satisfy tax withholding obligations.

The Plan includes standard anti-dilution provisions that adjust the number of shares issuable under the Plan and the shares of Common Stock subject to the terms of awards, and other related matters (including the exercise price of awards where relevant), in the event of stock dividends, stock splits, and similar changes relating to the Common Stock.

## **Awards**

Subject to Plan limits, the Committee has the discretionary authority to determine the size of an award, and any vesting or performance-based requirements relating to an award. All awards must contain a minimum one-year vesting requirement, but may be subject to such

longer vesting period and/or one or more performance goals as the Committee may determine. The Plan permits the Committee to authorize the Chief Executive Officer to authorize limited awards under the Plan to participants, other than himself or herself or any other person who is then a senior officer of the Company or a non-employee director, pursuant to a policy approved by the Committee.

### **Exercise of Stock Options**

The exercise price of an option to purchase a share of Common Stock is, in the case of an *incentive stock option*, not less than 100% of the "Fair Market Value" of a share of Common Stock on the date the option is granted (determined by reference to the closing price of a share of Common Stock on any established securities market on which the Common Stock is listed or if the Common Stock is not then listed on an established trading market, determined in good faith by the Committee by application of a reasonable valuation method), except that the exercise price cannot be less than 110% of Fair Market Value in the case of an incentive stock option granted to an owner of more than 10% of the voting power of the Company's outstanding voting securities.

The exercise price of an option to purchase a share of Common Stock is, in the case of a *non-qualified stock option*, not less than 100% of the Fair Market Value of a share of Common Stock on the date the option is granted.

Fair Market Value is defined in the Plan consistent with the definition set forth above, and determined under Code Section 409A.

The exercise price of an award is subject to adjustment pursuant to limited circumstances relating to stock dividends, stock splits, and similar transactions.

### **Vesting of Awards**

Each stock option, restricted stock award, or other equity-based award is subject to such terms and conditions, including vesting requirements, as may be specified in the agreement issued to a participant to evidence the grant or award.

Each stock option, restricted stock award, or other equity-based award granted to a participant vests only after the earlier of (i) the date the participant has completed at least one year of continuous employment or service as a non-employee director with the Company or a subsidiary immediately following the date of the award (or such later date as may be specified in an agreement, including a date that may be tied to the satisfaction of one or more performance goals); (ii) unless otherwise provided in an agreement, the date of the participant's retirement, death, or disability; or (iii) unless otherwise provided in an agreement, the date that the participant terminates service as a non-employee director due to retirement.

In the event that a participant's employment or service as a non-employee director is terminated and the Committee deems it equitable to do so, the Committee may, in its discretion and subject to the approval of a majority of the disinterested members of the board, waive any minimum vesting period (but not any performance goal or goals) with respect to an award. Any such waiver may be made with retroactive effect, provided it is made within 60 days following the participant's termination of employment. The Committee has general discretionary power to accelerate the time in which any outstanding award may be first exercised or the time in which an award will vest, notwithstanding any contrary provisions of an award.

## Changes in Control

The Committee has the authority to determine the effects of a “change in control” of the Company on awards under the Plan, including whether or not awards will become exercisable and fully vested upon the occurrence of a “change in control” of the Company. The term “change in control” is defined in the Plan as follows: (i) the acquisition of beneficial ownership by an person or entity of securities representing 51% or more of the combined voting power of the Company’s outstanding securities; (ii) completion, in one or a series of related transactions, of a sale, exchange, or transfer of substantially all of the Company’s assets; (iii) consummation of a merger, consolidation, statutory share exchange, or similar transaction involving the Company and requires the approval by the Company’s shareholders (unless the Company is the surviving entity in the subject transaction); (iv) the date that is ten business days prior to a complete dissolution or liquidation of the Company; or (v) a change in the composition of a majority of the board of directors over a twelve-month period unless new directors were approved by a vote of 66-2/3% of directors in office who were directors at the beginning of such period.

## Termination of Employment or Service; Death, Disability, and Retirement

Awards generally expire upon termination of employment or service as a non-employee director. In certain instances after a participant terminates employment or service, the Committee may extend the exercise period of a vested *nonqualified stock option* up to the remaining term of the option. A vested *incentive stock option* must be exercised within three months from the date of termination of employment. The Committee may provide that any service requirement may be accelerated or waived upon death, disability or retirement of an option holder. Restricted stock awards are generally subject to the same requirements with respect to vesting and achievement of performance goals.

## Amendments

The Board of Directors may at any time terminate, amend, modify or suspend the Plan, provided that, without the approval of the shareholders of the Company, no amendment or modification can be made solely by the board which:

- increases the maximum number of shares of Common Stock as to which awards may be granted under the Plan (except in the case of certain corporate reorganizations);
- changes the class of eligible Plan participants; or
- otherwise requires the approval of shareholders under applicable state law or under applicable federal law to avoid potential liability or adverse consequences to the Company or a participant.

No amendment, modification, suspension or termination of the Plan can in any manner negatively affect any award previously granted under the Plan without the consent of the participant or any person validly claiming under or through the participant.

## **Plan Termination**

Unless previously terminated by the Board of Directors, the Plan will terminate on, and no award may be granted under the Equity Incentive Plan, on the date that immediately precedes the tenth anniversary of approval of the Plan by the Company's shareholders.

**The Board of Directors recommends voting "FOR" approval of the 2025 Equity Incentive Plan.** The affirmative vote of a majority of all votes cast at the Meeting is required to approve Matter No. 2.

## **MATTER NO. 3 RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Company's Board of Directors has appointed the firm of S.R. Snodgrass P.C. as the Company's independent registered public accounting firm for its 2025 fiscal year. The terms of the appointment were reviewed and recommended by the Audit Committee.

Although ratification of auditors is not required by the Company's charter or otherwise as a matter of law, the Board of Directors is submitting the selection of S.R. Snodgrass P.C. to shareholders for ratification. If shareholders fail to ratify the selection, the Audit Committee and the Board of Directors may consider the selection of a different accounting firm, although they are not required to do so. Even if the selection is ratified, the Audit Committee and the Board of Directors may, in their discretion, select a different independent registered public accounting firm at any time during the fiscal year if it determines that such a change would be in the best interests of the Company.

A representative from S.R. Snodgrass P.C. is expected to be present at the Meeting. The representative will be given an opportunity to make a statement if he or she desires to do so, and will be available to answer appropriate questions from shareholders.

**The Board of Directors recommends voting "FOR" the ratification of S.R. Snodgrass P.C. as the Company's independent registered public accounting firm for the year ending December 31, 2025.** The affirmative vote of a majority of all votes cast at the Meeting is required to approve Matter No. 3.



## **ANNUAL REPORT**

The Company's Annual Report for the year ended December 31, 2024 is enclosed with this mailing.

### **OTHER BUSINESS FOR THE ANNUAL MEETING**

Because the Company did not receive written notice from any shareholder regarding proposals or nominations for consideration at the Meeting as required by the Company's bylaws, any such proposals or nominations will not be considered at the Meeting. If any other matters are properly brought before the Meeting, the persons named on the Company's form of proxy card will vote the shares represented by such proxy upon such matter in their discretion in accordance with the instructions of the Board of Directors.

### **SHAREHOLDER PROPOSALS FOR THE 2026 ANNUAL MEETING**

The Company's 2026 annual meeting of shareholders is expected to be held on or about May 6, 2026. In accordance with First Resource Bancorp's bylaws, a shareholder desiring to submit a proposal for consideration, or to nominate a person for election as a director, at the 2026 Annual Meeting, must provide written notice to the Corporate Secretary, containing the information required by the bylaws, no earlier than January 5, 2026 and no later than February 4, 2026.



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Kristen Fries, Secretary

PLEASE REMEMBER TO VOTE YOUR SHARES BY FOLLOWING THE ONLINE OR TELEPHONIC VOTING INSTRUCTIONS SET FORTH ON THE PROXY CARD OR BY MARKING, SIGNING, DATING AND RETURNING THE ENCLOSED PROXY CARD IN THE ENCLOSED POSTAGE-PAID ENVELOPE SO THAT YOUR IMPORTANT VOTE WILL BE COUNTED AT THE MEETING.

## **Appendix A**

### **First Resource Bancorp, Inc. 2025 Equity Incentive Plan**

#### **ARTICLE 1. PURPOSE OF THE PLAN; TYPES OF AWARDS**

1.1 Purpose. The First Resource Bancorp, Inc. 2025 Equity Incentive Plan is intended to provide selected employees and non-employee directors of First Resource Bancorp, Inc. (the "Company") and its Subsidiaries with an opportunity to acquire Common Stock or receive Awards that are measured by reference to the value of Common Stock. The Plan is designed to help the Company attract, retain and motivate employees and non-employee directors to make substantial contributions to the success of the Company's business and the businesses of its Subsidiaries. Awards will be granted under the Plan based on, among other things, the individual's level of responsibility and performance.

1.2 Authorized Plan Awards. Incentive Stock Options, Nonqualified Stock Options, Restricted Stock, Restricted Stock Units, and Other Equity-Based Awards may be awarded within the limitations of the Plan herein described.

#### **ARTICLE 2. DEFINITIONS**

2.1 "Agreement." A written or electronic agreement between the Company and a Participant evidencing the grant of an Award. A Participant may be issued one or more Agreements from time to time, reflecting one or more Awards.

2.2 "Award." The grant of a Stock Option or an award of Restricted Stock, Restricted Stock Units, or an Other Equity-Based Award.

2.3 "Board." The Board of Directors of the Company.

2.4 "Change in Control." Except as otherwise provided in an Agreement, the first to occur of any of the following events:

(a) any "Person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), except for any of the Company's employee benefit plans, or any entity holding the Company's voting securities for, or pursuant to, the terms of any such plan (or any trust forming a part thereof) (the "Benefit Plan(s)"), is or becomes the beneficial owner, directly or indirectly, of the Company's securities representing 51% or more of the combined voting power of the Company's then outstanding securities;

(b) completion, in one or a series of related transaction, of a sale, exchange, transfer, or other disposition of all or substantially all of the assets of the Company to another entity, except to an entity controlled directly or indirectly by the Company;

(c) consummation of a merger, consolidation, statutory share exchange, or similar form of transaction involving the Company that requires approval of the Company's shareholders, unless:

(i) under the terms of the agreement approved by the Company's shareholders providing for such transaction, the shareholders of the Company immediately before

such transaction will own, directly or indirectly, immediately following such transaction, at least 51% of the combined voting power of the outstanding voting securities of the Company resulting from such transaction (the “Surviving Company”); and

(ii) under the terms of the agreement approved by the Company’s shareholders providing for such transaction, the individuals who were members of the Board immediately prior to the execution of the agreement approved by the Company’s shareholders providing for such transaction will constitute at least 51% of the members of the board of directors of the Surviving Company after such transaction; and

(iii) based on the terms of the agreement approved by the Company’s shareholders providing for such transaction, no Person (other than (A) the Company or any subsidiary of the Company, (B) any Benefit Plan, or (C) any Person who, immediately prior to such transaction had beneficial ownership of 51% or more of the then outstanding voting securities) will have beneficial ownership of 51% or more of the combined voting power of the Surviving Company’s then outstanding voting securities;

(d) the date that is ten business days prior to a complete liquidation or dissolution of the Company; or

(e) during any period of twelve consecutive months, individuals, who at the beginning of such period, constituted the Board cease for any reason to constitute at least a majority of the Board unless the election, or the nomination for election by the Company’s shareholders, of each new director was approved by a vote of at least 66-2/3% of the directors then still in office who were directors at the beginning of the period.

2.5 “Clawback Policy.” A clawback policy adopted from time to time by the Company as defined in Section 12.8.

2.6 “Code.” The Internal Revenue Code of 1986, as amended. Any reference to a section of the Code shall be deemed to include a reference to any regulations promulgated under such section.

2.7 “Code of Conduct.” The policies and procedures related to employment of Employees by the Company or a Subsidiary set forth in the Company or a Subsidiary’s employee handbook as well as any policies and procedures related to service as a non-employee director of the Company or a Subsidiary. The Code of Conduct may be amended and updated at any time. The term “Code of Conduct” shall also include any other policy or procedure that may be adopted by the Company or a Subsidiary and communicated to Employees and non-employee directors of the Company or a Subsidiary.

2.8 “Committee.” The Compensation Committee of the Board, or another Committee of the Board composed of two or more members of the Board, all of whom are “non-employee directors” as such term is defined under the rules and regulations adopted from time to time by the Securities and Exchange Commission pursuant to Section 16(b) of the Exchange Act (whether or not the Company then has a class of equity securities registered under the Exchange Act).

2.9 “Common Stock.” The common stock of the Company, par value \$1.00 per share, as described in the Company’s articles of incorporation, or such other stock as shall be substituted therefor.

2.10 “Company.” First Resource Bancorp, Inc, a Pennsylvania corporation.

2.11 “Dividend Equivalents.” Cash or stock dividends paid by the Company with respect to the Common Stock as defined in Section 9.5(c).

2.12 “Employee.” Any common law employee of the Company or a Subsidiary. An Employee does not include any individual who: (i) does not receive payment for services directly from the Company’s or a Subsidiary’s payroll; (ii) is employed by an employment agency that is not a Subsidiary; or (iii) who renders services pursuant to a written arrangement that expressly provides that the service provider is not eligible for participation in the Plan, regardless if such person is later determined by the Internal Revenue Service or a court of competent jurisdiction to be a common law employee.

2.13 “Exchange Act.” The Securities Exchange Act of 1934, as amended.

2.14 “Fair Market Value.”

(a) If the Common Stock is listed on an established securities market (within the meaning of Code Section 409A), the fair market value per share of the Common Stock shall be the closing sale price for such a share on the relevant day. If no sale of Common Stock has occurred on that day, the fair market value shall be determined by reference to such price for the next preceding day on which a sale occurred.

(b) In the event that the Common Stock is not traded on an established securities market (within the meaning of Code Section 409A), then the fair market value per share of Common Stock will be the price established by the Committee in good faith by application of a reasonable valuation method (within the meaning of Code Section 409A).

(c) Notwithstanding the foregoing, in the event of any change in law or interpretation of law, including but not limited to Code Section 409A and the regulations and guidance promulgated thereunder, the fair market value of the Common Stock on a particular day shall be determined in accordance with such law or interpretation of law.

2.15 “Harmful Activity.” A Harmful Activity shall be deemed to have occurred if the Employee or the Non-Employee Director shall, while employed by or providing services to the Company or within six months after termination of such employment or service, do any one or more of the following:

(a) use, publish, sell, trade or otherwise disclose “non-public information” of the Company unless such activity was inadvertent, done in good faith, and did not cause significant harm to the Company;

(b) after notice from the Company, fail to return to the Company any document, data, or other item or items in the Employee’s or Non-Employee Director’s possession or to which the Employee or Non-Employee Director has access that may involve “non-public information” of the Company;

(c) upon the Employee’s or Non-Employee Director’s own behalf or upon behalf of any other person or entity that competes or plans to compete with the Company, solicit or entice for employment or hire any Employee of the Company;

(d) upon the Employee's or Non-Employee Director's own behalf or upon behalf of any other person or entity that competes or plans to compete with the Company, contact, call upon, solicit or do business with (other than a business which does not compete with any business conducted by the Company), any customer of the Company the Employee or Non-Employee Director contacted, called upon, solicited, interacted with, or became acquainted with, or learned of through access to information (whether or not the information is or was "non-public information") while employed by or providing services to the Company unless such activity was inadvertent, done in good faith, and did not involve a customer who the Employee or Non-Employee Director should have reasonably known was a customer of the Company; or

(e) upon the Employee's or Non-Employee Director's own behalf or on behalf of any other person or entity that competes or plans to compete with the Company, engage in any business activity in competition with the Company in the same or closely related activity that the Employee or Non-Employee Director was engaged in for the Company during the one year period prior to termination of employment or termination of services.

For purpose of this Section 2.15, (i) "non-public information" means, but is not limited to, trade secrets, confidential processes, programs, software, formulas, methods, business information or plans, financial information, and listings of names (e.g., Employees, customers, and suppliers) that are developed, owned, utilized, or maintained by the Company, and that of its customers or suppliers, and that are not generally known by the public and (ii) references to "the Company" shall be deemed to include any Subsidiary of the Company.

2.16 "Incentive Stock Option." A Stock Option designated by the Committee as an incentive stock option within the meaning of Code Section 422.

2.17 "Non-Employee Director." A member of the Board, or of the board of directors of a Subsidiary, or any other body performing the function of a board of directors, or a member of an advisory board or council established by the Board, who is not an Employee.

2.18 "Nonqualified Stock Option." A Stock Option that by its terms does not qualify as an Incentive Stock Option.

2.19 "Optionee." A Participant who is awarded a Stock Option pursuant to the provisions of the Plan.

2.20 "Other Equity-Based Award." An Award that is not a Stock Option, Restricted Stock, or Restricted Stock Unit that is granted under Section 10.1 and is payable by delivery of Common Stock or which is measured by reference to the value of Common Stock.

2.21 "Participant." An Employee or Non-Employee Director to whom an Award has been made and which Award remains outstanding.

2.22 "Performance Criteria." Any objective determination based on one or more of the following areas of performance of the Company, a Subsidiary, or any division, department or group of either which includes, but is not limited to: (a) earnings, (b) cash flow, (c) revenue, (d) financial ratios, (e) market performance, (f) shareholder return, (g) operating profits (including earnings before interest, taxes, depreciation and amortization), (h) earnings per share, (i) return on assets, (j) return on equity, (k) return on investment, (l) stock price, (m) asset quality, (n) expense reduction, (o) systems conversion, (p) peer performance, (q) special projects as

determined by the Committee, and (r) integration initiatives. Performance Criteria shall be established by the Committee prior to the issuance of a Performance Grant.

2.23 “Performance Goal.” One or more goals established by the Committee, with respect to an Award intended to constitute a Performance Grant, that relate to one or more Performance Criteria. A Performance Goal shall relate to such period of time, not less than one year (unless coupled with a vesting schedule of at least one year), as may be specified by the Committee at the time of awarding a Performance Grant.

2.24 “Performance Grant.” An Award, the vesting or receipt without restriction of which, is conditioned on the satisfaction of one or more Performance Goals.

2.25 “Plan.” The First Resource Bancorp, Inc. 2025 Equity Incentive Plan.

2.26 “Restricted Awards.” An award of Restricted Stock or Restricted Stock Units.

2.27 “Restricted Stock.” An award of Common Stock pursuant to the provisions of the Plan, which award is subject to such restrictions and other conditions, including, at the discretion of the Committee, achievement of one or more performance goals as may be specified by the Committee at the time of such award.

2.28 “Restricted Stock Units.” An award of hypothetical Common Stock units pursuant to the provisions of the Plan, which award is subject to such restrictions and other conditions, including, at the discretion of the Committee, achievement of one or more performance goals if and to the extent specified by the Committee at the time of such award.

2.29 “Retirement.” The termination of a Participant’s employment following the first day of the month coincident with or next following attainment of age 65. Retirement with respect to a Participant’s service as a Non-Employee Director will be determined in accordance with the provisions of the applicable Company’s or a Subsidiary’s bylaws or other operative documents, including, without limitation, a resolution of the Board.

2.30 “Securities Act.” The Securities Act of 1933, as amended.

2.31 “Stock Option” or “Option.” A grant of a right to purchase Common Stock and the form of an Incentive Stock Option or a Nonqualified Stock Option pursuant to the provisions of the Plan.

2.32 “Subsidiary.” A subsidiary corporation, as defined in Code Section 424(f), that is a subsidiary of a relevant corporation.

2.33 “Ten Percent Shareholder.” A person who owns (or is deemed to own pursuant to Code Section 424(b)) stock possessing more than 10% of all classes of stock of the Company or any of its affiliates.

2.34 “Termination For Cause.” With respect to an individual, shall have the meaning ascribed to such term any employment, severance or other similar agreement between such individual and the Company or a Subsidiary, or if no such agreement exists, termination of

the employment of an Employee or the termination of service of a Non-Employee Director, as the case may be (each, for purposes of this Section 2.34, an "Individual"), after:

(a) any other government regulatory agency recommends or orders in writing that the Company or a Subsidiary terminate the employment or services of such Individual or relieve him or her of his or her duties;

(b) in the determination of the committee, the Individual engages in any Harmful Activity, or commits an act or engages in a course of conduct constituting fraud or willful malfeasance, dishonesty or gross negligence as to the Company or a Subsidiary or as to the Individual's employment with or service to the Company or a Subsidiary;

(c) in the determination of the Committee with respect to an Employee, such Employee willfully fails to follow the lawful instructions of the Board or any officer of the Company or a Subsidiary after such Employee's receipt of written notice of such instructions, other than a failure resulting from the Employee's incapacity because of physical or mental illness;

(d) in the determination of the Committee, the willful or continued failure by such Individual to substantially and satisfactorily perform the Individual's duties with the Company or a Subsidiary (other than any such failure resulting from the Individual's being "disabled" (within the meaning of Code Section 22(e)(3)) or as a result of physical or mental illness), within a reasonable period of time after a demand for substantial performance or notice of lack of substantial or satisfactory performance is delivered to the Individual, which demand identifies the manner in which the Individual has not substantially or satisfactorily performed his or her duties; or

(e) in the determination of the Committee, the failure by such Individual to comply with the Company's Code of Conduct.

For purposes of the Plan, no act, or failure to act, on an Individual's part shall be deemed "willful" unless done, or omitted to be done, by such Individual not in good faith and without reasonable belief that such Individual's action or omission was in the best interest of the Company or a Subsidiary.

2.35 "Vested Units." Vested Restricted Stock Units as defined in Section 9.5(d).

### ARTICLE 3. ADMINISTRATION

3.1 The Committee. The Plan shall be administered by the Committee. The Committee shall be composed of two or more members of the Board, all of whom are "non-employee directors" as such term is defined under the rules and regulations adopted from time to time by the Securities and Exchange Commission pursuant to Section 16(b) of the Exchange Act (whether or not the Company is then subject to Section 16 of the Exchange Act). The Board may from time to time remove members from, or add members to, the Committee.

#### 3.2 Powers of the Committee.

(a) The Committee shall be vested with full authority to make such rules and regulations as it deems necessary or desirable to administer the Plan and to interpret the provisions of the Plan, unless otherwise determined by a majority of the disinterested members of the Board. Any determination, decision, or action of the Committee in connection with the

construction, interpretation, administration or application of the Plan shall be final, conclusive, and binding upon all Participants and any person claiming under or through a Participant, unless otherwise determined by a majority of the disinterested members of the Board or unless determined by a court having jurisdiction to be arbitrary and capricious.

(b) Subject to the terms, provisions and conditions of the Plan and applicable law, the Committee shall have exclusive jurisdiction to:

(i) determine and select the Employees and Non-Employee Directors to be granted Awards (it being understood that more than one Award may be granted to the same person);

(ii) determine the number of shares of Common Stock subject to each Award;

(iii) determine the date or dates when the Awards will be granted;

(iv) prescribe the terms and conditions of each Award, including, without limitation, the exercise price and medium of payment and vesting provisions, and to specify the provisions of the Agreement relating to such grant;

(v) amend any outstanding Awards, including for the purpose of modifying the time or manner of vesting, or the term of any outstanding Award; provided, however, that if any such amendment impairs a Participant's rights or increases a Participant's obligations under an Award or creates or increases a Participant's federal income tax liability with respect to an Award, such amendment shall also be subject to the Participant's consent;

(vi) determine whether an Option constitutes an Incentive Stock Option or a Nonqualified Stock Option;

(vii) determine the Performance Criteria, and establish Performance Goals with respect thereto, if any, to be applied to an Award;

(viii) to determine the duration and purpose of leaves of absences which may be granted to a Participant without constituting termination of employment or service for purposes of the Plan, which periods shall be no shorter than the periods generally applicable to Employees under the Company's employment policies;

(ix) to make decisions with respect to outstanding Awards that may become necessary upon a Change in Control or an event that triggers anti-dilution adjustments; and

(x) to 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.

(c) Subject to the provisions of this Article 3 and any applicable law, the Committee may, in its sole discretion, delegate any or all of its powers and duties under the Plan, including the power to make Awards under the Plan, to the Chief Executive Officer of the Company, subject to such limitations on such delegated powers and duties as the Committee may impose, if any; provided, however, that such delegation shall not limit the Chief Executive



Officer's right to receive Awards under the Plan made by the Committee. Notwithstanding the foregoing, the Chief Executive Officer may not make Awards to, or take any action with respect to any Award previously granted, to himself or herself or to a person who is a senior officer Employee or who is a Non-Employee Director.

3.3 Liability. No member of the Board or the Committee, or any designee of the Committee, shall be liable for any action or determination made in good faith by the Board or the Committee, or such designee, with respect to this Plan or any Awards granted under this Plan. Members of the Board and members of the Committee shall be indemnified for their respective activities in connection with the Plan, including without limitation, all activities undertaken pursuant to or under the authority granted by this Article 3, to the maximum extent provided under Pennsylvania law and the Company's articles of incorporation and bylaws.

3.4 Performance Goals. The Committee shall establish, prior to grant, Performance Goals with respect to each Award intended to constitute a Performance Grant. Notwithstanding the foregoing, nothing in the Plan shall be construed as requiring that any Award be a Performance Grant.

#### ARTICLE 4. COMMON STOCK SUBJECT TO THE PLAN

4.1 Common Stock Authorized. The initial total aggregate number of shares of Common Stock for which Awards may be granted under the Plan shall not exceed 150,000 shares, all of which may be issued in the form of Incentive Stock Options. The limitation established by this Section shall be subject to adjustment as set forth in Article 11 below.

##### 4.2 Limitations on Annual Awards to Employees and Non-Employee Directors.

(a) Awards to any Employee under this Plan during any calendar year shall not exceed in the aggregate Awards with respect to 5,000 shares of Common Stock. Such limitation shall be subject to adjustment in the manner described in Article 11.

(b) Awards to any Non-Employee Director under this Plan during any calendar year shall not exceed in the aggregate Awards with respect to 1,000 shares of Common Stock. In addition, Awards to all Non-Employee Directors under this Plan during the term of the Plan shall not exceed in the aggregate Awards with respect to 50,000 shares of Common Stock. Such limitations shall be subject to adjustment in the manner described in Article 11.

4.3 Shares Available. Any shares of Common Stock subject to an Award that expires or is canceled, forfeited, or terminated without issuance of the full number of shares of Common Stock to which the Award related will again be available for issuance under the Plan. Notwithstanding any other provision of the Plan to the contrary, shares subject to an Award under the Plan shall not again be made available for issuance or delivery under the Plan if such shares are (a) shares tendered in payment of an Option or (b) shares delivered or withheld by the Company to satisfy any tax withholding obligations.

## ARTICLE 5. ELIGIBILITY

5.1 Participation. Awards shall be granted by the Committee only to persons who are Employees or Non-Employee Directors.

5.2 Incentive Stock Option Eligibility. Incentive Stock Options may only be granted to Employees of the Company or a Subsidiary. Notwithstanding any other provision of the Plan to the contrary, a Ten Percent Shareholder shall not be eligible for the grant of an Incentive Stock Option unless the special requirements set forth in Sections 6.1 and 7.1 are satisfied.

## ARTICLE 6. STOCK OPTIONS IN GENERAL

6.1 Exercise Price. The exercise price of an Option to purchase a share of Common Stock shall be, in the case of an Incentive Stock Option, not less than 100% of the Fair Market Value of a share of Common Stock on the date the Option is granted, except that the exercise price shall be not less than 110% of such Fair Market Value in the case of an Incentive Stock Option granted to a Ten Percent Shareholder. The exercise price of an Option to purchase a share of Common Stock shall be, in the case of a Nonqualified Stock Option, not less than 100% of the Fair Market Value of a share of Common Stock on the date the Option is granted. The exercise price shall be subject to adjustment pursuant to the limited circumstances set forth in Article 11.

6.2 Limitation on Incentive Stock Options. The aggregate Fair Market Value (determined as of the date an Option is granted) of the Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Employee in any calendar year (under the Plan and all other plans maintained by the Company and any Subsidiary) shall not exceed \$100,000. With respect to all or any portion of any Option granted under this Plan not qualifying as an Incentive Stock Option, such Option shall be considered a Nonqualified Stock Option granted under this Plan for all purposes. In addition, in the event that the Committee grants an Incentive Stock Option under this Plan to a Participant, and, in the event that the applicable limitation contained in this Section 6.2 is exceeded, then such Incentive Stock Option in excess of such limitation shall be treated as a Nonqualified Stock Option under this Plan subject to the terms and provisions of the applicable Agreement, except to the extent modified to reflect recharacterization of the Incentive Stock Option as a Nonqualified Stock Option.

### 6.3 Transferability of Options.

(a) Except as provided in Subsection (b), an Option granted hereunder shall not be transferable other than by will or the laws of descent and distribution, and such Option shall be exercisable, during the Optionee's lifetime, only by the Optionee.

(b) An Optionee may, with the prior approval of the Committee, transfer a Nonqualified Stock Option for no consideration to or for the benefit of one or more members of the Optionee's "immediate family" (including a trust, partnership or limited liability company for the benefit of one or more of such members), subject to such limits as the Committee may impose, and the transferee shall remain subject to all terms and conditions applicable to the Option prior to its transfer. The term "immediate family" shall mean an Optionee's spouse, parents, children, stepchildren, adoptive relationships, sisters, brothers and grandchildren.

## ARTICLE 7. TERM, VESTING AND EXERCISE OF OPTIONS

### 7.1 Term and Vesting.

(a) Each Option granted under the Plan shall terminate on the date determined by the Committee and specified in the Agreement; provided, however, that:

(i) each intended Incentive Stock Option granted to a Ten Percent Shareholder shall terminate not later than five years after the date of the grant;

(ii) each intended Incentive Stock Option granted to other than a Ten Percent Shareholder shall terminate not later than ten years after the date of grant; and

(iii) each intended Nonqualified Stock Option shall terminate not later than ten years and one month after the date of grant.

(b) Each Option granted under the Plan shall be fully exercisable (i.e., become 100% vested) only after the earlier of the date on which:

(i) the Optionee has completed one year of continuous employment or service as a Non-Employee Director with the Company or a Subsidiary immediately following the date of the grant of the Option (or such later date as may be specified in an Agreement, including a date that may be tied to the satisfaction of one or more Performance Goals);

(ii) unless otherwise provided in an Agreement, the Optionee's Retirement, death, or being "disabled" (within the meaning of Code Section 22(e)(3)).

(c) An Option may be exercised only during the Optionee's continuous employment or service as a Non-Employee Director, except as provided in Article 8. Unless otherwise provided in an Award Agreement, each Option granted under the Plan shall vest twenty percent (20%) each consecutive year commencing on the first anniversary date of the Award.

### 7.2 Exercise.

(a) A person electing to exercise an Option shall give notice to the Company of such election and of the number of shares the Optionee has elected to purchase and shall at the time of exercise tender the full exercise price of the shares the Optionee has elected to purchase. The exercise notice shall be delivered to the Company in person, by certified mail, or by such other method (including electronic transmission) and in such form as determined by the Committee. The exercise price shall be paid in full, in cash, upon the exercise of the Option; provided, however, that in lieu of cash, with the approval of the Committee at or prior to exercise, an Optionee may exercise an Option by tendering to the Company (i) shares of Common Stock owned by the Optionee and having a Fair Market Value equal to the cash exercise price applicable to the Option or by delivering such combination of cash and such shares as the Committee in its sole discretion may approve or (ii) any other form of legal consideration that may be acceptable to the Committee. Notwithstanding the foregoing, Common Stock acquired pursuant to the exercise of an Incentive Stock Option may not be tendered as payment unless the holding period requirements of Code Section 422(a)(1) have been satisfied, and Common Stock not acquired pursuant to the exercise of an Incentive Stock Option may not be tendered as payment unless it has been held, beneficially and of record, for at least six months (or such longer time as may be

required by applicable securities law or accounting principles to avoid adverse consequences to the Company or an Optionee).

(b) A person holding more than one Option at any relevant time may, in accordance with the provisions of the Plan, elect to exercise such Options in any order.

(c) At the request of the Participant and to the extent permitted by applicable law, the Committee may, in its sole discretion, selectively approve arrangements whereby the Participant irrevocably authorizes a third party to sell shares of Common Stock (or a sufficient portion of the shares) acquired upon the exercise of an Option and to remit to the Company a sufficient portion of the sales proceeds to pay the entire exercise price and any tax withholding required as a result of such exercise.

## ARTICLE 8. EXERCISE OF VESTED OPTIONS FOLLOWING TERMINATION OF EMPLOYMENT OR SERVICE

### 8.1 Retirement; Other Termination by Company or Subsidiary; Change in Control.

In the event of an Optionee's termination of employment or service as a Non-Employee Director (i) due to Retirement, (ii) by the Company or a Subsidiary other than a Termination for Cause, or (iii) due to a Change in Control, such Optionee's right to exercise such Option, to the extent vested, shall lapse:

(a) in the case of an Incentive Stock Option, at the earlier of the expiration of the term of such option or three months from the date of such termination of employment; and

(b) in the case of a Nonqualified Stock Option, unless otherwise provided in an Agreement, three months from the date of such termination of employment or, in the discretion of the Committee, up to the remaining term of such Option.

8.2 Death or Disability. In the event of an Optionee's termination of employment or service as a Non-Employee Director due to death or being "disabled" (within the meaning of Code Section 22(e)(3)), such Optionee's right to exercise such Option, to the extent vested, shall lapse:

(a) in the case of an Incentive Stock Option, at the earlier of the expiration of the term of such Option or one year from the date of such termination of employment; and

(b) in the case of a Nonqualified Stock Option, unless otherwise provided in an Agreement, three months from the date of such termination of employment or, in the discretion of the Committee, up to the remaining term of such Option.

8.3 Termination For Cause; Other Termination by Optionee. In the event of an Optionee's Termination For Cause, or in the event of the Optionee's termination of employment or service as a Non-Employee Director at the election of an Optionee, such Optionee's right to exercise such Option shall lapse:

(a) in the case of an Incentive Stock Option, upon such termination of employment or service or, in the discretion of the Committee, up to three months from the date of such termination of employment or service; and

(b) in the case of a Nonqualified Stock Option, unless otherwise provided in an Agreement, upon such termination of employment or service or, in the discretion of the Committee, up to the remaining term of such Option.

#### 8.4 Special Termination Provisions.

(a) In the event that an Optionee's employment or service as a Non-Employee Director is terminated by the Company or a Subsidiary and the Committee deems it equitable to do so, the Committee may, in its discretion and subject to the approval of a majority of the disinterested members of the Board, waive any continuous service requirement for vesting specified in an Agreement and permit exercise of an Option held by such Optionee prior to the satisfaction of such continuous service requirement. Any such waiver may be made with retroactive effect, provided it is made within 60 days following the Optionee's termination of employment or service as a Non-Employee Director.

(b) In the event the Committee waives the continuous service requirement with respect to an Option as set forth in Section 8.4(a) above, such Option shall lapse:

(i) in the case of an Incentive Stock Option, at the earlier of the expiration of the term of such Option or three months from the date of termination of employment; and

(ii) in the case of a Nonqualified Stock Option, unless otherwise provided in an Agreement, three months from the date of such termination of employment or, in the discretion of the Committee, up to the remaining term of such Option.

### ARTICLE 9. RESTRICTED AWARDS

9.1 In General. Each Restricted Award shall be subject to such terms and conditions as may be specified in the Agreement issued to a Participant to evidence the grant of such Award. A Restricted Award shall be subject to a vesting schedule and may be subject to one or more Performance Goals. Unless otherwise provided in an Award Agreement, each Restricted Award granted under the Plan shall vest twenty percent (20%) each consecutive year commencing on the first anniversary date of the Award.

9.2 Minimum Vesting Period for Restricted Awards. Each Restricted Award granted to a Participant shall fully vest only after the earlier of the date on which (i) the Participant has completed one year of continuous employment or service as a Non-Employee Director with the Company or a Subsidiary immediately following the date of the Restricted Award (or such later date as may be specified in an Agreement, including a date that may be tied to the satisfaction of one or more Performance Goals); or (ii) unless otherwise provided in an Agreement, the Participant's Retirement, death, or being "disabled" (within the meaning of Code Section 22(e)(3)).

9.3 Waiver of Vesting Period for Certain Restricted Awards. In the event that a Participant's employment as an Employee or service as a Non-Employee Director is terminated and the Committee deems it equitable to do so, the Committee may, in its discretion and subject to the approval of a majority of the disinterested members of the Board, waive any minimum vesting period with respect to a Restricted Award held by such Participant. Any such waiver may be made with retroactive effect, provided it is made within sixty 60 days following such Participant's termination of employment.

#### 9.4 Restricted Stock Awards.

(a) The terms and conditions of an Award of Restricted Stock shall be reflected in an Award Agreement. One or more share certificates shall be issued upon the grant of a Restricted Stock Award; but until such time as the Restricted Stock shall vest or otherwise become distributable by reason of satisfaction of a continuous service requirement and one or more Performance Goals to the extent applicable, the Company shall retain such share certificates. At the time of the grant of a Restricted Stock Award, the Participant to whom the grant is made shall deliver such stock powers, endorsed in blank, as may be requested by the Company.

(b) Subject to any restrictions set forth in an Agreement, the Participant generally shall have the rights and privileges of a shareholder with respect shares related to a Restricted Stock Award, including the right to vote such Restricted Stock and the right to receive cash dividends and stock dividends; provided that, any cash dividends and stock dividends with respect to the Restricted Stock shall be withheld by the Company for the Participant's account until released pursuant to subsection (c) below.

(c) Within 30 days following the date on which a Participant becomes entitled under an Agreement to receive shares of previously Restricted Stock, the Company shall deliver to the Participant a certificate or certificates evidencing the ownership of such shares, together with an amount of cash (without interest) equal to the dividends that have been paid on such shares with respect to record dates occurring on and after the date of the related Award.

(d) In the event of forfeiture of a Restricted Stock Award, by reason of the termination of employment or service as a Non-Employee Director prior to vesting, the failure to achieve a Performance Goal, or otherwise, the Company shall take such steps as may be necessary to cancel the shares subject to the Award and return such shares to authorized but unissued shares.

(e) The right of a Participant to receive shares of Restricted Stock may not be assigned, transferred, sold, pledged, hypothecated, or otherwise encumbered or disposed of until such time as certificates for such shares are released to the Participant.

#### 9.5 Restricted Stock Unit Awards.

(a) The terms and conditions of an Award of Restricted Stock Units shall be reflected in an Award Agreement. No shares of Common Stock shall be issued at the time a Restricted Stock Unit is granted, and the Company will not be required to set aside a fund for the payment of any such Award.

(b) A Participant shall have no voting rights with respect to any Restricted Stock Units.

(c) At the discretion of the Committee, each Restricted Stock Unit (representing one share of Common Stock) may be credited with cash and stock dividends paid by the Company with respect to one share of Common Stock ("Dividend Equivalents"). Dividend Equivalents shall be withheld by the Company for the Participant's account, and interest may be credited on the amount of cash Dividend Equivalents withheld at a rate and subject to such terms as determined by the Committee. Dividend Equivalents credited to a Participant's account and attributable to any particular Restricted Stock Unit (and earnings thereon, if applicable) shall be

distributed in cash or, at the discretion of the Committee, in shares of Common Stock having a Fair Market Value equal to the amount of such Dividend Equivalents and earnings, if applicable, to the Participant upon settlement of such Restricted Stock Unit and, if such Restricted Stock Unit is forfeited, the Participant shall have no right to such Dividend Equivalents.

(d) Upon the expiration of the Restricted Period with respect to any outstanding Restricted Stock Units, the Company shall deliver to the Participant, or the Participant's beneficiary, without charge, one share of Common Stock for each such outstanding Restricted Stock Unit ("Vested Unit") and cash equal to any Dividend Equivalents credited with respect to each such Vested Unit and the interest thereon or, at the discretion of the Committee, in shares of Common Stock having a Fair Market Value equal to such Dividend Equivalents and the interest thereon, if any; provided, however, that, if explicitly provided in the applicable Award Agreement, the Committee may, in its sole discretion, elect to pay cash or part cash and part Common Stock in lieu of delivering only shares of Common Stock for Vested Units. 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 vesting period lapsed with respect to each Vested Unit.

## ARTICLE 10. OTHER EQUITY-BASED AWARDS

10.1 Other Equity-Based Awards. The Committee may grant Other Equity-Based Awards, either alone or in tandem with other Awards, in such amounts and subject to such conditions as the Committee shall determine in its sole discretion. Each Other Equity-Based Award shall be evidenced by an Award Agreement and shall be subject to such conditions, not inconsistent with the Plan, as may be reflected in the applicable Award Agreement.

## ARTICLE 11. ADJUSTMENT PROVISIONS

### 11.1 Share Adjustments.

(a) In the event that the shares of Common Stock of the Company, as constituted on the effective date of the Plan, shall be changed into or exchanged for a different number or kind of shares of stock or other securities of the Company, or if the number of such shares of Common Stock shall be changed through the payment of a stock dividend, stock split or reverse stock split, then (i) the shares of Common Stock authorized hereunder to be made the subject of Awards, (ii) the shares of Common Stock then subject to outstanding Awards and the exercise price thereof (where relevant), (iii) the maximum number of Awards that may be granted within a 12-month period and (iv) the nature and terms of the shares of stock or securities subject to Awards hereunder shall be increased, decreased or otherwise changed to such extent and in such manner as may be necessary or appropriate to reflect any of the foregoing events.

(b) If there shall be any other change in the number or kind of the outstanding shares of the Common Stock of the Company, or of any stock or other securities into which such Common Stock shall have been changed, or for which it shall have been exchanged, and if a majority of the disinterested members of the Board shall, in its sole discretion, determine that such change equitably requires an adjustment in any Award which was theretofore granted or which may thereafter be granted under the Plan, then such adjustment shall be made in accordance with such determination.

(c) The grant of an Award pursuant to the Plan shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or

changes of its capital or business structure, to merge, to consolidate, to dissolve, to liquidate or to sell or transfer all or any part of its business or assets.

11.2 Corporate Changes. A liquidation or dissolution of the Company, a merger or consolidation in which the Company is not the surviving Company or a sale of all or substantially all of the Company's assets, shall cause each outstanding Award to terminate, except to the extent that another corporation may and does, in the transaction, assume and continue the Award or substitute its own awards.

11.3 Changes in Control. In the event of a Change in Control, the Committee may in its discretion and upon at least 10 days' advance notice to the affected persons, cancel any outstanding Awards and pay to the holders thereof, in cash or stock, or any combination thereof, the value of such Awards based upon the price per share of Common Stock received or to be received by other shareholders of the Company in connection with the Change in Control. In the case of any Option or Other Equity-Based Award with an exercise price that equals or exceeds the price per share of Common Stock received or to be received by other shareholders of the Company in connection with the Change in Control, the Committee may cancel the Option or Other Equity-Based Award without the payment of consideration therefor.

11.4 Binding Determination. To the extent that the foregoing adjustments relate to stock or securities of the Company, such adjustments shall be made by a majority of the disinterested members of the Board, whose determination in that respect shall be final, binding and conclusive. Notice of any adjustment shall be given by the Company to each holder of an Award which shall have been so adjusted.

## ARTICLE 12. GENERAL PROVISIONS

12.1 Effective Date. The Plan shall become effective upon the approval of the Plan by the shareholders of the Company within 12 months of adoption by the Board.

12.2 Termination of the Plan. Unless previously terminated by the Board, the Plan shall terminate on, and no Award shall be granted after, the day immediately preceding the tenth (10<sup>th</sup>) anniversary of the Plan's approval by the Company's shareholders.

12.3 Acceleration of Exercisability and Vesting. The Committee shall have the power to accelerate the time at which an Award may first be exercised or the time during which an Award or any part thereof will vest in accordance with the Plan, including without limitation as a result of a Change in Control, notwithstanding the provisions in the Award stating the time at which it may first be exercised or the time during which it will vest.

12.4 Limitation on Termination, Amendment or Modification.

(a) The Board may at any time terminate, amend, modify or suspend the Plan, provided that, without the approval of the shareholders of the Company, no amendment or modification shall be made solely by the Board which:

(i) increases the maximum number of shares of Common Stock as to which Awards may be granted under the Plan (except as provided in Section 11.1);

(ii) changes the class of eligible Participants; or



(iii) otherwise requires the approval of shareholders under applicable state law or under applicable federal law to avoid potential liability or adverse consequences to the Company or a Participant.

(b) No amendment, modification, suspension or termination of the Plan shall in any manner negatively affect any Award theretofore granted under the Plan without the consent of the Participant or any person validly claiming under or through the Participant.

12.5 No Right to Grant of Award or Continued Employment or Service. Nothing contained in this Plan or otherwise shall be construed to (a) require the grant of an Award to a person who qualifies as an Employee or Non-Employee Director or (b) confer upon a Participant any right to continue in the employ or service of the Company or any Subsidiary or limit in any respect the right, if any, of the Company or of any Subsidiary or the Board, as the case may be, to terminate the Participant's employment.

12.6 Code Section 409A. This Plan is intended to be exempt from the provisions of Code Section 409A by reason of not being deemed a "nonqualified deferred compensation plan" within the meaning of Code Section 409A(d)(1). Each of the provisions of this Plan document, however, are qualified by reference to provisions of Code Section 409A, and the guidance promulgated thereunder, to the extent such section applies to this Plan. Notwithstanding anything herein to the contrary, if Code Section 409A is applicable the exercise of any discretionary authority and the implementation or carrying out of each other provision of the Plan shall be conditioned upon the conditions and limitations of Code Section 409A and compliance with its specific terms, as the same may have been interpreted by regulatory, case law, or other governing authority.

12.7 Withholding Obligations. At the discretion of the Committee, a Participant may satisfy any federal, state, or local tax withholding obligation relating to the exercise or acquisition of Common Stock under an Award by any of the following means (in addition to the Company's right to withhold from any compensation paid to the Participant) or by a combination of such means: (a) tendering a cash payment; (b) authorizing the Company to withhold shares of Common Stock from the shares of Common Stock otherwise issuable to the Participant as a result of the exercise or acquisition of Common Stock under the Award; provided, however, that no shares of Common Stock are withheld with a value exceeding the maximum amount of tax required by law to be withheld; or (c) delivering to the Company previously owned and unencumbered shares of Common Stock.

12.8 Clawback. Notwithstanding any other provisions of this Plan, the Company may cancel any Award, require reimbursement of any Award by a Participant, and effect any other right of recoupment of equity or other compensation provided under the Plan in accordance with any Company policies that may be adopted or modified from time to time ("Clawback Policy"). In addition, a Participant may be required to repay to the Company previously paid compensation, whether provided pursuant to the Plan or an Award Agreement, in accordance with the Clawback Policy. By accepting an Award, the Participant is agreeing to be bound by the Clawback Policy, as may be adopted or modified from time to time by the Company in its discretion (including, without limitation, to comply with applicable law or stock exchange listing requirements).

12.9 Forfeiture Events. The Committee may specify in an Award Agreement that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain events, in addition to applicable vesting conditions of an Award. Such events may include, without limitation, breach

of non-competition, non-solicitation, confidentiality, or other restrictive covenants that are contained in the Award Agreement or otherwise applicable to the Participant, a Termination for Cause of the employment of an Employee or the termination of service of a Non-Employee Director, or other conduct by the Participant, including engaging in a Harmful Activity, that is detrimental to the business or reputation of the Company or its Affiliates.

12.10 Unfunded Plan. The Plan shall be unfunded. Neither the Company, the Board, nor the Committee shall be required to establish any special or separate fund or to segregate any assets to assure the performance of its obligations under the Plan.

12.11 No Fractional Shares. No fractional shares of Common Stock shall be issued or delivered pursuant to the Plan. The Committee shall determine whether cash, additional Awards or other securities or property shall be issued or paid in lieu of fractional shares of Common Stock or whether any fractional shares should be rounded, forfeited, or otherwise eliminated.

12.12 Other Provisions. The Award Agreements authorized under the Plan may contain such other provisions not inconsistent with this Plan, including, without limitation, restrictions upon the exercise of Awards, as the Committee may deem advisable.

12.13 Non-Uniform Treatment. The Committee's determinations under the Plan need not be uniform and may be made by it selectively among persons who are eligible to receive, or who actually receive, Awards. Without limiting the generality of the foregoing, the Committee shall be entitled to make non-uniform and selective determinations, amendments and adjustments, and to enter into non-uniform and selective Award Agreements.

12.14 Listing and Registration of Shares.

(a) No Option granted pursuant to the Plan shall be exercisable in whole or in part, and no share certificate shall be delivered, if at any relevant time a majority of the disinterested members of the Board shall determine in its discretion that the listing, registration or qualification of the shares of Common Stock subject to an Award on any securities exchange or under any applicable law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, such Award, until such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to a majority of the disinterested members of the Board.

(b) If a registration statement under the Securities Act with respect to the shares issuable under the Plan is not in effect at any relevant time, as a condition of the issuance of the shares, a Participant (or any person claiming through a Participant) shall, at the request of the Committee, give the Committee a written or electronic statement, satisfactory in form and substance to the Committee, that he or she is acquiring the shares for his or her own account for investment and not with a view to their distribution and such other matters reasonably requested by the Committee to support an exemption from registration under the Securities Act. The Company may place upon any stock certificate for shares issued under the Plan such legend as the Committee may prescribe to prevent disposition of the shares in violation of the Securities Act or other applicable law.

12.15 Disinterested Director. For purposes of this Plan, a director shall be deemed "disinterested" if such person could qualify as a member of the Committee under Section 3.1.

12.16 Gender; Number. Words of one gender, wherever used herein, shall be construed to include each other gender, as the context requires. Words used herein in the singular form shall include the plural form, as the context requires, and vice versa.

12.17 Applicable Law. Except to the extent preempted by federal law, this Plan document, and the Agreements issued pursuant hereto, shall be construed, administered, and enforced in accordance with the domestic internal law of the Commonwealth of Pennsylvania without regard for conflicts of law principles.

12.18 Headings. The headings of the several articles and sections of this Plan document have been inserted for convenience of reference only and shall not be used in the construction of the same.