
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 28, 2021

HANOVER BANCORP, INC.

(Exact name of Company as specified in its charter)

New York
(State or other jurisdiction
of incorporation)

333-252262
(Commission
File Number)

81-3324480
(IRS Employer
Identification No.)

80 East Jericho Turnpike,
Mineola, New York
(Address of principal executive offices)

11501
(Zip Code)

Company's telephone number, including area code: (516) 548-8500

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

Securities registered pursuant to Section 12(b) of the Act: None

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

Emerging growth company

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

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e)

(1)

On July 30, 2021, Hanover Bancorp, Inc. (the “Company”) entered into: (i) a Second Amended and Restated Employment Agreement with Michael P. Puorro, the Company’s Chairman and Chief Executive Officer; (ii) a Third Amended and Restated Employment Agreement with Brian K. Finneran, the Company’s President and Chief Financial Officer; (iii) an Amended and Restated Change in Control Agreement with Kevin Corbett, the Company’s Executive Vice President & Chief Credit Officer; and (iv) an Amended and Restated Employment Agreement with McClelland W. Wilcox, the Company’s Senior Executive Vice President, Head of Commercial Lending and Chief Revenue Officer (collectively, the “Executive Agreements”).

Each of the Executive Agreements were amended so as to ameliorate certain unintended effects of Sections 280G and 4999 of the Internal Revenue Code in the event of a “change in control” of the Company, as such term is defined in the agreement. Other than the foregoing, the agreements are unchanged.

The foregoing description of the Executive Agreements is qualified in its entirety by reference to the full text of each, a copy of which is attached as Exhibits 10.1, 10.2, 10.3, and 10.4 respectively, to this Current Report on Form 8-K and is incorporated herein by reference.

(2)

On July 28, 2021, the Company’s Board of Directors approved and adopted 2021 Equity Compensation Plan (the “Plan”). The general purpose of the Plan is to foster and promote the long-term success of the Registrant and its shareholders by providing members of management, including employees and management officials, with an equity interest in the Registrant. The Plan will further assist the Registrant in attracting and retaining the highest quality of experienced persons to serve as employees and Directors and in aligning the interests of such persons more closely with the interests of the Registrant’s shareholders by encouraging such parties to maintain an equity interest in the Registrant.

The Plan provides for the grant of non-qualified stock options, deferred stock, performance units and restricted stock awards. Persons eligible to receive awards under the Plan are those employees, officers, Directors, advisory committee member, or other individual service providers of the Company or any of its subsidiaries who, in the opinion of the Compensation Committee, are in a position to contribute to the success and growth of the Company,

The maximum aggregate number of shares of the Company’s common stock issuable under the Plan is 427,500. Under the Plan, the number and price of shares available for grant and the number of shares covered by stock options will be adjusted equitably for stock splits, stock dividends, recapitalizations, mergers and other changes in the common stock of the Company.

The Plan will be administered by the Compensation Committee of the Board of Directors, which will have power to (i) designate the participants to receive awards, and (ii) determine the number of shares subject to each award, the date of grant and the terms and conditions governing the awards, including any vesting schedule, provided that vesting of all award will not be less than one year from the date of grant. In addition, the Committee is charged with the responsibility of interpreting the Plan and making all administrative determinations thereunder.

Options granted under the Plan will be nonqualified stock options. The Compensation Committee will determine the exercise price of options granted under the Plan. The exercise price of stock options may not be less than the fair market value per share of the Company’s common stock on the date of grant. Fair market value is to be determined by the Board of Directors in good faith, unless the Company’s stock is then traded on a national securities exchange. In that case, fair market value will be determined by the price on the exchange. The maximum term for stock options is ten years. The Compensation Committee will establish the vesting schedule and other terms and conditions of options.

The Compensation Committee is authorized to award restricted common stock. Eligible participants chosen to receive restricted stock awards under the Plan will be granted shares of the Company's common stock, subject to forfeiture in the event that the conditions specified in the applicable award are not satisfied prior to the end of the applicable restriction period established for such award.

The Compensation Committee is authorized to award deferred stock awards under the Plan. Deferred stock awards generally consist of the right to receive shares of common stock in the future, subject to such conditions as the Compensation Committee may impose including, for example, continuing employment or service for a specified period of time. Prior to settlement, deferred stock awards do not carry voting, or other rights associated with stock ownership. Cash or stock dividends shall be deferred with respect to such deferred stock, either as a cash deferral or as additional shares of restricted stock, if related to a stock dividend, until the end of the deferral period applicable to the deferred stock on which the dividend was paid. Unless the Compensation Committee determines otherwise, shares of deferred stock awards will be forfeited upon the recipient's termination of employment or other service with the Company and its subsidiaries.

The Compensation Committee is authorized to award performance shares and/or performance units under the Plan. The Committee may grant performance units, which may be awards of a specified cash amount or may be share-based awards. Generally, performance awards require satisfaction of pre-established performance goals, consisting of one or more business criteria and a targeted performance level with respect to such criteria as a condition of awards being granted or becoming exercisable, or as a condition to accelerating the timing of such events. Performance may be measured over a period of any length specified by the Committee. The Compensation Committee retains discretion to set the level of performance for a given business criteria that will result in the earning of a specified amount under a performance award.

The Company's Board of Directors may amend, suspend or terminate the Plan.

The foregoing description of the Plan is qualified in its entirety by reference to the full text of the Plan, a copy of which is attached as Exhibit 10.5 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Second Amended and Restated Employment Agreement with Michael P. Puorro
10.2	Third Amended and Restated Employment Agreement with Brian K. Finneran
10.3	Amended and Restated Change in Control Agreement with Kevin Corbett
10.4	Amended and Restated Employment Agreement with McClelland W. Wilcox
10.5	2021 Equity Compensation Plan

SIGNATURES

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

HANOVER BANCORP, INC.

(Registrant)

Dated: July 30, 2021

By: /s/ Brian K. Finneran

Brian K. Finneran

President and Chief Financial Officer

Index of Exhibits

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10.4	Amended and Restated Employment Agreement with McClelland W. Wilcox
10.5	2021 Equity Compensation Plan

SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT

Second Amended and Restated Employment Agreement (the "Employment Agreement") originally effective as of the 1st day of January, 2015, by and between Michael P. Puorro an individual residing at 25 Davison Lane West, West Islip, New York 11795 (the "Employee") and **HANOVER COMMUNITY BANK**, a New York state chartered commercial bank with its principal place of business located at 2131 Jericho Turnpike, Garden City Park, N.Y. 11040 (the "Employer").

WHEREAS, the Board of Directors of the Employer has determined that it is in the best interests of the Employer to enter into this Agreement with Employee, and the Board has authorized the Employer to enter into this Agreement;

WHEREAS, the Employee agrees to be employed pursuant to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the premises and covenants contained herein, and with the intent to be legally bound hereby, the parties hereto hereby agree as follows:

1. *Employment.* The Employer agrees to employ the Employee, and the Employee hereby accepts such employment, upon the terms and conditions set forth herein.

2. *Position and Duties.* The Employee shall be employed as the Chairman of the Board, President and Chief Executive Officer of the Employer, to perform such services in that capacity as are usual and customary for comparable institutions and as shall from time-to-time be established by the Board of Directors of the Employer. Employee agrees that he will devote his full business time and efforts to his duties hereunder.

3. *Compensation.* Employer shall pay to the Employee compensation for his services as follows:

(a) *Base Salary.* The Employee shall be entitled to receive during his service hereunder a minimum annual base salary (the "Base Salary") of Three Hundred Sixty Four Thousand Three Hundred Seventy Five Dollars (\$364,375), which shall be payable in installments in accordance with Employer's usual payroll method. Annually commencing in 2015, the Board of Directors shall review the Employee's performance, the status of Employer and such other factors as the Board of Directors or a committee thereof shall deem appropriate and shall adjust the Base Salary accordingly, which shall not be less than the Base Salary then in effect, unless any reduction in salary to less than the Base Salary then in effect is part of an overall reduction in compensation applicable to all senior executive officers of the Employer.

(b) Incentive Plans. Employee shall be entitled to participate in any incentive plans established by Employer for executive officers of the Employer.

4. *Other Benefits*.

(a) Automobile. The Employee shall be entitled to a cash allowance in the amount of eight hundred (\$800) dollars per month to be used for the purpose of maintaining an automobile for use in the business of the Employer.

(b) Insurance Coverage and Employee Benefit Plans. The Employee shall be entitled to receive hospital, health, medical, and life insurance of a type currently provided to and enjoyed by other senior officers of Employer, and shall be entitled to participate in any other employee benefit, incentive or retirement plans offered by Employer to its employees generally or to its senior management.

(c) Expenses. The Employee shall be entitled to reimbursement for all proper business expenses incurred by him with respect to the business of the Employer upon the provision of documentation evidencing such expenses in accordance with the Employer's expense reimbursement policies and in the same manner and to the same extent as such expenses are reimbursed to other officers of the Employer.

(d) Vacation. The Employee shall be entitled to vacations and other leave in accordance with the Employer's policy for senior executives.

(e) Reimbursement of Life Insurance Premiums. Employee is currently the owner of that certain Life Insurance Policy #9026959-10 issued through the AICPA (the "Policy"). Employer shall during the term hereof, on a semiannual basis, reimburse Employee for Employee's payment of the premiums under the Policy.

5. *Term*. The term of this Agreement shall commence on the date hereof (the "Effective Date") and continue until the third anniversary of the Effective Date (as it may be extended hereunder, the "Term"); provided, however, that the Term shall be automatically extended for one additional one (1) year upon each anniversary date of the Effective Date unless either the Board of Directors of the Employer, by a majority vote of the independent members of the Board, or the Employee, elects by written notice to the other no less than ninety (90) days prior to any anniversary of the Effective Date, not to so extend the Term, in which case the Term shall then end on the second anniversary of the date such notice is given.

6. *Termination*. Employee may be terminated at any time, without prejudice to Employee's right to compensation or benefits as provided herein. Employee's rights upon a termination shall be as follows:

(a) Cause. For purposes of this Agreement "Cause" with respect to the termination by Employer (as defined below) of Employee's employment shall mean (i) willful and continued failure, for a period of at least thirty (30) calendar days, by the Employee to perform his duties for Employer under this Agreement after at least one (1) warning in writing from the Chairman of the Compensation Committee if the Board of Directors of the Employer, or such person or body to which such authority may be delegated, identifying specifically any such failure, (ii) the willful engaging by the Employee in misconduct which causes material injury to Employer as specified in written notice to the Employee from Chairman of the Compensation Committee if the Board of Directors of the Employer, or such person or body to which such authority has been delegated; or (iii) conviction of or a plea of nolo contendere to a crime (other than a traffic violation) which is either a felony or an indictable offense or Employee's habitual drunkenness, drug abuse, or excessive absenteeism other than due to Disability (as defined herein), after a warning (with respect to drunkenness or absenteeism only) in writing from Chairman of the Compensation Committee if the Board of Directors of the Employer, or such person or body to which such authority has been delegated to refrain from such behavior.

(b) Termination With Cause. Employer shall have the right to terminate the Employee for "cause". In the event of such termination, the Employee shall only be entitled to salary and benefits accrued through the date of termination.

(c) Termination Without Cause. Upon a termination of Employee's employment hereunder without "cause", in recognition of such termination and Employee's agreement to be bound by the covenants contained in Sections 8, 9 and 10 hereof, Employee shall be entitled to receive a lump sum severance payment equal to the sum of two times (i) his then current annual Base Salary, (ii) the highest cash bonus payment paid to Employee over the past three years, (iii) the highest full grant date value of any equity award granted over the past three years, and (iv) the annual total automobile allowance paid to Employee under Section 4(a) hereof. In addition, Employer shall continue to provide the Employee with hospital, health, medical and life insurance, and any other like benefits in effect at the time of such termination, on the terms and conditions under which they were offered to Employee prior to such termination for a period of two years. In the event Employer, under its insurance and benefit plans then in effect, is unable to provide Employee with the benefits provided for above under the terms provided for herein, then in lieu of providing such benefits, Employer will pay the amount of Employee's premium to continue such coverage pursuant to the terms of the Comprehensive Omnibus Budget Reconciliation Act. The Employee shall have no duty to mitigate damages in connection with his termination by Employer without "cause". However, if the Employee obtains new employment and such new employment provides for hospital, health, medical and life insurance, and other benefits, in a manner substantially similar to the benefits payable by Employer hereunder, Employer may permanently terminate the duplicative benefits it is obligated to provide hereunder. Following the cessation of the continuation of Employee's hospital, health, and medical insurance, Employee shall be permitted to elect to extend such insurance coverage under the policies maintained by Employer in accordance with the applicable provisions of the Section 4980B of the Internal Revenue Code of 1986, as amended ("Code"), and/or applicable state law, to the extent eligible to do so under the Code and such state law.

(d) Death or Disability. This Agreement shall automatically terminate upon the death or Disability of Employee. Upon such termination, Employee shall not be entitled to any additional compensation hereunder, provided, however that the forgoing shall not prejudice Employee's right to be paid for all compensation earned through the date of such termination and the benefits of any insurance programs maintained for the benefit of Employee or his beneficiaries in the event of his death or Disability. For purposes hereof, Disability shall be defined to mean a disability under any long term disability plan of the Employer then in effect.

7. *Change in Control*.

(a) Upon the occurrence of a Change in Control (as herein defined), Employee shall be entitled to receive the payments provided for under paragraph (c) hereof.

(b) A "Change in Control" shall mean:

- (i) a reorganization, merger, consolidation or sale of all or substantially all of the assets of the Company, or a similar transaction, in any case in which the holders of the voting stock of the Company prior to such transaction do not hold a majority of the voting power of the resulting entity; or
- (ii) individuals who constitute the Incumbent Board (as herein defined) of the Company cease for any reason to constitute a majority thereof.

For these purposes, "Company" shall mean Hanover Bancorp, Inc., the parent corporation of the Employer, and "Incumbent Board" means the Board of Directors of the Company as of July 1, 2019, provided that any person becoming a director subsequent to the date hereof whose election was approved by a voting of at least three-quarters of the directors comprising the Incumbent Board, or whose nomination for election by members or stockholders was approved by the same nominating committee serving under an Incumbent Board, shall be considered as though he were a member of the Incumbent Board.

(c) In the event the conditions of Section (a) above are satisfied, Employee shall be entitled to receive a lump sum payment equal to 2.99 times the sum of (i) his then current annual Base Salary, (ii) the highest cash bonus payment paid to Employee over the past three years, (iii) the highest full grant date value of any equity award granted over the past three years, and (iv) the annual total automobile allowance paid to Employee under Section 4(a) hereof; provided, however, that if any payments provided for hereunder, when combined with any other payments due to the Employee contingent upon a Change in Control, constitute an "excess parachute payment" under Section 280G of the Code, the total payments will be reduced such that no portion of such payments are subject to the excise tax under Section 4999 of the Code *to the extent that*, after all applicable taxes, the Employee retains more of the total payments after this reduction than if the full amount were payable. Payments will be reduced in such manner as has the least economic effect on the Employee. In applying these principles, any reduction or elimination of the Payments shall be made in a manner consistent with the requirements of Section 409A of the Code and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero. Unless the Employer and the Employee otherwise agree in writing, any determination required under this Section 7(c) shall be made in writing by a nationally-recognized accounting firm selected by the Employee (the "Accountants"), whose determination will be conclusive and binding upon the Employee and the Employer for all purposes. For purposes of making the calculations required by this Section 7(c), the Accountants (i) may make reasonable assumptions and approximations concerning applicable taxes, (ii) may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code, and (iii) shall take into account a "reasonable compensation" (within the meaning of Q&A-9 and Q&A-40 to Q&A 44 of the final regulations under Section 280G of the Code) analysis of the value of services provided or to be provided by the Employee, including any agreement by the Employee (if applicable) to refrain from performing services pursuant to a covenant not to compete or similar covenant applicable to the Employee that may then be in effect (including, without limitation, those contemplated by Section 9 of this Agreement). The Employer and the Employee agree to furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this provision. The Employer shall bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this provision.. In addition to the foregoing, Employee shall be entitled to receive from Employer, or its successor, hospital, health, medical and life insurance on the terms and at the cost to Employee as Employee was receiving such benefits upon the date of his termination. Employer's obligation to continue such insurance benefits will be for a period of three (3) years from the effective date of the Change in Control. Any payment made hereunder shall be deemed to have satisfied Employer's obligations under this Agreement, and in no event shall Employee thereafter be entitled to receive any payment under Section 6(c) hereof.

8. *Release*. All payments and benefits provided for under Sections 6 and 7 hereof shall be contingent upon Employee executing a general release of claims in favor of the Employer, its subsidiaries and affiliates, and their respective officers, directors, shareholders, partners, members, managers, agents or employees, which release shall be provided to the Employee within five (5) business days following the termination date of Employee's employment, and which must be executed by the Employee and become effective within thirty (30) days thereafter. Severance payments under Sections 6 or 7 that are contingent upon such release shall, subject to Section 12(f), commence within ten (10) days after such release becomes effective; provided, however, that if the date of Employee's termination of employment occurs on or after November 15 of a calendar year, then severance payments shall, subject to the effectiveness of such release and Section 12(f), commence on the first business day of the following calendar year.

9. *Non Solicitation*

During the period Employee is performing services for the Employer and for a period of one (1) year following the termination of the Employee's services for the Employer for any reason, the Employee agrees that the Employee will not, directly or indirectly, for the Employee's benefit or for the benefit of any other person, firm or entity, do any of the following:

- (i) solicit or attempt to solicit from any customer that Employee serviced or learned of while in the employ of the Employer ("Customer"), or any potential customer of the Employer which has been the subject of a known written or oral bid, offer or proposal by the Employer, or of substantial preparation with a view to making such a bid, proposal or offer, within twelve months prior to such Employee's termination ("Potential Customer"), business of a similar nature or related to the business of the Employer;
- (ii) accept any business from, or perform any work or services for, any Customer or Potential Customer, which business, work or services is similar to the business of the Employer;
- (iii) cause or induce or attempt to cause or induce any Customer, Potential Customer, licensor, supplier or vendor of the Employer to reduce or sever its affiliation with the Employer;
- (iv) solicit the employment or services of, or hire or engage, or assist anyone else to hire or engage, any person who was known to be employed or engaged by or was a known employee of or consultant to the Employer upon the termination of the Employee's services to the Employer, or within twelve months prior thereto; or
- (v) otherwise interfere with the business or accounts of the Employer.

For purposes hereof, "solicitation" shall include directly or indirectly initiating any contact or communication of any kind whatsoever for purposes of inviting, encouraging or requesting such Customer, Potential Customer, licensor, supplier, vendor, employee or consultant to materially alter its business relationship, or engage in business, with the Employee or any person, firm or entity other than the Employer.

10. *Confidential Information*

(a) As used herein, "Confidential Information" means any confidential or proprietary information relating to the Employer and its affiliates including, without limitation, the identity of the Employer's customers, the identity of representatives of customers with whom the Employer has dealt, the kinds of services provided by the Employer to customers, the manner in which such services are performed or offered to be performed, the service needs of actual or prospective customers, customer preferences and policies, pricing information, business and marketing plans, financial information, budgets, compensation or personnel records, information concerning the creation, acquisition or disposition of products and services, vendors, software, data processing programs, databases, customer maintenance listings, computer software applications, research and development data, know-how, and other trade secrets.

Notwithstanding the above, Confidential Information does not include information which: (i) is or becomes public knowledge without breach of this Agreement; or (ii) is received by Employee from a third party without any violation of any obligation of confidentiality and without confidentiality restrictions; provided, however, that nothing in this Agreement shall prevent the Employee from participating in or disclosing documents or information in connection with any judicial or administrative investigation, inquiry or proceeding to the extent that such participation or disclosure is required under applicable law; provided further, however, that the Employee will provide the Employer with prompt notice of such request so that the Employer may seek (with the cooperation of the Employee, if so requested by the Employer), a protective order or other appropriate remedy and/or waiver in writing of compliance with the provisions of this Agreement. If a particular portion or aspect of Confidential Information becomes subject to any of the foregoing exceptions, all other portions or aspects of such information shall remain subject to all of the provisions of this Agreement.

(b) At all times, both during the period of Employee's services for the Employer and after termination of Employee's services, the Employee will keep in strictest confidence and trust all Confidential Information and the Employee will not directly or indirectly use or disclose to any third-party any Confidential Information, except as may be necessary in the ordinary course of performing the Employees duties for the Employer, or disclose any Confidential Information, or permit or encourage any other person or entity to do so, without the prior written consent of the Employer except as may be necessary in the ordinary course of performing the Employee's duties for the Employer.

(c) The Employee agrees to return promptly all Confidential Information in tangible form, including, without limitation, all photocopies, extracts and summaries thereof, and any such information stored electronically on tapes, computer disks, mobile or remote computers (including personal digital assistants) or in any other manner to the Employer at any time that the Employer makes such a request and automatically, without request, within five days after the termination of the Employee's performance of services for the Employer for any reason.

11. *Arbitration.* Any dispute or controversy arising under this Agreement shall be settled exclusively by binding arbitration, as an alternative to civil litigation and without any trial by jury to resolve such claims, conducted by a single arbitrator, mutually acceptable to the Employer and the Employee, sitting in New York County, New York, unless otherwise mutually agreed by the Employer and the Employee, in accordance with the rules of the American Arbitration Association's National Rules for the Resolution of Employment Disputes then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction. Notwithstanding the forgoing, the parties to this Agreement may seek equitable relief in any court or competent jurisdiction for a matter in the nature of, but not limited to, restraining orders or injunctions.

12. *Miscellaneous.*

(a) Governing Law. In the absence of controlling Federal law, this Agreement shall be governed by and interpreted under the substantive law of the State of New York.

(b) Severability. If any provision of this Agreement shall be held to be invalid, void, or unenforceable, the remaining provisions hereof shall in no way be affected or impaired, and such remaining provisions shall remain in full force and effect. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid or enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

(c) Entire Agreement; Amendment. This Agreement sets for the entire understanding of the parties with regarding to the subject matter contained herein and supersedes any and all prior agreements, arrangements or understandings relating to the subject matter hereof and may only be amended by written agreement signed by both parties hereto or their duly authorized representatives.

(d) Successors and Assigns. This Agreement shall be binding upon and become the legal obligation of the successors and assigns of Employer and shall inure to the benefit of Employee's estate, heirs, representatives in the event of his death or Disability.

(e) Clawback and Recoupment. Any amounts paid Employee hereunder shall be subject to any clawback or recoupment policy adopted by Employer, or the requirements of any law or regulation applicable to the Employer and governing the clawback or recoupment of executive compensation. In addition, with regard to any payment made hereunder pursuant to Sections 6(c) or 7(c) hereunder, Employer or its successors retains the legal right to demand the return of any payment made should Employer or its successors later obtain information indicating that the Employee has committed, is substantially responsible for, or has violated, the respective acts or omissions, conditions, or offenses outlined under the FDIC's regulations at 12 C.F.R. 359.4(a) (4).

(f) Section 409A Compliance. This Agreement shall be interpreted to avoid any penalty sanctions under Section 409A of the Code ("Section 409A") and regulations promulgated thereunder. Notwithstanding anything contained herein to the contrary, the Employee shall not be considered to have terminated employment with the Employer for purposes of the payments and benefit of Section 1 hereof unless he would be considered to have incurred a "termination of employment" from the Employer within the meaning of Treasury Regulation §1.409A-1(h)(1)(ii). For purposes of Section 409A, each payment made under this Agreement shall be treated as a separate payment. In no event may the Employee, directly or indirectly, designate the calendar year of payment. If the Employee is a "specified employee" for purposes of Section 409A of the Code, to the extent required to comply with Section 409A of the Code, any payments required to be made pursuant to this Agreement which are deferred compensation and subject to Section 409A of the Code (and do not qualify for an exemption thereunder) shall not commence until one day after the day which is six (6) months from the date of termination. Should this Section 12(f) result in a delay of payments to the Employee, on the first day any such payments may be made without incurring a penalty pursuant to Section 409A (the "409A Payment Date"), Employer shall begin to make such payments as described in this Section 12(f), provided that any amounts that would have been payable earlier but for application of this Section 12(f) shall be paid in lump-sum on the 409A Payment Date.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

EMPLOYER: HANOVER COMMUNITY BANK

ATTEST:

/s/ _____

By: /s/ Robert Golden _____

Name: Robert Golden

Title: Compensation Committee Chairman

EMPLOYEE:

/s/ Michael P. Puorro _____

Name: Michael P. Puorro

THIRD AMENDED AND RESTATED EMPLOYMENT AGREEMENT

Third Amended and Restated Employment Agreement (the "Employment Agreement") originally effective as of the 24th day of July, 2017, by and between Brian Finneran, an individual residing at 42 Claydon Road, Garden City, NY 11530 (the "Employee") and **HANOVER COMMUNITY BANK**, a New York state chartered commercial bank with its principal place of business located at 2131 Jericho Turnpike, Garden City Park, N.Y. 11040 (the "Employer").

WHEREAS, the Board of Directors of the Employer has determined that it is in the best interests of the Employer to retain the services of Employee, and in connection therewith to enter into this Agreement with Employee, and the Board has authorized the Employer to enter into this Agreement;

WHEREAS, the Employee agrees to be employed pursuant to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the premises and covenants contained herein, and with the intent to be legally bound hereby, the parties hereto hereby agree as follows:

1. *Employment.* The Employer agrees to employ the Employee, and the Employee hereby accepts such employment, upon the terms and conditions set forth herein.

2. *Position and Duties.* The Employee shall be employed as the Executive Vice President and Chief Financial Officer of the Employer, to perform such services in that capacity as are usual and customary for comparable institutions and as shall from time-to-time be established by the President and Chief Executive Officer and/or the Board of Directors of the Employer. Employee agrees that he will devote his full business time and efforts to his duties hereunder.

3. *Compensation.* Employer shall pay to the Employee compensation for his services as follows:

(a) *Base Salary.* The Employee shall be entitled to receive during his service hereunder a minimum annual base salary (the "Base Salary") of TWO HUNDRED NINETY THOUSAND DOLLARS (\$290,000), which shall be payable in installments in accordance with Employer's usual payroll method. Annually commencing in 2018, the Board of Directors (or a committee thereof) shall review the Employee's performance, the status of Employer and such other factors as the Board of Directors or a committee thereof shall deem appropriate and shall adjust the Base Salary accordingly, which shall not be less than the Base Salary then in effect, unless any reduction in salary to less than the Base Salary then in effect is part of an overall reduction in compensation applicable to all senior executive officers of the Employer.

(b) *Incentive Plans.* Employee shall be entitled to participate in any incentive plans established by Employer for executive officers of the Employer, including the Employer's Short term Incentive Plan and Long Term Incentive Plan, with a pro rata incentive award opportunity for calendar 2017.

4. *Other Benefits.*

(a) Automobile. The Employee shall be entitled to a cash allowance in the amount of eight hundred (\$800) dollars per month to be used for the purpose of maintaining an automobile for use in the business of the Employer.

(b) Insurance Coverage and Employee Benefit Plans. The Employee shall be entitled to receive hospital, health, medical, long term disability and life insurance of a type currently provided to and enjoyed by other senior officers of Employer, and shall be entitled to participate in any other employee benefit, incentive or retirement plans offered by Employer to its employees generally or to its senior management, including the Employer's 401(k) plan after ninety (90) days of employment.

(c) Expenses. The Employee shall be entitled to reimbursement for all proper business expenses incurred by him with respect to the business of the Employer upon the provision of documentation evidencing such expenses in accordance with the Employer's expense reimbursement policies and in the same manner and to the same extent as such expenses are reimbursed to other officers of the Employer.

(d) Option Grant. Employee shall be entitled to participate in the Employers existing stock option or equity compensation plans, and shall be awarded, as of the Effective Date, a grant of options to purchase 20,000 shares of the common stock of Hanover Bancorp, Inc., the parent holding company of the Employer, at an exercise price equal to the fair market value of such stock on the date of grant, determined in accordance with the terms of the plan under which the options are granted, and containing such other terms and conditions as are provided for under the plan under which the options are granted and as are consistent with the terms imposed on grants to other executive employees of Employer. The forgoing grant will be subject to a three (3) year vesting period, with one-third of the award vesting on each anniversary date of the grant, starting on the first anniversary of the grant date, and will be memorialized in a grant agreement.

(e) Vacation. The Employee shall be entitled thirty (30) paid-time-off ("PTO") days per annum, pro-rated for the period commencing on the Effective Date and ending on December 31, 2017. The Employee shall be further entitled to such other holidays as the Bank may observe from time to time.

(f) Reimbursement of Life Insurance Premiums. Employer shall, during the term hereof, on a semiannual basis, reimburse Employee for Employee's payment of the premiums on a life insurance policy to be procured by Employee with provides for a death benefit of up to \$2,000,000, up to a maximum of \$5,000 per year.

5. *Term.* The term of this Agreement shall commence on the date hereof (the "Effective Date") and continue until the third anniversary of the Effective Date (as it may be extended hereunder, the "Term"); provided, however, that the Term shall be automatically extended for one additional one (1) year upon each anniversary date of the Effective Date unless either the Board of Directors of the Employer, by a majority vote of the independent members of the Board, or the Employee, elects by written notice to the other no less than ninety (90) days prior to any anniversary of the Effective Date, not to so extend the Term, in which case the Term shall then end on the second anniversary of the date such notice is given.

6. *Termination.* Employee may be terminated at any time, without prejudice to Employee's right to compensation or benefits as provided herein. Employee's rights upon a termination shall be as follows:

(a) Cause. For purposes of this Agreement "Cause" with respect to the termination by Employer (as defined below) of Employee's employment shall mean (i) willful and continued failure, for a period of at least thirty (30) calendar days, by the Employee to perform his duties for Employer under this Agreement after at least one (1) warning in writing from the President and CEO or the Chairman of the Compensation Committee of the Board of Directors of the Employer, or such person or body to which such authority may be delegated, identifying specifically any such failure, (ii) the willful engaging by the Employee in misconduct which causes material injury to Employer as specified in written notice to the Employee from the President and CEO or the Chairman of the Compensation Committee of the Board of Directors of the Employer, or such person or body to which such authority has been delegated; or (iii) conviction of or a plea of nolo contendere to a crime (other than a traffic violation) which is either a felony or an indictable offense, or Employee's habitual drunkenness, drug abuse, or excessive absenteeism other than due to Disability (as defined herein), after a warning (with respect to drunkenness or absenteeism only) in writing from the President and CEO or the Chairman of the Compensation Committee of the Board of Directors of the Employer, or such person or body to which such authority has been delegated to refrain from such behavior.

(b) Termination With Cause. Employer shall have the right to terminate the Employee for "cause". In the event of such termination, the Employee shall only be entitled to salary and benefits accrued through the date of termination.

(c) Termination Without Cause. Employer shall have the right to terminate the Employee without "cause" at any time. Upon such a termination prior to or upon the first anniversary of the Effective Date, Employee shall not be entitled to any benefits hereunder. Upon a termination of Employee's employment hereunder without "cause" on any date that is subsequent to the first anniversary of the Effective Date, Employee shall be entitled to receive a lump sum severance payment equal to the sum of one (1) times (i) his then current annual Base Salary (specifically excluding the value of any 401(k) or other retirement plan matching contribution from Employer, even if recognized in payroll or deemed compensation to Employee), (ii) the highest cash bonus payment paid to Employee over the past three years, (iii) the highest full grant date value of any equity award granted over the past three years, and (iv) the annual total automobile allowance paid to Employee under Section 4(a) hereof. In addition, Employer shall continue to provide the Employee with hospital, health, medical and life insurance, and any other like benefits in effect at the time of such termination, on the terms and conditions under which they were offered to Employee prior to such termination for a period of twelve (12) months. In the event Employer, under its insurance and benefit plans then in effect, is unable to provide Employee with the benefits provided for above under the terms provided for herein, then in lieu of providing such benefits, Employer will pay the amount of Employee's premium to continue such coverage pursuant to the terms of the Comprehensive Omnibus Budget Reconciliation Act. The Employee shall have no duty to mitigate damages in connection with his termination by Employer without "cause". However, if the Employee obtains new employment and such new employment provides for hospital, health, medical and life insurance, and other benefits, in a manner substantially similar to the benefits payable by Employer hereunder, Employer may permanently terminate the duplicative benefits it is obligated to provide hereunder. Following the cessation of the continuation of Employee's hospital, health, and medical insurance, Employee shall be permitted to elect to extend such insurance coverage under the policies maintained by Employer in accordance with the applicable provisions of the Section 4980B of the Internal Revenue Code of 1986, as amended ("Code"), and/or applicable state law, to the extent eligible to do so under the Code and such state law.

(d) Death or Disability. This Agreement shall automatically terminate upon the death or Disability of Employee. Upon such termination, Employee shall not be entitled to any additional compensation hereunder, provided, however that the forgoing shall not prejudice Employee's right to be paid for all compensation earned through the date of such termination and the benefits of any insurance programs maintained for the benefit of Employee or his beneficiaries in the event of his death or Disability. For purposes hereof, Disability shall be defined to mean a disability under any long term disability plan of the Employer then in effect.

7. *Change in Control*.

(a) Upon the occurrence of a Change in Control (as herein defined), Employee shall be entitled to receive the payments provided for under paragraph (c) hereof.

(b) A "Change in Control" shall mean:

- (i) a reorganization, merger, consolidation or sale of all or substantially all of the assets of the Company, or a similar transaction, in any case in which the holders of the voting stock of the Company prior to such transaction do not hold a majority of the voting power of the resulting entity; or
- (ii) individuals who constitute the Incumbent Board (as herein defined) of the Company cease for any reason to constitute a majority thereof.

For these purposes, "Company" shall mean Hanover Bancorp, Inc., the parent corporation of the Employer, and "Incumbent Board" means the Board of Directors of the Company as of July 1, 2019, provided that any person becoming a director subsequent to the date hereof whose election was approved by a voting of at least three-quarters of the directors comprising the Incumbent Board, or whose nomination for election by members or stockholders was approved by the same nominating committee serving under an Incumbent Board, shall be considered as though he were a member of the Incumbent Board.

(c) In the event the conditions of Section (a) above are satisfied, Employee shall be entitled to receive a lump sum payment equal to two (2) times the sum of (i) his then current annual Base Salary, (ii) the highest cash bonus payment paid to Employee over the past three years, (iii) the highest full grant date value of any equity award granted over the past three years, and (iv) the annual total automobile allowance paid to Employee under Section 4(a) hereof. In addition, Employer shall continue to provide the Employee with hospital, health, medical and life insurance, and any other like benefits in effect at the time of such termination, on the terms and conditions under which they were offered to Employee prior to such termination for a period of twenty four (24) months. In the event Employer, under its insurance and benefit plans then in effect, is unable to provide Employee with the benefits provided for above under the terms provided for herein, then in lieu of providing such benefits, Employer will pay the amount of Employee's premium to continue such coverage pursuant to the terms of the Comprehensive Omnibus Budget Reconciliation Act. The Employee shall have no duty to mitigate damages in connection with his termination by Employer without "cause". However, if the Employee obtains new employment and such new employment provides for hospital, health, medical and life insurance, and other benefits, in a manner substantially similar to the benefits payable by Employer hereunder, Employer may permanently terminate the duplicative benefits it is obligated to provide hereunder. Following the cessation of the continuation of Employee's hospital, health, and medical insurance, Employee shall be permitted to elect to extend such insurance coverage under the policies maintained by Employer in accordance with the applicable provisions of the Section 4980B of the Internal Revenue Code of 1986, as amended ("Code"), and/or applicable state law, to the extent eligible to do so under the Code and such state law. Notwithstanding the foregoing, if any payments provided for hereunder, when combined with any other payments due to the Employee contingent upon a Change in Control, constitute an "excess parachute payment" under Section 280G of the Code, the total payments will be reduced such that no portion of such payments are subject to the excise tax under Section 4999 of the Code *to the extent that*, after all applicable taxes, the Employee retains more of the total payments after this reduction than if the full amount were payable. Payments will be reduced in such manner as has the least economic effect on the Employee. In applying these principles, any reduction or elimination of the Payments shall be made in a manner consistent with the requirements of Section 409A of the Code and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero. Unless the Employer and the Employee otherwise agree in writing, any determination required under this Section 7(c) shall be made in writing by a nationally-recognized accounting firm selected by the Employer (the "Accountants"), whose determination will be conclusive and binding upon the Employee and the Employer for all purposes. For purposes of making the calculations required by this Section 7(c), the Accountants (i) may make reasonable assumptions and approximations concerning applicable taxes, (ii) may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code, and (iii) shall take into account a "reasonable compensation" (within the meaning of Q&A-9 and Q&A-40 to Q&A 44 of the final regulations under Section 280G of the Code) analysis of the value of services provided or to be provided by the Employee, including any agreement by the Employee (if applicable) to refrain from performing services pursuant to a covenant not to compete or similar covenant applicable to the Employee that may then be in effect (including, without limitation, those contemplated by Section 9 of this Agreement). The Employer and the Employee agree to furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this provision. The Employer shall bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this provision.

8. *Release.* All payments and benefits provided for under Sections 6 and 7 hereof shall be contingent upon Employee executing a general release of claims in favor of the Employer in the form annexed hereto as Exhibit "A", its subsidiaries and affiliates, and their respective officers, directors, shareholders, partners, members, managers, agents or employees, which release shall be provided to the Employee within five (5) business days following the termination date of Employee's employment, and which must be executed by the Employee and become effective within thirty (30) days thereafter. Severance payments under Sections 6 or 7 that are contingent upon such release shall, subject to Section 12(f), commence within ten (10) days after such release becomes effective; provided, however, that if the date of Employee's termination of employment occurs on or after November 15 of a calendar year, then severance payments shall, subject to the effectiveness of such release and Section 12(f), commence on the first business day of the following calendar year.

9. *Non-Solicitation.*

During the period Employee is performing services for the Employer and for a period of one (1) year following the termination of the Employee's services for the Employer for any reason, the Employee agrees that the Employee will not, directly or indirectly, for the Employee's benefit or for the benefit of any other person, firm or entity, do any of the following:

- (i) solicit or attempt to solicit from any customer that Employee serviced or learned of while in the employ of the Employer ("Customer"), or any potential customer of the Employer which has been the subject of a known written or oral bid, offer or proposal by the Employer, or of substantial preparation with a view to making such a bid, proposal or offer, within twelve months prior to such Employee's termination ("Potential Customer"), business of a similar nature or related to the business of the Employer;
- (ii) accept any business from, or perform any work or services for, any Customer or Potential Customer, which business, work or services is similar to the business of the Employer;
- (iii) cause or induce or attempt to cause or induce any Customer, Potential Customer, licensor, supplier or vendor of the Employer to reduce or sever its affiliation with the Employer;
- (iv) solicit the employment or services of, or hire or engage, or assist anyone else to hire or engage, any person who was known to be employed or engaged by or was a known employee of or consultant fulfilling an employee role to the Employer upon the termination of the Employee's services to the Employer, or within twelve months prior thereto; or
- (v) otherwise interfere with the business or accounts of the Employer.

For purposes hereof, "solicitation" shall include directly or indirectly initiating any contact or communication of any kind whatsoever for purposes of inviting, encouraging or requesting such Customer, Potential Customer, licensor, supplier, vendor, employee or consultant to materially alter its business relationship, or engage in business, with the Employee or any person, firm or entity other than the Employer.

10. *Confidential Information.*

(a) As used herein, "Confidential Information" means any confidential or proprietary information relating to the Employer and its affiliates including, without limitation, the identity of the Employer's customers, the identity of representatives of customers with whom the Employer has dealt, the kinds of services provided by the Employer to customers, the manner in which such services are performed or offered to be performed, the service needs of actual or prospective customers, customer preferences and policies, pricing information, business and marketing plans, financial information, budgets, compensation or personnel records, information concerning the creation, acquisition or disposition of products and services, vendors, software, data processing programs, databases, customer maintenance listings, computer software applications, research and development data, know-how, and other trade secrets.

Notwithstanding the above, Confidential Information does not include information which: (i) is or becomes public knowledge without breach of this Agreement; or (ii) is received by Employee from a third party without any violation of any obligation of confidentiality and without confidentiality restrictions; provided, however, that nothing in this Agreement shall prevent the Employee from participating in or disclosing documents or information in connection with any judicial or administrative investigation, inquiry or proceeding to the extent that such participation or disclosure is required under applicable law; provided further, however, that the Employee will provide the Employer with prompt notice of such request so that the Employer may seek (with the cooperation of the Employee, if so requested by the Employer), a protective order or other appropriate remedy and/or waiver in writing of compliance with the provisions of this Agreement. If a particular portion or aspect of Confidential Information becomes subject to any of the foregoing exceptions, all other portions or aspects of such information shall remain subject to all of the provisions of this Agreement.

(b) At all times, both during the period of Employee's services for the Employer and after termination of Employee's services, the Employee will keep in strictest confidence and trust all Confidential Information and the Employee will not directly or indirectly use or disclose to any third-party any Confidential Information, except as may be necessary in the ordinary course of performing the Employee's duties for the Employer, or disclose any Confidential Information, or permit or encourage any other person or entity to do so, without the prior written consent of the Employer except as may be necessary in the ordinary course of performing the Employee's duties for the Employer.

(c) The Employee agrees to return promptly all Confidential Information in tangible form, including, without limitation, all photocopies, extracts and summaries thereof, and any such information stored electronically on tapes, computer disks, mobile or remote computers (including personal digital assistants) or in any other manner to the Employer at any time that the Employer makes such a request and automatically, without request, within five days after the termination of the Employee's performance of services for the Employer for any reason.

11. *Arbitration.* Any dispute or controversy arising under this Agreement shall be settled exclusively by binding arbitration, as an alternative to civil litigation and without any trial by jury to resolve such claims, conducted by a single arbitrator, mutually acceptable to the Employer and the Employee, sitting in New York County, New York, unless otherwise mutually agreed by the Employer and the Employee, in accordance with the rules of the American Arbitration Association's National Rules for the Resolution of Employment Disputes then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction. Notwithstanding the forgoing, the parties to this Agreement may seek equitable relief in any court or competent jurisdiction for a matter in the nature of, but not limited to, restraining orders or injunctions.

12. *Miscellaneous.*

(a) Governing Law. In the absence of controlling Federal law, this Agreement shall be governed by and interpreted under the substantive law of the State of New York.

(b) Severability. If any provision of this Agreement shall be held to be invalid, void, or unenforceable, the remaining provisions hereof shall in no way be affected or impaired, and such remaining provisions shall remain in full force and effect. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid or enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

(c) Entire Agreement; Amendment. This Agreement sets forth the entire understanding of the parties with regard to the subject matter contained herein and supersedes any and all prior agreements, arrangements or understandings relating to the subject matter hereof and may only be amended by written agreement signed by both parties hereto or their duly authorized representatives.

(d) Successors and Assigns. This Agreement shall be binding upon and become the legal obligation of the successors and assigns of Employer and shall inure to the benefit of Employee's estate, heirs, representatives in the event of his death or Disability.

(e) Clawback and Recoupment. Any amounts paid Employee hereunder shall be subject to any clawback or recoupment policy adopted by Employer, or the requirements of any law or regulation applicable to the Employer and governing the clawback or recoupment of executive compensation. In addition, with regard to any payment made hereunder pursuant to Sections 6(c) or 7(c) hereunder, Employer or its successors retains the legal right to demand the return of any payment made should Employer or its successors later obtain information indicating that the Employee has committed, is substantially responsible for, or has violated, the respective acts or omissions, conditions, or offenses outlined under the FDIC's regulations at 12 C.F.R. 359.4(a)(4).

(f) Section 409A Compliance. If the Employee is a "specified employee" for purposes of Section 409A of the Code, to the extent required to comply with Section 409A of the Code, any payments required to be made pursuant to this Agreement which are deferred compensation and subject to Section 409A of the Code (and do not qualify for an exemption thereunder) shall not commence until one day after the day which is six (6) months from the date of termination. Should this Section 12(f) result in a delay of payments to the Employee, on the first day any such payments may be made without incurring a penalty pursuant to Section 409A (the "409A Payment Date"), the Employer shall begin to make such payments as described in this Section 12(f), provided that any amounts that would have been payable earlier but for application of this Section 12(f) shall be paid in lump-sum on the 409A Payment Date.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

EMPLOYER: HANOVER COMMUNITY BANK

By: /s/ Michael P. Puorro

Name: Michael P. Puorro

Title: Chairman and CEO

EMPLOYEE:

/s/ Brian Finneran

Name: Brian Finneran

RELEASE AGREEMENT

This Release Agreement (this "Agreement"), dated _____, 201_, is by and among BRIAN FINNERAN ("Executive"), and HANOVER COMMUNITY BANK ("HCB").

WHEREAS, pursuant to the terms of that certain Employment Agreement dated July 24, 2017 between Executive and HCB (the "Employment Agreement"), Executive has become entitled to receive a payment pursuant to Section 6(c) or 7(c) of the Employment Agreement;

WHEREAS, pursuant to Section 8 of the Employment Agreement, it is a condition precedent to HCB's obligation to make such payments that Executive enter into this Agreement;

NOW, THEREFORE, IN CONSIDERATION of good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed as follows:

1. Release and Waiver.

(a) The Executive, for himself, his heirs, successors and assigns, does hereby generally and completely waive, release and forever discharge, HCB, and all their representatives, officers, directors, employees and affiliates, and each and every successor, assign and agent (the "Released HCB Parties"), from and against any and all claims. As used herein, "claims" means any and all matters relating to the Employment Agreement, including, but not limited to, any and all claims related to Executive's service as an employee, officer or director of HCB or any subsidiary or affiliate through the effective date of this Agreement or arising from or related to Executive's service with HCB, and any and all claims, debts, liabilities, demands, obligations, promises, acts, agreements, costs, expenses, damages, actions, and causes of actions, whether in law or in equity, whether known or unknown, suspected or unsuspected, arising from Executive's employment or service with HCB or any subsidiary or affiliate thereof, and, except as set forth below, also includes but is not limited to: (i) claims under federal, state or local law (statutory or decisional) for breach of contract, tort, wrongful or abusive or unfair discharge or dismissal, impairment of economic opportunity or defamation, breach of fiduciary duty, intentional infliction of emotional distress, or discrimination based upon race, color, ethnicity, sex, age, national origin, religion, disability, sexual orientation or any other unlawful criterion or circumstance; (ii) claims for compensation, bonuses or benefits; (iii) claims under any employment letter, service agreement, severance program, compensation, bonus, incentive, deferred retirement, health, welfare or benefit plan or arrangement maintained by HCB and its affiliates; (iv) claims for sexual harassment; (v) claims related to whistle blowing; (vi) claims for punitive, incidental, indirect, consequential, special or exemplary damages; (vii) claims for violations of any of the following laws (as amended) from the beginning of time to the effective date of this Agreement: the Equal Pay Act, the Civil Rights Act of 1866, 42 U.S.C. § 1981, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991 as amended, the Equal Pay Act, the Genetic Information and Discrimination Act, the Americans with Disabilities Act of 1991, the Worker Adjustment Retraining and Notification Act, 29 U.S.C. § 2101, *et seq.*, the Family and Medical Leave Act of 1993, the Rehabilitation Act, Executive Order 11246, all claims and damages relating to race, sex, national origin, disabilities, religion, sexual orientation, and age, all employment discrimination claims arising under similar state, country or city statutes, any claims for unpaid compensation, wages and bonuses under the federal Fair Labor Standards Act, 29 U.S.C. § 201, *et seq.*, any and all claims for violation of Code Section 409A, or any state, county or city law or ordinance regarding wages or compensation, and (viii) claims for violations of any other applicable labor or employment statute or law, state or federal, from the beginning of time to the effective date of this Agreement. In addition, Executive waives any and all rights under the laws of any jurisdiction in the United States that limit a general release to those claims that are known or suspected to exist in Executive's favor as of the effective date of this Agreement. The foregoing list is meant to be illustrative rather than exclusive.

(b) Notwithstanding the foregoing, Executive does not waive any rights related to: (i) HCB's obligations to make payments or provide other benefits under Section 6(c) or 7(c) of the Employment Agreement, (ii) claims for payment under any equity compensation plan of HCB in effect as of the date hereof and under which Executive received an award, (iii) claims for benefits under HCB's tax-qualified retirement plans or other benefit or compensation plans in which Executive has a vested benefit; or (iv) claims for benefits required by applicable law or health insurance coverage under applicable state and federal group health care continuation coverage laws (e.g., COBRA). In addition, excluded from this release and waiver are any claims which cannot be waived by law, including but not limited to the right to participate in an investigation conducted by certain government agencies. Executive does, however, waive Executive's right to any monetary recovery should any agency (such as the Equal Employment Opportunity Commission) pursue any claims on Executive's behalf.

(c) Executive agrees not to institute, nor has Executive instituted, a lawsuit against any Released HCB Party based on any waived claims or rights as set forth above.

(d) Executive understands that nothing contained in this Agreement limits Executive's ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safe and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("Government Agencies"). Executive further understands that this Agreement does not limit Executive's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. This Agreement does not limit Executive's right to receive an award for information provided to any Government Agencies. In addition, nothing in this Agreement shall preclude Executive from responding to any lawfully-issued subpoena, court order or other compulsory legal process, provided that Executive provides immediate written notice of any inquiry or request for such communication or cooperation or legal process to the Company.

(e) **EXCEPT AS OTHERWISE PROVIDED HEREIN, EXECUTIVE ACKNOWLEDGES AND AGREES THAT THIS RELEASE IS A FULL AND FINAL BAR TO ANY AND ALL CLAIM(S) OF ANY TYPE THAT EXECUTIVE MAY NOW HAVE AGAINST ANY RELEASED HCB PARTY.**

2. **Injunctive Relief.** The parties hereto recognize that irreparable injury will result to HCB, their businesses and properties in the event of Executive's breach of any covenants or agreements contained herein. HCB will be entitled, in addition to any other remedies and damages available to it, to an injunction prohibiting Executive from committing any violation or threatened violation of this Agreement.

3. **Non-Disparagement.** Executive agrees to forever refrain from making any disparaging remarks or other negative or derogatory statements, written or oral, to any third party relating to HCB, or its parents, subsidiaries, officers, employees or agents or customers; provided, however that the forgoing shall not prohibit Executive from providing truthful testimony in any judicial or administrative proceeding, if Executive is legally compelled to so testify.

4. **General Provisions.**

(a) **Heirs, Successors and Assigns.** The terms of this Agreement will be binding upon the parties hereto and their respective heirs, personal representatives, successors and assigns.

(b) **Final Agreement.** This Agreement represents the entire understanding of the parties with respect to the subject matter hereof and supersedes all prior understandings, written or oral. The terms of this Agreement may be changed, modified or discharged only by an instrument in writing signed by the parties hereto.

(c) **Governing Law.** This Agreement will be construed, enforced and interpreted in accordance with and governed by the laws of the State of New York, without reference to its principles of conflicts of law.

(d) **Counterparts.** This Agreement may be executed in one or more counterparts, each of which counterpart, when so executed and delivered, will be deemed an original and all of which counterparts, taken together, will constitute but one and the same agreement.

(e) **Severability.** Any term or provision of this Agreement which is held to be invalid or unenforceable will be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement.

5. **Review and revocation.**

(a) **Review Period.** Executive acknowledges that Employee was given, and has had, a period of not less than 21 days within which to consider this Agreement. Executive further acknowledges that, if Executive executed and delivered this Agreement prior to the expiration of the 21 day review period, Executive did so entirely voluntarily, and without any coercion or improper inducement by HCB or any other HCB Released Party, or any of their representatives.

(b) Revocation Period. Executive understands and expressly acknowledges that Executive has a period of seven (7) full days after the date when Executive signs this Agreement to revoke this Agreement. Executive may revoke this Agreement by delivering written notification to Michael Puorro, President and CEO, Hanover Community Bank, 2131 Jericho Turnpike, Garden City Park, NY 11040 at any time prior to, or through, the seventh full day after Executive signs this Agreement. If Executive properly revokes this Agreement, the Agreement will not be effective and enforceable, and Executive will not receive the benefits provided for under Section 6(c) of the Employment Agreement. If Executive does not properly revoke this Agreement, this Agreement shall be binding and enforceable beginning on the 8th day after Executive signs this Agreement (the "Effective Date") and Executive will receive the benefits provided for under Section 6(c) of the Employment Agreement.

PLEASE READ CAREFULLY. THIS AGREEMENT INCLUDES A RELEASE OF CERTAIN KNOWN AND UNKNOWN CLAIMS. HCB HEREBY ADVISES EXECUTIVE TO CONSULT WITH AN ATTORNEY BEFORE EXECUTING THIS AGREEMENT.

IN WITNESS WHEREOF, the Executive has signed this Agreement on the date set forth below and Executive hereby declares that the terms of this Agreement have been completely read, are fully understood, and are voluntarily accepted after complete consideration of all facts and legal claims.

EXECUTIVE

Date

AMENDED AND RESTATED CHANGE IN CONTROL AGREEMENT

AMENDED AND RESTATED CHANGE IN CONTROL AGREEMENT (this "Agreement") originally effective as of the 2nd day of January, 2020 by and between **HANOVER COMMUNITY BANK**, a New York state commercial bank with its principal place of business located at 80 East Jericho Turnpike, Mineola, NY 11501 (the "Employer"), and **KEVIN CORBETT**, an individual residing at 4006 Fulton Avenue, Seaford, NY 11783 ("Employee").

WITNESSETH:

WHEREAS, Employer wishes to retain Employee;

WHEREAS, it is a condition to Employee's retention that Employer enter into this Agreement with Employee;

NOW, THEREFORE, in consideration of the mutual promises and undertakings herein contained, the parties hereto, intending to be legally bound, agree as follows:

1. Change in Control.

(a) Upon the occurrence of a Change in Control (as herein defined), Employee shall be entitled to receive the payments provided for under paragraph (c) hereof.

(b) A "Change in Control" shall mean:

- (i) a reorganization, merger, consolidation or sale of all or substantially all of the assets of the Company, or a similar transaction, in any case in which the holders of the voting stock of the Company prior to such transaction do not hold a majority of the voting power of the resulting entity; or
- (ii) individuals who constitute the Incumbent Board (as herein defined) of the Company cease for any reason to constitute a majority thereof.

For these purposes, "Company" shall mean Hanover Bancorp, Inc., the parent corporation of the Employer, and "Incumbent Board" means the Board of Directors of the Company as of the date hereof, provided that any person becoming a director subsequent to the date hereof whose election was approved by a voting of at least three-quarters of the directors comprising the Incumbent Board, or whose nomination for election by members or stockholders was approved by the same nominating committee serving under an Incumbent Board, shall be considered as though he were a member of the Incumbent Board.

(c) In the event the conditions of Section (a) above are satisfied, Employee shall be entitled to receive a lump sum payment equal to one (1) times the sum of (i) his then current annual Base Salary, (ii) the highest cash bonus payment paid to Employee over the past three years, and (iii) the annual total automobile allowance paid to Employee, if any; provided, however, that in the event any payments provided for hereunder, when combined with any other payments due to Employee under any other agreement or benefit plan of Employer contingent upon a Change in Control, constitute an "excess parachute payment" under Section 280G of the Internal Revenue Code of 1986, as amended or any successor thereto, the total payments will be reduced such that no portion of such payments are subject to the excise tax under Section 4999 of the Code *to the extent that*, after all applicable taxes, the Employee retains more of the total payments after this reduction than if the full amount were payable. Payments will be reduced in such manner as has the least economic effect on the Employee. In applying these principles, any reduction or elimination of the Payments shall be made in a manner consistent with the requirements of Section 409A of the Code and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero. Unless the Employer and the Employee otherwise agree in writing, any determination required under this Section 7(c) shall be made in writing by a nationally-recognized accounting firm selected by the Employee (the "Accountants"), whose determination will be conclusive and binding upon the Employee and the Employer for all purposes. For purposes of making the calculations required by this Section 7(c), the Accountants (i) may make reasonable assumptions and approximations concerning applicable taxes, (ii) may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code, and (iii) shall take into account a "reasonable compensation" (within the meaning of Q&A-9 and Q&A-40 to Q&A 44 of the final regulations under Section 280G of the Code) analysis of the value of services provided or to be provided by the Employee, including any agreement by the Employee (if applicable) to refrain from performing services pursuant to a covenant not to compete or similar covenant applicable to the Employee that may then be in effect (including, without limitation, those contemplated by Section 5 of this Agreement). The Employer and the Employee agree to furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this provision. The Employer shall bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this provision. In addition to the foregoing, Employee shall be entitled to receive from Employer, or its successor, hospital, health, medical and life insurance on the terms and at the cost to Employee as Employee was receiving such benefits upon the date of his termination. Employer's obligation to continue such insurance benefits will be for a period of two (2) years from the effective date of the Change in Control.

(d) All payments and benefits under paragraph (c) above shall be contingent upon Employee executing a general release of claims in favor of the Employer, its subsidiaries and affiliates, and their respective officers, directors, shareholders, partners, members, managers, agents or employees, which release shall be provided to the Employee within five (5) business days following the termination date, and which must be executed by the Employee and become effective within thirty (30) days thereafter. Severance payments under paragraph (c) that are contingent upon such release shall, subject to Section 14, commence within ten (10) days after such release becomes effective; provided, however, that if Employee's termination date occurs on or after November 15 of a calendar year, then severance payments shall, subject to the effectiveness of such release and Section 14, commence on the first business day of the following calendar year.

2. No Guaranty of Employment. Nothing in this Agreement shall be construed as guarantying the employment of the Employee. Employee shall remain an "employee at will" of Employer at all time during the term of this Agreement.

3. Notices. Any and all notices, demands or requests required or permitted to be given under this Agreement shall be given in writing and sent, (i) by registered or certified U.S. mail, return receipt requested, (ii) by hand, (iii) by overnight courier or (iv) by telecopier addressed to the parties hereto at their addresses set forth above or such other addresses as they may from time-to-time designate by written notice, given in accordance with the terms of this Section, together with copies thereof as follows:

In the case of Employee, to the address set forth on the first page hereof or to such other address as Employee shall provide in writing to the Employer for the provision of notices hereunder.

In the case of Employer, to the address set forth on the first page hereof with a copy to:

Windels Marx Lane & Mittendorf, LLP
120 Albany Street Plaza, 6th Floor
New Brunswick, New Jersey 08901
Telecopier No. (732) 846-8877
Attention: Robert A. Schwartz

Notice given as provided in this Section shall be deemed effective: (i) on the date hand delivered, (ii) on the first business day following the sending thereof by overnight courier, (iii) on the seventh calendar day (or, if it is not a business day, then the next succeeding business day thereafter) after the depositing thereof into the exclusive custody of the U.S. Postal Service or (iv) on the date telecopied.

4. Term. Unless extended by mutual agreement, this Agreement shall have a term of three (3) years from the date hereof; provided, however, that in the event the term of this Agreement would terminate at any time after the Employer has engaged in substantive negotiations regarding a transaction which would lead to a Change in Control, this Agreement shall continue to remain in full force in effect until the earlier to occur of (i) the effectuation of the Change in Control or (ii) the termination of the negotiations for the proposed transaction which would have resulted in the Change in Control; further provided, however, that unless either party shall give written notice of its intention not to renew this Agreement at least one hundred and eighty (180) days prior to the end of the term of this Agreement (as it may be extended), this Agreement shall renew for an additional one (1) year term upon the conclusion of each term.

5. Non-Solicitation. During the period Employee is performing services for the Employer and for a period of one (1) year following the termination of the Employee's services for the Employer for any reason, the Employee agrees that the Employee will not, directly or indirectly, for the Employee's benefit or for the benefit of any other person, firm or entity, do any of the following:

- (a) solicit or attempt to solicit from (i) any customer that Employee serviced or learned of while in the employ of the Employer ("Customer"), (ii) referral sources or prospective referral sources which are actively being sought by Employer at the time of Employee's termination (a "Referral Source"), or (iii) any potential customer of the Employer which has been the subject of a known written or oral bid, offer or proposal by the Employer, or of substantial preparation with a view to making such a bid, proposal or offer, within twelve months prior to such Employee's termination ("Potential Customer"), business of a similar nature or related to the business of the Employer;
- (b) accept any business from, or perform any work or services for, any Customer, Referral Source or Potential Customer, which business, work or services is similar to the business of the Employer;
- (c) cause or induce or attempt to cause or induce any Customer, Referral Source, Potential Customer, licensor, supplier or vendor of the Employer to reduce or sever its affiliation with the Employer;
- (d) solicit the employment or services of, or hire or engage, or assist anyone else to hire or engage, any person who was known to be employed or engaged by or was a known employee of or consultant to the Employer upon the termination of the Employee's services to the Employer, or within twelve months prior thereto; or
- (e) otherwise interfere with the business or accounts of the Employer.

For purposes hereof, "solicitation" shall include directly or indirectly initiating any contact or communication of any kind whatsoever for purposes of inviting, encouraging or requesting such Customer, Referral Source, Potential Customer, licensor, supplier, vendor, employee or consultant to materially alter its business relationship, or engage in business, with the Employee or any person, firm or entity other than the Employer.

6. Confidential Information.

(a) As used herein, "Confidential Information" means any confidential or proprietary information relating to the Employer and its affiliates including, without limitation, the identity of the Employer's customers, the identity of representatives of customers with whom the Employer has dealt, the kinds of services provided by the Employer to customers, the manner in which such services are performed or offered to be performed, the service needs of actual or prospective customers, customer preferences and policies, pricing information, business and marketing plans, financial information, budgets, compensation or personnel records, information concerning the creation, acquisition or disposition of products and services, vendors, software, data processing programs, databases, customer maintenance listings, computer software applications, research and development data, know-how, and other trade secrets.

Notwithstanding the above, Confidential Information does not include information which: (i) is or becomes public knowledge without breach of this Agreement; or (ii) is received by Employee from a third party without any violation of any obligation of confidentiality and without confidentiality restrictions; provided, however, that nothing in this Agreement shall prevent the Employee from participating in or disclosing documents or information in connection with any judicial or administrative investigation, inquiry or proceeding to the extent that such participation or disclosure is required under applicable law; provided further, however, that the Employee will provide the Employer with prompt notice of such request so that the Employer may seek (with the cooperation of the Employee, if so requested by the Employer), a protective order or other appropriate remedy and/or waiver in writing of compliance with the provisions of this Agreement. If a particular portion or aspect of Confidential Information becomes subject to any of the foregoing exceptions, all other portions or aspects of such information shall remain subject to all of the provisions of this Agreement.

(b) At all times, both during the period of Employee's services for the Employer and after termination of Employee's services, the Employee will keep in strictest confidence and trust all Confidential Information and the Employee will not directly or indirectly use or disclose to any third-party any Confidential Information, except as may be necessary in the ordinary course of performing the Employees duties for the Employer, or disclose any Confidential Information, or permit or encourage any other person or entity to do so, without the prior written consent of the Employer except as may be necessary in the ordinary course of performing the Employee's duties for the Employer.

(c) The Employee agrees to return promptly all Confidential Information in tangible form, including, without limitation, all photocopies, extracts and summaries thereof, and any such information stored electronically on tapes, computer disks, mobile or remote computers (including personal digital assistants) or in any other manner to the Employer at any time that the Employer makes such a request and automatically, without request, within five days after the termination of the Employee's performance of services for the Employer for any reason.

7. Assignability. The services of the Employee hereunder are personal in nature, and neither this Agreement nor the rights or obligations of Employee hereunder may be assigned, whether by operation of law or otherwise. This Agreement shall be binding upon, and inure to the benefit of, Employer and its successors and assigns. This Agreement shall inure to the benefit of the Employee's heirs, executors, administrators and other legal representatives.

8. Waiver. The waiver by Employer or the Employee of a breach of any provision of this Agreement by the other shall not operate or be construed as a waiver of any subsequent or other breach hereof.

9. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without giving effect to principles of conflict of laws.

10. Entire Agreement. This Agreement contains the entire agreement of the parties hereto with respect to the subject matter hereof and may not be amended, waived, changed, modified or discharged, except by an agreement in writing signed by the parties hereto.

11. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which taken together shall constitute one and the same instrument.

12. Amendment. This Agreement may be modified or amended only by an amendment in writing signed by both parties.

13. Severability. If any provision of this Agreement shall be held invalid or unenforceable, such invalidity or unenforceability shall attach only to such provision, only to the extent it is invalid or unenforceable, and shall not in any manner affect or render invalid or unenforceable any other severable provision of this Agreement, and this Agreement shall be carried out as if any such invalid or unenforceable provision were not contained herein.

14. Section Headings. The headings contained in this Agreement are solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

15. Section 409A. This Agreement shall be interpreted to avoid any penalty sanctions under Section 409A of the Code (“Section 409A”) and regulations promulgated thereunder. Notwithstanding anything contained herein to the contrary, the Employee shall not be considered to have terminated employment with the Employer for purposes of the payments and benefit of Section 1 hereof unless he would be considered to have incurred a “termination of employment” from the Employer within the meaning of Treasury Regulation §1.409A-1(h)(1)(ii). For purposes of Section 409A, each payment made under this Agreement shall be treated as a separate payment. In no event may the Employee, directly or indirectly, designate the calendar year of payment. Notwithstanding the foregoing, if necessary to comply with the restriction in Section 409A(a)(2)(B) of the Code concerning payments to “specified employees”, any payment as a result of the termination of the Employee’s employment that would otherwise be due hereunder within six months after such termination of employment shall nonetheless be delayed until the first business day of the seventh month following the Employee’s date of termination and the first such payment shall include the cumulative amount of any payments that would have been paid prior to such date if not for such restriction.

16. Arbitration. Any dispute or controversy arising under this Agreement shall be settled exclusively by binding arbitration, as an alternative to civil litigation and without any trial by jury to resolve such claims, conducted by a single arbitrator, mutually acceptable to the Employer and the Employee, sitting in New York County, New York, unless otherwise mutually agreed by the Employer and the Employee, in accordance with the rules of the American Arbitration Association’s National Rules for the Resolution of Employment Disputes then in effect. Judgment may be entered on the arbitrator’s award in any court having jurisdiction. Notwithstanding the forgoing, the parties to this Agreement may seek equitable relief in any court or competent jurisdiction for a matter in the nature of, but not limited to, restraining orders or injunctions.

17. Clawback. With regard to any payment made hereunder, Employer or its successors retains the legal right to demand the return of any payment made should Employer or its successors later obtain information indicating that the Employee has committed, is substantially responsible for, or has violated, the respective acts or omissions, conditions, or offenses outlined under the FDIC’s regulations at 12 C.F.R. 359.4(a)(4).

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under their respective hands and seals as of the day and year first above written.

ATTEST:

HANOVER COMMUNITY BANK

/s/

/s/ Michael P. Puorro

By: _____

Michael P. Puorro
Chairman, President & CEO

WITNESS:

EMPLOYEE:

/s/

/s/ Kevin Corbett

Name: Kevin Corbett
Title: Executive Vice President Chief Credit Officer

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

Amended and Restated Employment Agreement (the "Employment Agreement") originally effective as of the 27th day of August, 2020, by and between McClelland W. Wilcox an individual residing at 77 7th Avenue, 12M, New York, New York (the "Employee") and **HANOVER COMMUNITY BANK**, a New York state chartered commercial bank with its principal place of business located at 2131 Jericho Turnpike, Garden City Park, N.Y. 11040 (the "Employer").

WHEREAS, simultaneously with the execution of this Agreement, the Bank and Hanover Bancorp, Inc. (the "Company") have entered into an Agreement and Plan of Merger (the "Merger Agreement") pursuant to which Savoy Bank is to be merged with and into the Bank (collectively, the "Merger"); and

WHEREAS, the Bank desires to employ Employee, and Employee desires to accept such employment, effective as of, and contingent upon, the closing of the Merger (the "Effective Date") all upon the terms and conditions set forth herein; and

WHEREAS, the Employee agrees to be employed pursuant to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the premises and covenants contained herein, and with the intent to be legally bound hereby, the parties hereto hereby agree as follows:

1. *Employment.* Effective as of, and contingent upon, the Effective Date, the Employer agrees to employ the Employee, and the Employee hereby accepts such employment, upon the terms and conditions set forth herein. In the event the Merger Agreement is terminated prior to the Effective Date occurring, this Employment Agreement shall be null and void and of no force or effect.

2. *Position and Duties.* The Employee shall be employed as the Senior Executive Vice President, Head of Commercial Lending and Chief Revenue Officer to perform such services in that capacity as are usual and customary for comparable institutions and as shall from time-to-time be established by the Chief Executive Officer and/or the Board of Directors of the Employer. Employee agrees that he will devote his full business time and efforts to his duties hereunder. For the first two years of the term hereof, Employee shall report directly to the Chief Executive Officer; thereafter, Employee shall report directly to the Bank's Chief Executive Officer or President (the "Senior Executive Officer").

3. *Compensation.* Employer shall pay to the Employee compensation for his services as follows:

(a) *Base Salary.* The Employee shall be entitled to receive during his service hereunder a minimum annual base salary (the "Base Salary"), which shall be the higher of \$450,000 Dollars (\$450,000) or the annual base salary paid to the Employee by Savoy Bank as of the Effective Date. The Base Salary shall be payable in installments in accordance with Employer's usual payroll method. Annually commencing in 2021, the Board of Directors (or a committee thereof) shall review the Employee's performance, the status of Employer and such other factors as the Board of Directors (or a committee thereof) shall deem appropriate and shall adjust the Base Salary accordingly, which shall not be less than the Base Salary then in effect, unless any reduction in salary to less than the Base Salary then in effect is part of an overall reduction in compensation applicable to all senior executive officers of the Employer.

(b) Incentive Plans. Employee shall be entitled to participate in any incentive plans established by Employer for executive officers of the Employer at a level commensurate with the participation of other executive officers.

4. *Other Benefits*.

(a) Insurance Coverage and Employee Benefit Plans. The Employee shall be entitled to receive hospital, health, medical, long term disability and life insurance of a type currently provided to and enjoyed by other senior officers of Employer, and shall be entitled to participate in any other employee benefit, incentive or retirement plans offered by Employer to its employees generally or to its senior management, including the Employer's 401(k) plan.

(b) Expenses. The Employee shall be entitled to reimbursement for all proper business expenses incurred by him with respect to the business of the Employer upon the provision of documentation evidencing such expenses in accordance with the Employer's expense reimbursement policies and in the same manner and to the same extent as such expenses are reimbursed to other officers of the Employer.

(c) Vacation. The Employee shall be entitled to vacations and other leave in accordance with the Employer's policy for senior executives.

(d) Life Insurance Policy. During the Term hereof, Employer shall maintain at its sole expense (up to a maximum annual premium of \$5,000) a term life insurance policy in the minimum amount of Two Million (\$2,000,000) for the sole benefit of Employee and his estate. This life insurance policy shall be in addition to life insurance coverage made available to Employee under Paragraph (a) above.

(e) Automobile. The Employee shall be entitled to a cash allowance in the amount of eight hundred (\$800) dollars per month to be used for the purpose of maintaining an automobile for use in the business of the Employer.

5. *Term*. The term of this Agreement shall commence on the Effective Date and continue until the third anniversary of the Effective Date (as it may be extended hereunder, the "Term"); provided, however, that the Term shall be automatically extended for one additional one (1) year period upon each anniversary date of the Effective Date unless the Employer or the Employee elects, by written notice to the other no less than ninety (90) days nor more than 120 days prior to any anniversary of the Effective Date, not to so extend the Term, in which case the Term shall then end on the second anniversary of the date such notice is given.

6. *Termination*. Employee may be terminated at any time, without prejudice to Employee's right to compensation or benefits as provided herein. Employee's rights upon a termination shall be as follows:

(a) Cause. For purposes of this Agreement “Cause” with respect to the termination by Employer (as defined below) of Employee’s employment shall mean (i) willful and continued failure, for a period of at least thirty (30) calendar days, by the Employee to perform his reasonably-assigned duties for Employer under this Agreement after at least one (1) warning in writing from the Chief Executive Officer of the Employer, or such person or body to which such authority may be delegated, identifying specifically any such failure, (ii) the willful engaging by the Employee in misconduct which causes material injury to Employer as specified in written notice to the Employee from the Chief Executive Officer of the Employer, or such person or body to which such authority has been delegated; or (iii) conviction of or a plea of nolo contendere to a crime (other than a traffic violation) which is either a felony or an indictable offense or Employee’s habitual drunkenness, drug abuse, or excessive absenteeism other than due to Disability (as defined herein), after a warning (with respect to drunkenness or absenteeism only) in writing from the Chief Executive Officer of the Board of Directors of the Employer, or such person or body to which such authority has been delegated, to refrain from such behavior.

(b) Termination With Cause. Employer shall have the right to terminate the Employee for “cause”. In the event of such termination, the Employee shall only be entitled to salary and benefits accrued through the date of termination.

(c) Termination Without Cause. Upon a termination of Employee’s employment hereunder without “cause”, and in recognition of such termination and Employee’s agreement to be bound by the covenants contained in Sections 8, 9 and 10 hereof, Employee shall be entitled to receive a lump sum severance payment equal to the sum of 1.0 times (i) his then current annual Base Salary, (specifically excluding the value of any 401(k) or other retirement plan matching contribution from Employer, even if recognized in payroll or deemed compensation to Employee), (ii) the highest cash bonus payment paid to Employee over the past three years (if a Termination Without Cause takes place prior to Employer’s first payment of a cash bonus to Employee, Employee shall receive under this Section 6(c)(ii) a bonus payment equal to 1.00 times the amount of Employee’s last cash bonus paid by Savoy Bank prior to the Effective Date), and (iii) the highest full grant date value of any equity award granted over the past three years, if any. In addition, Employer shall continue to provide the Employee with hospital, health, medical and life insurance, and any other like benefits in effect at the time of such termination, on the terms and conditions under which they were offered to Employee prior to such termination for a period of twelve (12) months. In the event Employer, under its insurance and benefit plans then in effect, is unable to provide Employee with the benefits provided for above under the terms provided for herein, then in lieu of providing such benefits, Employer will pay the amount of Employee’s premium to continue such coverage pursuant to the terms of the Comprehensive Omnibus Budget Reconciliation Act. The Employee shall have no duty to mitigate damages in connection with his termination by Employer without “cause” and shall be entitled to the benefits set forth in this paragraph in the event of termination without “cause” notwithstanding his acceptance of another position at a different employer. However, if the Employee obtains new employment and such new employment provides for hospital, health, medical and life insurance, and other benefits, in a manner substantially similar to the benefits payable by Employer hereunder, Employer may permanently terminate the duplicative benefits it is obligated to provide hereunder. Following the cessation of the continuation of Employee’s hospital, health, and medical insurance, Employee shall be permitted to elect to extend such insurance coverage under the policies maintained by Employer in accordance with the applicable provisions of Section 4980B of the Internal Revenue Code of 1986, as amended (“Code”), and/or applicable state law, to the extent eligible to do so under the Code and such state law.

(d) Death or Disability. This Agreement shall automatically terminate upon the death or Disability of Employee. Upon such termination, Employee shall not be entitled to receive any additional compensation hereunder, provided, however that the forgoing shall not prejudice Employee's right to be paid for all compensation earned through the date of such termination and the benefits of any insurance programs maintained for the benefit of Employee or his beneficiaries in the event of his death or Disability. For purposes hereof, Disability shall be defined to mean a disability under any long term disability plan of the Employer then in effect.

Additionally, Employee or his estate, as applicable, shall be entitled to exercise all stock options to purchase stock of Employer, its parent, or any successor, for the longer of the period provided for in the applicable stock option plan or six months after (i) such termination due to disability.

(e) Justified Termination by Employee. For the purposes of this Agreement, a resignation by Employee after the occurrence of any of the following events without his advance written consent shall constitute termination without "cause":

- (i) A reduction in Base Salary or benefits, except for a reduction in benefits that is applicable to all employees;
- (ii) A demotion to a position junior to that of a Senior Executive Vice President;
- (iii) A change in the reporting structure whereby Employee is required to report directly to any executive officer other than to the Senior Executive Officer; and
- (iv) The relocation of Employee's principal location of employment outside of Manhattan – Employee acknowledges that he will be required periodically to work at the Bank's headquarters, currently located in Mineola, New York, and that such periodic work in the headquarters location shall not trigger the right of Employee to terminate employment hereunder.

7. *Change in Control.*

(a) Upon the occurrence of a Change in Control (as herein defined), Employee shall be entitled to receive the payments provided for under paragraph (c) hereof.

(b) A "Change in Control" shall mean:

- (i) a reorganization, merger, consolidation or sale of all or substantially all of the assets of the Company, or a similar transaction, in any case in which the holders of the voting stock of the Company prior to such transaction do not hold a majority of the voting power of the resulting entity; or

- (ii) individuals who constitute the Incumbent Board (as herein defined) of the Company cease for any reason to constitute a majority thereof.

For these purposes, "Company" shall mean Hanover Bancorp, Inc., the parent corporation of the Employer, and "Incumbent Board" means the Board of Directors of the Company as of the Effective Date, provided that any person becoming a director subsequent to the date hereof whose election was approved by a voting of at least three-quarters of the directors comprising the Incumbent Board, or whose nomination for election by members or stockholders was approved by the same nominating committee serving under an Incumbent Board, shall be considered as though he were a member of the Incumbent Board.

(c) In the event the conditions of Section (a) above are satisfied, Employee shall be entitled to receive a lump sum payment equal to 2.00 times the sum of (i) his then current annual Base Salary, (ii) the highest cash bonus payment paid to Employee over the past three years (if a Change in Control takes place prior to Employer's first payment of a cash bonus to Employee, Employee shall receive under this Section 7(c)(ii) a bonus payment equal to 2.00 times the amount of Employee's last cash bonus paid by Savoy Bank prior to the Effective Date), and (iii) the highest full grant date value of any equity award granted over the past three years; provided, however, that in no event shall any payments provided for hereunder, when combined with any other payments due to Employee under any other agreement or benefit plan of Employer contingent upon a Change in Control, constitute an "excess parachute payment" under Section 280G of the Internal Revenue Code of 1986, as amended or any successor thereto, the total payments will be reduced such that no portion of such payments are subject to the excise tax under Section 4999 of the Code *to the extent that*, after all applicable taxes, the Employee retains more of the total payments after this reduction than if the full amount were payable. Payments will be reduced in such manner as has the least economic effect on the Employee. In applying these principles, any reduction or elimination of the Payments shall be made in a manner consistent with the requirements of Section 409A of the Code and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero. Unless the Employer and the Employee otherwise agree in writing, any determination required under this Section 7(c) shall be made in writing by a nationally-recognized accounting firm selected by the Employee (the "Accountants"), whose determination will be conclusive and binding upon the Employee and the Employer for all purposes. For purposes of making the calculations required by this Section 7(c), the Accountants (i) may make reasonable assumptions and approximations concerning applicable taxes, (ii) may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code, and (iii) shall take into account a "reasonable compensation" (within the meaning of Q&A-9 and Q&A-40 to Q&A 44 of the final regulations under Section 280G of the Code) analysis of the value of services provided or to be provided by the Employee, including any agreement by the Employee (if applicable) to refrain from performing services pursuant to a covenant not to compete or similar covenant applicable to the Employee that may then be in effect (including, without limitation, those contemplated by Section 9 of this Agreement). The Employer and the Employee agree to furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this provision. The Employer shall bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this provision. In addition to the foregoing, Employee shall be entitled to receive from Employer, or its successor, hospital, health, medical and life insurance on the terms and at the cost to Employee as Employee was receiving such benefits upon the date of his termination. Employer's obligation to continue such insurance benefits will be for a period of twenty four (24) months from the effective date of the Change in Control. Any payment made hereunder shall be deemed to have satisfied Employer's obligations under this Agreement, and in no event shall Employee thereafter be entitled to receive any payment under Section 6(c) hereof.

8. *Release.*

All payments and benefits provided for under Sections 6 and 7 hereof shall be contingent upon Employee executing a general release of claims in favor of the Employer its subsidiaries and affiliates, and their respective officers, directors, shareholders, partners, members, managers, agents or employees, in the form annexed hereto as Exhibit "A", which release shall be provided to the Employee within five (5) business days following the termination date of Employee's employment, and which must be executed by the Employee and become effective within thirty (30) days thereafter. Severance payments under Sections 6 or 7 that are contingent upon such release shall, subject to Section 12(f), commence within ten (10) days after such release becomes effective; provided, however, that if the date of Employee's termination of employment occurs on or after November 15 of a calendar year, then severance payments shall, subject to the effectiveness of such release and Section 12(f), commence on the first business day of the following calendar year.

9. *Non Solicitation*

During the period Employee is performing services for the Employer and for a period of one (1) year following the termination of the Employee's services for the Employer for any reason other than termination without "cause", the Employee agrees that the Employee will not, directly or indirectly, for the Employee's benefit or for the benefit of any other person, firm or entity, do any of the following:

- (i) solicit or attempt to solicit from (i) any customer that Employee serviced or learned of while in the employ of the Employer ("Customer"), or (ii) any referral sources or prospective referral sources which are actively being sought by Employer at the time of Employee's termination (a "Referral Source"), or (iii) any potential customer of the Employer which has been the subject of a known written or oral bid, offer or proposal by the Employer, or of substantial preparation with a view to making such a bid, proposal or offer, within twelve months prior to such Employee's termination ("Potential Customer"), business of a similar nature or related to the business of the Employer;
- (ii) accept any business from, or perform any work or services for, any Customer, Referral Source or Potential Customer, which business, work or services is similar to the business of the Employer;

- (iii) cause or induce or attempt to cause or induce any Customer, Referral Source or Potential Customer, licensor, supplier or vendor of the Employer to reduce or sever its affiliation with the Employer;
- (iv) solicit the employment or services of, or hire or engage, or assist anyone else to hire or engage, any person who was known to be employed or engaged as a consultant by or was a known employee of or consultant to the Employer upon the termination of the Employee's services to the Employer, or within twelve months prior thereto; or
- (v) otherwise interfere with the business or accounts of the Employer.

For purposes hereof, "solicitation" shall include directly or indirectly initiating any contact or communication of any kind whatsoever for purposes of inviting, encouraging or requesting such Customer, Referral Source, Potential Customer, licensor, supplier, vendor, employee or consultant to materially alter its business relationship, or engage in business, with the Employer or any person, firm or entity other than the Employer.

10. *Confidential Information*

(a) As used herein, "Confidential Information" means any confidential or proprietary information relating to the Employer and its affiliates including, without limitation, the identity of the Employer's customers, the identity of representatives of customers with whom the Employer has dealt, the kinds of services provided by the Employer to customers, the manner in which such services are performed or offered to be performed, the service needs of actual or prospective customers, customer preferences and policies, pricing information, business and marketing plans, financial information, budgets, compensation or personnel records, information concerning the creation, acquisition or disposition of products and services, vendors, software, data processing programs, databases, customer maintenance listings, computer software applications, research and development data, know-how, and other trade secrets.

Notwithstanding the above, Confidential Information does not include information which: (i) is or becomes public knowledge without breach of this Agreement; or (ii) is received by Employee from a third party without any violation of any obligation of confidentiality and without confidentiality restrictions; provided, however, that nothing in this Agreement shall prevent the Employee from participating in or disclosing documents or information in connection with any judicial or administrative investigation, inquiry or proceeding to the extent that such participation or disclosure is required under applicable law; provided further, however, that the Employee will provide the Employer with prompt notice of such request so that the Employer may seek (with the cooperation of the Employee, if so requested by the Employer), a protective order or other appropriate remedy and/or waiver in writing of compliance with the provisions of this Agreement. If a particular portion or aspect of Confidential Information becomes subject to any of the foregoing exceptions, all other portions or aspects of such information shall remain subject to all of the provisions of this Agreement.

(b) At all times, both during the period of Employee's services for the Employer and after termination of Employee's services, the Employee will keep in strictest confidence and trust all Confidential Information and the Employee will not directly or indirectly use or disclose to any third-party any Confidential Information, except as may be necessary in the ordinary course of performing the Employees duties for the Employer, or disclose any Confidential Information, or permit or encourage any other person or entity to do so, without the prior written consent of the Employer except as may be necessary in the ordinary course of performing the Employee's duties for the Employer.

(c) The Employee agrees to return promptly all Confidential Information in tangible form, including, without limitation, all photocopies, extracts and summaries thereof, and any such information stored electronically on tapes, computer disks, mobile or remote computers (including personal digital assistants) or in any other manner to the Employer at any time that the Employer makes such a request and automatically, without request, within five days after the termination of the Employee's performance of services for the Employer for any reason.

11. *Arbitration.* Any dispute or controversy arising under this Agreement shall be settled exclusively by binding arbitration, as an alternative to civil litigation and without any trial by jury to resolve such claims, conducted by a single arbitrator, mutually acceptable to the Employer and the Employee, sitting in New York County, New York, unless otherwise mutually agreed by the Employer and the Employee, in accordance with the rules of the American Arbitration Association's National Rules for the Resolution of Employment Disputes then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction. Notwithstanding the forgoing, the parties to this Agreement may seek equitable relief in any court or competent jurisdiction for a matter in the nature of, but not limited to, restraining orders or injunctions.

12. *Miscellaneous.*

(a) Governing Law. In the absence of controlling Federal law, this Agreement shall be governed by and interpreted under the substantive law of the State of New York.

(b) Severability. If any provision of this Agreement shall be held to be invalid, void, or unenforceable, the remaining provisions hereof shall in no way be affected or impaired, and such remaining provisions shall remain in full force and effect. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid or enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

(c) Entire Agreement; Amendment. This Agreement sets forth the entire understanding of the parties with regard to the subject matter contained herein and supersedes any and all prior agreements, arrangements or understandings relating to the subject matter hereof and may only be amended by written agreement signed by both parties hereto or their duly authorized representatives.

(d) Successors and Assigns. This Agreement shall be binding upon and become the legal obligation of the successors and assigns of Employer and shall inure to the benefit of Employee's estate, heirs, representatives in the event of his death or Disability.

(e) Clawback and Recoupment. Any amounts paid Employee hereunder shall be subject to any clawback or recoupment policy adopted by Employer, or the requirements of any law or regulation applicable to the Employer and governing the clawback or recoupment of executive compensation. In addition, with regard to any payment made hereunder pursuant to Sections 6(c) or 7(c) hereunder, Employer or its successors retains the legal right to demand the return of any payment made should Employer or its successors later obtain information indicating that the Employee has committed, is substantially responsible for, or has violated, the respective acts or omissions, conditions, or offenses outlined under the FDIC's regulations at 12 C.F.R. 359.4(a) (4).

(f) Section 409A Compliance. This Agreement shall be interpreted to avoid any penalty sanctions under Section 409A of the Code ("Section 409A") and regulations promulgated thereunder. Notwithstanding anything contained herein to the contrary, the Employee shall not be considered to have terminated employment with the Employer for purposes of the payments and benefit of Section 1 hereof unless he would be considered to have incurred a "termination of employment" from the Employer within the meaning of Treasury Regulation §1.409A-1(h)(1)(ii). For purposes of Section 409A, each payment made under this Agreement shall be treated as a separate payment. In no event may the Employee, directly or indirectly, designate the calendar year of payment. If the Employee is a "specified employee" for purposes of Section 409A of the Code, to the extent required to comply with Section 409A of the Code, any payments required to be made pursuant to this Agreement which are deferred compensation and subject to Section 409A of the Code (and do not qualify for an exemption thereunder) shall not commence until one day after the day which is six (6) months from the date of termination. Should this Section 12(f) result in a delay of payments to the Employee, on the first day any such payments may be made without incurring a penalty pursuant to Section 409A (the "409A Payment Date"), Employer shall begin to make such payments as described in this Section 12(f), provided that any amounts that would have been payable earlier but for application of this Section 12(f) shall be paid in lump-sum on the 409A Payment Date.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

EMPLOYER: HANOVER COMMUNITY BANK

ATTEST:

/s/ _____

By: /s/ Michael P. Puorro
Name: Michael P. Puorro
Title: Chairman & Chief Executive Officer

EMPLOYEE:

/s/ McClelland W. Wilcox
Name: McClelland W. Wilcox

Exhibit "A"

Form of General Release

RELEASE AGREEMENT

This Release Agreement (this "Agreement"), dated _____, 201_, is by and among MCCLELLAND W. WILCOX ("Executive"), and HANOVER COMMUNITY BANK ("HCB").

WHEREAS, pursuant to the terms of that certain Employment Agreement dated August __, 2020 between Executive and HCB (the "Employment Agreement"), Executive has become entitled to receive a payment pursuant to Section 6(c) or 7(c) of the Employment Agreement;

WHEREAS, pursuant to Section 8 of the Employment Agreement, it is a condition precedent to HCB's obligation to make such payments that Executive enter into this Agreement;

NOW, THEREFORE, IN CONSIDERATION of good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed as follows:

1. Release and Waiver.

(a) The Executive, for himself, his heirs, successors and assigns, does hereby generally and completely waive, release and forever discharge, HCB, and all their representatives, officers, directors employees and affiliates, and each and every successor, assign and agent (the "Released HCB Parties"), from and against any and all claims. As used herein, "claims" means any and all matters relating to the Employment Agreement, including, but not limited to, any and all claims related to Executive's service as an employee, officer or director of HCB or any subsidiary or affiliate through the effective date of this Agreement or arising from or related to Executive's service with HCB, and any and all claims, debts, liabilities, demands, obligations, promises, acts, agreements, costs, expenses, damages, actions, and causes of actions, whether in law or in equity, whether known or unknown, suspected or unsuspected, arising from Executive's employment or service with HCB or any subsidiary or affiliate thereof, and, except as set forth below, also includes but is not limited to: (i) claims under federal, state or local law (statutory or decisional) for breach of contract, tort, wrongful or abusive or unfair discharge or dismissal, impairment of economic opportunity or defamation, breach of fiduciary duty, intentional infliction of emotional distress, or discrimination based upon race, color, ethnicity, sex, age, national origin, religion, disability, sexual orientation or any other unlawful criterion or circumstance; (ii) claims for compensation, bonuses or benefits; (iii) claims under any employment letter, service agreement, severance program, compensation, bonus, incentive, deferred retirement, health, welfare or benefit plan or arrangement maintained by HCB and its affiliates; (iv) claims for sexual harassment; (v) claims related to whistle blowing; (vi) claims for punitive, incidental, indirect, consequential, special or exemplary damages; (vii) claims for violations of any of the following laws (as amended) from the beginning of time to the effective date of this Agreement: the Equal Pay Act, the Civil Rights Act of 1866, 42 U.S.C. § 1981, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991 as amended, the Equal Pay Act, the Genetic Information and Discrimination Act, the Americans with Disabilities Act of 1991, the Worker Adjustment Retraining and Notification Act, 29 U.S.C. § 2101, *et seq.*, the Family and Medical Leave Act of 1993, the Rehabilitation Act, Executive Order 11246, all claims and damages relating to race, sex, national origin, disabilities, religion, sexual orientation, and age, all employment discrimination claims arising under similar state, country or city statutes, any claims for unpaid compensation, wages and bonuses under the federal Fair Labor Standards Act, 29 U.S.C. § 201, *et seq.*, any and all claims for violation of Code Section 409A, or any state, county or city law or ordinance regarding wages or compensation, and (viii) claims for violations of any other applicable labor or employment statute or law, state or federal, from the beginning of time to the effective date of this Agreement. In addition, Executive waives any and all rights under the laws of any jurisdiction in the United States that limit a general release to those claims that are known or suspected to exist in Executive's favor as of the effective date of this Agreement. The foregoing list is meant to be illustrative rather than exclusive.

(b) Notwithstanding the foregoing, Executive does not waive any rights related to: (i) HCB's obligations to make payments or provide other benefits under Section 6(c) or 7(c) of the Employment Agreement, (ii) claims for payment under any equity compensation plan of HCB in effect as of the date hereof and under which Executive received an award, (iii) claims for benefits under HCB's tax-qualified retirement plans or other benefit or compensation plans in which Executive has a vested benefit; or (iv) claims for benefits required by applicable law or health insurance coverage under applicable state and federal group health care continuation coverage laws (e.g., COBRA). In addition, excluded from this release and waiver are any claims which cannot be waived by law, including but not limited to the right to participate in an investigation conducted by certain government agencies. Executive does, however, waive Executive's right to any monetary recovery should any agency (such as the Equal Employment Opportunity Commission) pursue any claims on Executive's behalf.

(c) Executive agrees not to institute, nor has Executive instituted, a lawsuit against any Released HCB Party based on any waived claims or rights as set forth above.

(d) Executive understands that nothing contained in this Agreement limits Executive's ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safe and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("Government Agencies"). Executive further understands that this Agreement does not limit Executive's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. This Agreement does not limit Executive's right to receive an award for information provided to any Government Agencies. In addition, nothing in this Agreement shall preclude Executive from responding to any lawfully-issued subpoena, court order or other compulsory legal process, provided that Executive provides immediate written notice of any inquiry or request for such communication or cooperation or legal process to the Company.

(e) EXCEPT AS OTHERWISE PROVIDED HEREIN, EXECUTIVE ACKNOWLEDGES AND AGREES THAT THIS RELEASE IS A FULL AND FINAL BAR TO ANY AND ALL CLAIM(S) OF ANY TYPE THAT EXECUTIVE MAY NOW HAVE AGAINST ANY RELEASED HCB PARTY.

2. **Injunctive Relief.** The parties hereto recognize that irreparable injury will result to HCB, their businesses and properties in the event of Executive's breach of any covenants or agreements contained herein. HCB will be entitled, in addition to any other remedies and damages available to it, to an injunction prohibiting Executive from committing any violation or threatened violation of this Agreement.

3. **Non-Disparagement.** Executive agrees to forever refrain from making any disparaging remarks or other negative or derogatory statements, written or oral, to any third party relating to HCB, or its parents, subsidiaries, officers, employees or agents or customers; provided, however that the forgoing shall not prohibit Executive from providing truthful testimony in any judicial or administrative proceeding, if Executive is legally compelled to so testify.

4. **General Provisions.**

(a) **Heirs, Successors and Assigns.** The terms of this Agreement will be binding upon the parties hereto and their respective heirs, personal representatives, successors and assigns.

(b) **Final Agreement.** This Agreement represents the entire understanding of the parties with respect to the subject matter hereof and supersedes all prior understandings, written or oral. The terms of this Agreement may be changed, modified or discharged only by an instrument in writing signed by the parties hereto.

(c) **Governing Law.** This Agreement will be construed, enforced and interpreted in accordance with and governed by the laws of the State of New York, without reference to its principles of conflicts of law.

(d) **Counterparts.** This Agreement may be executed in one or more counterparts, each of which counterpart, when so executed and delivered, will be deemed an original and all of which counterparts, taken together, will constitute but one and the same agreement.

(e) **Severability.** Any term or provision of this Agreement which is held to be invalid or unenforceable will be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement.

5. **Review and revocation.**

(a) **Review Period.** Executive acknowledges that Employee was given, and has had, a period of not less than 21 days within which to consider this Agreement. Executive further acknowledges that, if Executive executed and delivered this Agreement prior to the expiration of the 21 day review period, Executive did so entirely voluntarily, and without any coercion or improper inducement by HCB or any other HCB Released Party, or any of their representatives.

(b) **Revocation Period.** Executive understands and expressly acknowledges that Executive has a period of seven (7) full days after the date when Executive signs this Agreement to revoke this Agreement. Executive may revoke this Agreement by delivering written notification to Michael Puorro, Chairman and CEO, Hanover Community Bank, 2131 Jericho Turnpike, Garden City Park, NY 11040 at any time prior to, or through, the seventh full day after Executive signs this Agreement. If Executive properly revokes this Agreement, the Agreement will not be effective and enforceable, and Executive will not receive the benefits provided for under Section 6(c) of the Employment Agreement. If Executive does not properly revoke this Agreement, this Agreement shall be binding and enforceable beginning on the 8th day after Executive signs this Agreement (the "Effective Date") and Executive will receive the benefits provided for under Section 6(c) of the Employment Agreement.

PLEASE READ CAREFULLY. THIS AGREEMENT INCLUDES A RELEASE OF CERTAIN KNOWN AND UNKNOWN CLAIMS. HCB HEREBY ADVISES EXECUTIVE TO CONSULT WITH AN ATTORNEY BEFORE EXECUTING THIS AGREEMENT.

IN WITNESS WHEREOF, the Executive has signed this Agreement on the date set forth below and Executive hereby declares that the terms of this Agreement have been completely read, are fully understood, and are voluntarily accepted after complete consideration of all facts and legal claims.

EXECUTIVE

Date

2021 EQUITY COMPENSATION PLAN

Section 1. Purpose

The 2021 Equity Compensation Plan (the "Plan") is hereby established to foster and promote the long-term success of Hanover Bancorp, Inc. (the "Company"), the holding company of Hanover Community Bank (the "Bank"), and its shareholders by providing members of management, including employees and management officials, with an equity interest in the Company. The Plan will assist the Company in attracting and retaining the highest quality of experienced persons to serve as employees and Directors and in aligning the interests of such persons more closely with the interests of the Company's shareholders by encouraging such parties to maintain an equity interest in the Company.

Section 2. Definitions

Capitalized terms not specifically defined elsewhere herein shall have the following meaning:

"Act" means the Securities Exchange Act of 1934, as amended from time to time, and any rules and regulations promulgated thereunder.

"Award" means the grant of Options, Restricted Stock, Performance Units or Deferred Stock hereunder.

"Board" means the Board of Directors of the Company.

"Change in Control" means any of the following:

- (i) a reorganization, merger, consolidation or sale of all or substantially all of the assets of the Company, or a similar transaction, in any case in which the holders of the voting stock of the Company prior to such transaction do not hold (in substantially the same proportion) a majority of the voting power of the resulting entity (or an entity that wholly owns the resulting entity);
- (ii) individuals who constitute the Incumbent Board (as herein defined) of the Company cease for any reason to constitute a majority thereof; or
- (iii) any person becomes the beneficial owner of securities representing 25% or more of the combined voting stock of the Company *other than* (1) the Participant or any group that includes the Participant or (2) an entity referred to in the parenthetical to clause (i) of this definition.

For these purposes, "Incumbent Board" means the Board of Directors of the Company on the date hereof and any person who becomes a director subsequent to the date hereof whose election was approved by a voting of at least three-quarters of the directors comprising the Incumbent Board or whose nomination for election by members or stockholders was approved by the same nominating committee serving under an Incumbent Board. *However*, the Incumbent Board will not include anyone who becomes a member of the Board of Directors as a result of either (i) an actual or threatened election contest or proxy or consent solicitation on behalf of anyone other than the Board of the Directors, including as a result of any appointment, nomination or other agreement intended to avoid or settle a contest or solicitation, or (ii) agreement with any third party.

"Committee" means the Compensation Committee of the Board, or such successor committee of the Board undertaking the responsibilities currently exercised by the Compensation Committee. Each member of the Committee shall at all times qualify as a "Non-Employee Director" within the meaning of SEC Rule 16b-3(b)(3).

"Common Stock" or "Stock" means the common stock, par value \$0.01 per share, of the Company.

"Company" means Hanover Bancorp, Inc. and any present or future subsidiary or parent corporation(s) of Hanover Bancorp, Inc. (as defined in Section 424 of the Code) or any successor to such corporations.

"Disability" shall mean the Participant's inability for a period of three (3) consecutive months, or for six (6) months during any twelve (12) month period, to perform the requirements of the Participant's position with the Company due to physical or mental impairment. For purposes of Restricted Stock Awards under Section 7, "Disability" shall be as defined in Section 7.3(a). The determination of whether a Disability exists will be made by the Committee.

"Fair Market Value" means, with respect to shares of Common Stock, the fair market value as determined by the Committee in good faith and in a manner established by the Committee from time to time, taking into account such factors as the Committee shall deem relevant, including the tangible book value of the Common Stock and, to the extent the Common Stock is traded on a national securities exchange, the Fair Market Value of the Common Stock shall be the closing price of the Common Stock on the date the Fair Market Value is determined.

"Incumbent Board" means the Board of Directors of the Company on the date of Board approval of this Plan, provided that any person becoming a director subsequent to such date whose election was approved by a vote of at least three quarters of the directors comprising the Incumbent Board, or whose nomination for election by stockholders was approved by the same nominating committee serving under an Incumbent Board, shall be considered as though such individual were a member of the Incumbent Board.

"Management Official" means an employee of the Company, a non-employee member of the Board, a member of any advisory committee or any other service provider to the Company.

"Non-Qualified Stock Option" means an option to purchase shares of Common Stock granted to a Participant under the Plan which is not intended to meet the requirements of Section 422 of the Code.

"Option" means a Non-Qualified Stock Option granted hereunder.

"Participant" means a Management Official selected by the Committee to receive an Award under the Plan.

"Performance Cycle or Cycle" means the period selected by the Committee during which the performance of the Company is measured for the purpose of determining the extent to which an award of Performance Units has been earned. Applicable performance goals relating to each Performance Cycle shall be established not later than the earlier of (1) 90 days after the beginning of any performance period applicable to such Performance Units or (2) the time 25% of such performance period has elapsed.

"Performance Goals" means the objectives established by the Committee for a Performance Cycle, for the purpose of determining and measuring the extent to which Performance Units, which have been contingently awarded for such Cycle, have been earned. The Committee may use one or more of the following as Performance Goals: (1) earnings or earnings growth; (2) earnings per share; (3) return on equity, assets, capital employed or investment; (4) revenues or revenue growth; (5) gross profit; (6) gross margin; (7) net income or net income per common share; (8) operating margin; (9) operating cash flow; (10) stock price appreciation and total shareholder return, (11) economic profit or value created, (12) interest expense, (13) strategic business criteria, (14) efficiency ratio, (15) growth in assets, loan and/or deposits, (16) net interest margin, (17) loan production volume, (18) asset quality, including net charge offs, levels of classified assets and non-performing loan levels, (19) interest rate risk sensitivity, (21) capital compliance, or any combination of any of the foregoing. Targeted level or levels of performance with respect to such business criteria may be established at such levels and in such terms as the Committee may determine, in its discretion, including in absolute terms, as a goal relative to performance in prior periods, or as a goal compared to the performance of one or more comparable companies or an index covering multiple companies. Performance Goals may be particular to a Participant, the Company, subsidiary or other business segment of the Company, or may be based on the performance of the Company as a whole.

"Performance Units or Units" means a fixed or variable dollar or Common Stock share denominated Unit contingently awarded under Section 8 of the Plan.

"Plan" means the 2021 Equity Compensation Plan.

“Restricted Stock Award” means a grant of shares of Common Stock pursuant to Section 8 hereof.

“SEC” means the Securities and Exchange Commission.

“Termination for Cause” means termination because of Participant's intentional failure to perform stated duties, personal dishonesty, willful violation of any law, rule regulation (other than traffic violations or similar offenses) or final cease and desist order issued by any regulatory agency having jurisdiction over the Participant or the Company.

Section 3. Administration

(a) The Plan shall be administered by the Committee. Among other things, the Committee shall have authority, subject to the terms of the Plan, to grant Awards, to determine the type of Award granted, to determine the individuals to whom and the time or times at which Awards may be granted, to determine the terms and conditions of any Award granted hereunder, including whether to impose a vesting period more stringent than the minimum set forth in Section 10(a), and if the Award is an Option, the exercise price thereof, subject to the requirements of this Plan.

(b) Subject to the other provisions of the Plan, the Committee shall have authority to adopt, amend, alter and repeal such administrative rules, guidelines and practices governing the operation of the Plan as it shall from time to time consider advisable, to interpret the provisions of the Plan and any Award and to decide all disputes arising in connection with the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan or in any grant agreement in the manner and to the extent it shall deem appropriate to carry the Plan into effect, in its sole and absolute discretion. The Committee's decision and interpretations shall be final and binding. Any action of the Committee with respect to the administration of the Plan shall be taken pursuant to a majority vote or by the unanimous written consent of its members.

(c) The Committee may employ such legal counsel, consultants and agents as it may deem desirable for the administration of the Plan and may rely upon any opinion received from any such counsel or consultant and any computation received from any such consultant or agent.

Section 4. Eligibility and Participation

Management Officials of the Company shall be eligible to participate in the Plan. The Participants under the Plan shall be selected from time to time by the Committee, in its sole discretion, from among those eligible, and the Committee shall determine in its sole discretion the numbers of shares to be covered by the Award or Awards granted to each Participant.

Section 5. Shares of Stock Available for Awards

(a) The maximum number of shares of Common Stock or equivalents which may be issued under the Plan is 427,500 subject to the adjustments as provided in this Section 5 and Section 10, to the extent applicable. If an Award granted under this Plan expires or terminates before exercise or is forfeited for any reason, without a payment in the form of Common Stock being granted to the Participant, the shares of Common Stock subject to such Award, to the extent of such expiration, termination or forfeiture, shall again be available for subsequent Award grant under the Plan. Shares withheld pursuant to Section 11(g) in connection with tax obligations shall not be available for subsequent Awards under the Plan.

(b) In the event that any stock dividend, stock split, reverse stock split or combination, extraordinary cash dividend, creation of a class of equity securities, recapitalization, reclassification, reorganization, merger, consolidation, split-up, spin-off, combination, exchange of shares, warrants or rights offering to purchase Common Stock at a price substantially below Fair Market Value, or other similar transaction affects the Common Stock such that an adjustment is required in order to preserve the benefits or potential benefits intended to be granted or made available under the Plan to Participants, the Committee shall proportionately and appropriately adjust equitably any or all of (i) the maximum number and kind of shares of Common Stock in respect of which Awards may be granted under the Plan to Participants, (ii) the number and kind of shares of Common Stock subject to outstanding Options held by Participants, and (iii) the exercise price with respect to any Options held by Participants, without changing the aggregate purchase price as to which such Options remain exercisable, and if considered appropriate, the Committee may make provision for a cash payment with respect to any outstanding Options held by a Participant, provided that no adjustment shall be made pursuant to this Section if such adjustment would cause the Plan to fail to comply with the requirements of Rule 16b-3 under the Act or any successor or replacement regulation, to the extent then applicable to the Company. No fractional Shares shall be issued on account of any such adjustment.

(c) Any adjustments under this Section will be made by the Committee, whose determination as to what adjustments, will be made and the extent thereof will be final, binding and conclusive.

Section 6. Non-Qualified Stock Options

6.1 Grant of Non-Qualified Stock Options.

Subject to the provisions hereof, the Committee may, from time to time, grant Non-Qualified Stock Options to Participants upon such terms and conditions as the Committee may determine, and may grant Non-Qualified Stock Options in exchange for and upon surrender of previously granted Options under this Plan. Non-Qualified Stock Options granted under this Plan are subject to the following terms and conditions:

(a) Price. The purchase price per share of Common Stock deliverable upon the exercise of each Non-Qualified Stock Option shall be determined by the Committee on the date the option is granted. The purchase price shall not be less than one hundred percent (100%) of the Fair Market Value of the Common Stock on the date of grant. Shares may be purchased only upon full payment of the purchase price. The purchase price may be paid in cash, through the surrender of outstanding shares of Common Stock at then current Fair Market Value, or in such other manner as is approved by the Committee.

(b) Terms of Options. The term during which each Non-Qualified Stock Option may be exercised shall be determined by the Committee, but in no event shall a Non-Qualified Stock Option be exercisable in whole or in part more than ten (10) years from the date of grant.

(c) Termination of Service. Except as provided herein, unless otherwise determined by the Committee, upon the termination of the service of a Participant for any reason other than Disability, death or Termination for Cause, the Participant's Non-Qualified Stock Options shall be exercisable only as to those shares which were immediately exercisable by the participant at the date of termination and only for one (1) year from the date of such termination. In the event of death or termination of service of a Participant as a result of Disability of the Participant, all Non-Qualified Stock Options held by the Participant, whether or not exercisable at such time, shall be exercisable by the Participant or his legal representatives, or beneficiaries of the Participant for one (1) year from the date of such termination. Notwithstanding any other provisions set forth herein to the contrary nor any provision contained in any agreement relating to the award of an option, in the event of a Termination for Cause, all of the Participant's Non-Qualified Stock Options shall immediately expire upon such Termination for Cause and shall not be exercisable, regardless of whether such Non-Qualified Stock Options were vested.

(d) Transferability. Except as provided for hereunder, no Option granted under the Plan shall be assignable or transferable by a Participant, and any attempted disposition thereof shall be null and void and of no effect. Nothing contained herein shall be deemed to prevent transfers by will or by the applicable laws of descent and distribution.

Section 7. Restricted Stock

7.1 Grant of Restricted Stock Awards

(a) Grants. The Committee may grant Restricted Stock Awards entitling recipients to acquire shares of Common Stock, subject to the right of the Company to require forfeiture of such shares from the Participant in the event that conditions specified by the Committee in the applicable Restricted Stock Award are not satisfied prior to the end of the applicable restriction period or periods established by the Committee for such Restricted Award. During the restricted period, shares constituting a Restricted Stock Award may not be transferred, although a Participant shall be entitled to exercise other indicia of ownership, including the right to vote such shares and receive any dividends declared on such shares.

(b) Terms and Conditions. Subject to Section 7.2, the Committee shall determine the terms and conditions of any such Restricted Stock Award, including the conditions for forfeiture.

(c) Stock Certificates. The Company may cause shares issued as part of a Restricted Stock Award to be issued in either book entry form or certificated form. Shares issued in book entry form will be maintained in an account at the Company's transfer agent, and only released to a Participant upon satisfaction of any required restrictions. Any stock certificates issued in respect of a Restricted Stock Award shall be registered in the name of the Participant and, unless otherwise determined by the Committee, deposited by the Participant, together with a stock power endorsed in blank, with the Company (or its designee). At the expiration of the applicable restriction periods, the Company (or such designee) shall deliver the certificates no longer subject to such restrictions to the Participant or if the Participant has died, to the beneficiary designated, in a manner determined by the Committee, by a Participant to receive amounts due or exercise rights of the Participant in the event of the Participant's death (the "Designated Beneficiary"). In the absence of an effective designation by a Participant, Designated Beneficiary shall mean the Participant's estate.

7.2 Distribution of Restricted Stock Awards

(a) Restricted Stock Awards shall not be distributed and the restrictions pertaining to such award shall not expire earlier than:

- (1) upon the completion or satisfaction of the conditions specified by the Committee in the Award;
- (2) a Participant's separation from service;
- (3) the date a Participant becomes disabled (as defined in Section 7.3(a));
- (4) upon the death of a Participant; or
- (5) a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company, as described in Section 10(c) or, if in conflict therewith, to the extent necessary, by the Secretary of Treasury under regulations issued under Code section 409A.

(b) A payment of a Participant's vested interest in a Restricted Stock Award may, in the discretion of the Committee, be made in the event of a Participant's Disability, upon the occurrence of a Change-in-Control or Unforeseeable Emergency (as defined below). Payments in settlement of a Participant's vested interest in a Restricted Stock Award shall be made as soon as practicable after such occurrence or after the Participant otherwise vests in such Award. For the purposes of section 409A of the Code, the entitlement to a series of installment payments will be treated as the entitlement to a single payment.

(c) Other provisions of the Plan notwithstanding, if, upon the written application of a Participant, the Committee determines that the Participant has an Unforeseeable Emergency (as defined in Section 7.3(b)), the Committee may, in its sole discretion, direct the payment to the Participant of all or a portion of the balance of his or her vested interest in a Restricted Stock Award in a lump sum payment, provided that any such withdrawal shall be limited by the Committee to the amount reasonably necessary to meet the emergency, including amounts needed to pay any income taxes or penalties reasonably anticipated to result from the payment. No payment may be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the Participant's assets or to the extent the liquidation of such assets would not cause severe financial hardship.

7.3 Definitions for Restricted Stock Awards

For purposes of this Section 7, the following definitions shall apply:

(a) "Disability" shall mean (i) the inability of a Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, or (ii) if the Participant is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the Company.

(b) "Unforeseeable Emergency" shall mean a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, or a dependent (as defined in Code section 152(a)) of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

Section 8. Performance Units

8.1 Authority of Committee

Subject to the provisions of the Plan, the Committee shall have sole and complete authority to determine (i) the Participants who shall receive Performance Units and the number of Units awarded for each Performance Cycle; (ii) the duration of each Performance Cycle; and (iii) the value of or valuation methodology for each Performance Unit. Performance Units may be denominated in fixed or variable dollar amounts or may be made equal to one or more shares of Common Stock. There may be more than one Performance Cycle in existence at any one time, and the duration of such Performance Cycles may differ, as determined by the Committee.

8.2 Performance Goals

The Committee shall establish Performance Goals for each Cycle on the basis of such criteria and to accomplish such objectives as the Committee may from time to time select. During any Cycle, the Committee may adjust the Performance Goals for such Cycle as it deems equitable in recognition of unusual or non-recurring events affecting the Corporation or changes in applicable tax laws or accounting principles.

8.3 Terms and Conditions

The Committee shall determine the number of Performance Units that have been earned on the basis of the Company's performance in relation to the established Performance Goals. Performance Units may not be sold, assigned, transferred, pledged or otherwise encumbered, except as herein provided, during the Performance Cycle. Payment for Performance Units shall be in cash or shares of Common Stock, in such proportions as the Committee shall determine.

8.4 Termination

A Participant must be a Management Official at the end of a Performance Cycle to be entitled to payment of Performance Units in respect of such Cycle; provided, however, that in the event a Participant ceases to be a Management Official with the Committee's consent before the end of such Cycle, or upon the occurrence of a Participant's death or Disability prior to the end of such Cycle, the Committee, in its discretion and after taking into consideration the performance of such Participant and the performance of the Company during the Cycle, may authorize payment to such Participant (or the Participant's legal representative) of all or a portion of the Performance Units deemed by the Committee to have been earned by the Participant through the date of termination.

Section 9. Deferred Stock

9.1 Awards of Deferred Stock.

The Committee is authorized to grant Deferred Stock to Participants, subject to the terms and conditions set forth herein.

9.2 Awards and Restrictions.

Issuance of Stock will occur upon expiration of the deferral period, which shall not be less than as set forth in Section 11(a), specified for an Award of Deferred Stock by the Committee at the time of award (or, if permitted by the Committee, as elected by the Participant). In addition, Deferred Stock shall be subject to such restrictions, risk of forfeiture and other terms, if any, as the Committee may impose, which restrictions may lapse at the expiration of the deferral period or at earlier or later specified time, separately or in combination, in installments or otherwise, and under such other circumstances as the Committee may determine at the date of grant or thereafter. Deferred Stock may be satisfied by delivery of Stock, other Awards, or a combination thereof, as determined by the Committee at the date of grant or thereafter.

9.3 Forfeiture.

Except as otherwise determined by the Committee, upon termination of employment or service during the applicable deferral period or portion thereof to which forfeiture conditions apply (as provided in the Award document evidencing the Deferred Stock), all Deferred Stock that is at that time subject to such forfeiture conditions shall be forfeited; provided that the Committee may provide, by rule or regulation or in any Award document, or may determine in any individual case, that restrictions or forfeiture conditions relating to Deferred Stock will lapse in whole or in part, including in the event of terminations resulting from specified causes. Deferred Stock subject to a risk of forfeiture may be called "restricted stock units" or otherwise designated by the Committee.

9.4 Dividend Accruals.

Cash or stock dividends on the specified number of shares of Stock covered by an Award of Deferred Stock shall be deferred with respect to such Deferred Stock, either as a cash deferral or as additional shares of Restricted Stock, if related to a stock dividend, until the end of the deferral period applicable to the Deferred Stock on which the dividend was paid.

Section 10. Extension

The Committee may, in its sole discretion, extend the dates during which all or any particular Option or Options granted under the Plan may be exercised; provided, however, that no such extension shall be permitted if it would cause Options issued under the Plan to fail to comply with Section 409A of the Code. An election to defer the lapse of restrictions on a Restricted Stock Award shall not take effect until at least twelve (12) months after the date on which the election is made and in the event that an election to defer the lapse of restrictions is made other than in the event of death, Disability or the occurrence of an Unforeseeable Emergency, payment of such award must be deferred for a period of not less than five (5) years from the date that restrictions would have otherwise lapsed. Nothing contained in this provision, or elsewhere in this Plan, shall be construed to provide the Committee with authority to change the exercise price of any Award, other than in connection with any adjustment provided for under Section 5(b) hereof, or such changes as may be approved by the Company's shareholders.

Section 11. General Provisions Applicable to Awards

(a) Each Award under the Plan shall be evidenced by a writing delivered to the Participant specifying the terms and conditions thereof and containing such other terms and conditions not inconsistent with the provisions of the Plan as the Committee considers necessary or advisable to achieve the purposes of the Plan or comply with applicable tax and regulatory laws and accounting principles. Notwithstanding the foregoing, each Award shall be subject to a vesting requirement (or, in the case of Deferred Stock, a deferral period) of not less than one year.

(b) Each Award may be granted alone, in addition to or in relation to any other Award. The terms of each Award need not be identical, and the Committee need not treat Participants uniformly. Except as otherwise provided by the Plan or a particular Award, any determination with respect to an Award may be made by the Committee at the time of grant or at any time thereafter.

(c) In the event of a consolidation, reorganization, merger or sale of all or substantially all of the assets of the Company, in each case in which outstanding shares of Common Stock are exchanged for securities, cash or other property of any other corporation or business entity or in the event of a liquidation of the Company, the Committee will provide for any one or more of the following actions, as to outstanding Awards: (i) provide that such Awards shall be assumed, or equivalent Awards shall be substituted, by the acquiring or succeeding corporation (or an affiliate thereof), (ii) upon written notice to the Participants, provide that all unexercised Options will terminate immediately prior to the consummation of such transaction unless exercised (to the extent then exercisable) by the Participant within a specified period following the date of such notice, (iii) in the event of a merger or consolidation, make or provide for a cash payment to the Participants equal to the difference between (A) the value of the consideration to be received by the shareholders of the Company upon consummation of the transaction (the "Merger Price") times the number of shares of Common Stock subject to outstanding Options (to the extent then exercisable at prices not in excess of the Merger Price) and (B) the aggregate exercise price of all such outstanding Options in exchange for the termination of such Options, or (iv) provide that all or any outstanding Awards shall become exercisable in full, or that the restrictions on such Awards shall lapse, immediately prior to such event.

(d) For purposes of the Plan, the following events shall not be deemed a termination of service of a Participant:

(i) a transfer to the employment of the Company from a subsidiary or from the Company to a subsidiary, or from one subsidiary to another, or

(ii) an approved leave of absence for military service or sickness, or for any other purpose approved by the Company, if the Participant's right to reemployment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Committee otherwise so provides in writing.

(e) The Committee may at any time, and from time to time, amend, modify or terminate the Plan or any outstanding Award held by a Participant, including substituting therefore another Award of the same or a different type or changing the date of exercise or realization, provided that the Participant's consent to each action shall be required unless the Committee determines that the action, taking into account any related action, would not materially and adversely affect the Participant, and further provided that no amendment increasing the number of shares subject to the Plan or decreasing the exercise price for any Option provided for under the Plan may be effectuated without the approval of the shareholders of the Company; provided, however, that no such amendment or modification will be effective if such amendment or modification would cause the Plan to fail to comply with the requirements of Rule 16b-3 under the Act or any successor or replacement regulation, to the extent then applicable to the Company. Notwithstanding the foregoing, absent shareholder approval, no Option may be: (i) amended to reduce the exercise price; (ii) cancelled in exchange for the grant of any new Option with a lower exercise price; (iii) cancelled in exchange for cash, other property or the grant of any new Award at a time when the exercise price of the Option is greater than the current Fair Market Value of the Common Stock; or (iv) involved in any other transaction that would be considered a form of repricing under applicable accounting rules and/or the applicable exchange listing requirements, nor shall the Committee have any authority to adjust or amend any Award if any such amendment would cause the Award to fail to comply with or be exempt from Section 409A.

(f) The Committee may, in its sole discretion, terminate the Plan (in whole or in part) with respect to one or more Participants and distribute to such affected Participants their vested interest in any Restricted Stock Award in a lump sum as soon as reasonably practicable following such termination, but if, and only if, (i) all nonqualified defined contribution deferred compensation plans maintained by the Company and its Affiliates are terminated, (ii) no payments other than payments that would be payable under the terms of the Plan if the termination had not occurred are made within twelve (12) months of the termination of the Plan, (iii) all payments of the vested interest in Restricted Stock Awards are made within twenty-four (24) months of the termination of the Plan, and (iv) the Company acknowledges to the Participants that it will not adopt any new nonqualified defined contribution deferred compensation plans at any time within five (5) years following the date of the termination of the Plan.

(g) Tax Withholding

- (i) *In General.* The Company shall have the right to deduct from any and all Awards made under the Plan, or to require the Participant, through payroll withholding, cash payment or otherwise, to make adequate provision for, the federal, state, local and foreign taxes, if any, required by law to be withheld by the Company with respect to an Award or the shares acquired pursuant thereto. The Company shall have no obligation to deliver shares of Stock, to release shares of Stock from an escrow, or to make any payment in cash under the Plan until the Company's tax withholding obligations have been satisfied by the Participant.

- (ii) *Withholding in Shares.* The Company shall have the right, but not the obligation, to deduct from the shares of Stock issuable to a Participant upon the exercise or settlement of an Award, or to accept from the Participant the tender of, a number of whole shares of Stock having a Fair Market Value, as determined by the Company, equal to all or any part of the tax withholding obligations of the Company. The Fair Market Value of any shares of Stock withheld or tendered to satisfy any such tax withholding obligations shall not exceed the amount determined by the applicable maximum statutory withholding rates.

Section 11. Miscellaneous

(a) No person shall have any claim or right to be granted an Award, and the grant of an Award shall not be construed as giving a Participant the right to continued employment or service on the Company's Board. The Company expressly reserves the right at any time to dismiss a Participant free from any liability or claim under the Plan, except as expressly provided in the applicable Award.

(b) Nothing contained in the Plan shall prevent the Company from adopting other or additional compensation arrangements.

(c) Subject to the provisions of the applicable Award, no Participant shall have any rights as a shareholder (including, without limitation, any rights to receive dividends, or non-cash distributions with respect to such shares) with respect to any shares of Common Stock to be distributed under the Plan until he or she becomes the holder thereof.

(d) Notwithstanding anything to the contrary expressed in this Plan, any provisions hereof that vary from or conflict with any applicable Federal or State securities laws (including any regulations promulgated thereunder) shall be deemed to be modified to conform to and comply with such laws.

(e) No member of the Committee shall be liable for any action or determination taken or granted in good faith with respect to this Plan nor shall any member of the Committee be liable for any agreement issued pursuant to this Plan or any grants under it. Each member of the Committee shall be indemnified by the Company against any losses incurred in such administration of the Plan unless his action constitutes serious and willful misconduct.

(f) Awards may not be granted under the Plan more than ten (10) years after approval of the Plan by the Company's Board, but then outstanding Awards may extend beyond such date.

(g) To the extent that State laws shall not have been preempted by any laws of the United States, the Plan shall be construed, regulated, interpreted and administered according to the other laws of the State of New York.

(h) A Participant in the Plan shall have no right to receive payment (in any form) with respect to his or her Restricted Stock Award until legal and contractual obligations of the Company relating to establishment of the Plan and the making of such payments shall have been complied with in full. In addition, the Company shall impose such restrictions on stock delivered to a Participant hereunder and any other interest constituting a security as it may deem advisable in order to comply with the Securities Act of 1933, as amended, the requirements of any stock exchange or automated quotation system upon which the stock is then listed or quoted, any applicable state securities laws, any provision of the Company's certificate of incorporation or bylaws, or any other law, regulation, or binding contract to which the Company is a party.

(i) This Plan shall be interpreted to avoid any penalty sanctions under Section 409A of the Code ("Section 409A") and regulations promulgated thereunder.