

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): December 22, 2023

**Orange County Bancorp, Inc.**

(Exact Name of Registrant as Specified in Charter)

Delaware  
(State or Other Jurisdiction)  
of Incorporation)

001-40711  
(Commission File No.)

26-1135778  
(I.R.S. Employer  
Identification No.)

212 Dolson Avenue, Middletown, New York 10940  
(Address of Principal Executive Offices) (Zip Code)

(845) 341-5000  
(Registrant's telephone number, including area code)

Not Applicable  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- 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:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.50	OBT	The Nasdaq Stock Market LLC

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.

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

(e) On December 22, 2023, Orange County Bancorp, Inc. (the “Company”) and Orange Bank & Trust Company, a wholly-owned subsidiary of the Company (the “Bank”), entered into an amended and restated Employment Agreement with Michael J. Gilfeather, President and Chief Executive Officer of the Company and the Bank (the “Gilfeather Agreement”), which replaces and supersedes Mr. Gilfeather’s prior employment agreement effective as of January 1, 2024. The term of the Gilfeather Agreement commences on January 1, 2024 and continues through March 31, 2027, unless terminated sooner pursuant to its terms. On March 31, 2027, the Gilfeather Agreement will automatically extend through March 31, 2028, unless Mr. Gilfeather or the Boards of Directors of the Company and Bank (excluding Mr. Gilfeather) give written notice of a desire not to extend the term of the Gilfeather Agreement. If a Change of Control (as defined in the Gilfeather Agreement) occurs during the term of the Gilfeather Agreement, the term of the Gilfeather Agreement will not end before the second anniversary of the date on which a Change of Control first becomes effective, unless Mr. Gilfeather’s employment is terminated sooner pursuant to the terms of the Gilfeather Agreement

The Gilfeather Agreement provides that Mr. Gilfeather’s base salary, initially set at \$670,000, may be increased but not decreased during the term of the Gilfeather Agreement. In addition to base salary, Mr. Gilfeather is eligible to participate in the short-term and long-term incentive compensation programs of the Company and the Bank, which includes the Annual Incentive Plan (the “AIP”) and the Long-Term Incentive Program (the “LTIP”). Under the terms of the Gilfeather Agreement, Mr. Gilfeather’s target bonus opportunity under the AIP is 40% of his base salary and under the LTIP the target bonus opportunity is 50% of his base salary. Mr. Gilfeather is also eligible to participate in all employee benefit plans, arrangements and perquisites offered to employees and officers of the Bank. Further, the Gilfeather Agreement provides that Mr. Gilfeather will continue to participate in the Bank’s Performance-Based Supplemental Executive Retirement Plan (the “SERP”) with an annual performance-based contribution opportunity of \$260,000. Details of Mr. Gilfeather’s SERP benefit are set forth in the SERP and SERP Participation Agreement.

Under the Gilfeather Agreement, all reasonable travel and other business expenses incurred by Mr. Gilfeather in the performance of his duties, including dues and fees associated with country club memberships, are reimbursed by the Bank in accordance with its reimbursement policy, as amended from time to time.

In addition, the Gilfeather Agreement provides Mr. Gilfeather with the opportunity to earn both a cash and Company stock-based retention bonus upon the satisfaction of certain terms and conditions. If Mr. Gilfeather remains continuously employed with the Company and the Bank through December 31, 2026, the Company will pay Mr. Gilfeather a lump sum cash retention bonus in the amount of \$375,000 (the “Cash Retention Bonus”). If Mr. Gilfeather remains employed through December 31, 2027, he will receive an additional lump sum cash payment in the amount of \$125,000 (the “Cash Retention Enhancement Bonus”). In the event of a Change in Control or Mr. Gilfeather’s death prior to the payment of the Cash Retention Bonus or the Cash Retention Enhancement Bonus, Mr. Gilfeather is entitled to any unpaid Cash Retention Bonus or, if the death or Change in Control is on or after January 1, 2027, Cash Retention Enhancement Bonus, within 30 days of the Change in Control or Mr. Gilfeather’s death, as applicable. If the Bank or the Company terminates Mr. Gilfeather’s employment without Cause (as defined in the Gilfeather Agreement), or Mr. Gilfeather terminates his employment for Good Reason (as defined in the Gilfeather Agreement), Mr. Gilfeather shall be entitled to any unpaid Cash Retention Bonus or, if the termination is on or after January 1, 2027, Cash Retention Enhancement Bonus, in the regular payroll following the effective date of a release of claims executed and not revoked by Mr. Gilfeather. Within 30 days of the effective date of the Gilfeather Agreement, and annually during the month of February in 2025

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and 2026 (subject to Mr. Gilfeather's employment with the Bank and the Company on the date of grant), the Company will grant Mr. Gilfeather restricted stock units ("RSUs") equal to 20% of his Base Salary on the date of grant ("RSU Retention Bonus"). The RSUs granted as part of the RSU Retention Bonus in 2024, 2025 and 2026 will cliff vest on December 31, 2026 if Mr. Gilfeather remains continuously employed through that date and satisfies the RSU Retention Bonus performance criteria. The RSU Retention Bonus is subject to the terms of the Orange County Bancorp, Inc. 2023 Equity Incentive Plan and RSU Retention Bonus agreements. In the event of a Change in Control or Mr. Gilfeather's death, involuntary termination without Cause or voluntary termination for Good Reason, prior to December 31, 2026, the unvested RSUs granted as part of the RSU Retention Bonus will fully vest. In the event of a Change in Control or Mr. Gilfeather's death, involuntary termination without Cause or voluntary termination for Good Reason prior to Mr. Gilfeather being granted all the RSU Retention Bonus grants, Mr. Gilfeather will receive a cash payment in lieu of each ungranted RSU equal to 20% of Mr. Gilfeather's base salary at the time of the Change in Control or his separation from service due to his death, involuntary termination without Cause or voluntary termination with Good Reason. The Company or its successor will issue shares of stock and/or make a payment of cash to Mr. Gilfeather as required within 30 days of the effective date of the general release of claims required under the Gilfeather Agreement.

In the event of Mr. Gilfeather's termination by the Bank or the Company, not in connection with a Change in Control, without Cause or Mr. Gilfeather's resignation for Good Reason, the Gilfeather Agreement provides Mr. Gilfeather with any Accrued Obligations (as defined in the Gilfeather Agreement) and a pro-rated AIP bonus accrued but unpaid based on Mr. Gilfeather's employment through his separation date. Further, all RSUs granted under the LTIP will be pro-rated based on Mr. Gilfeather's service during the vesting period. The Gilfeather Agreement also provides Mr. Gilfeather with a severance payment equal to the sum of Mr. Gilfeather's base salary as of his termination date, plus the average of the three most recent annual bonuses under the AIP paid to Mr. Gilfeather prior to his termination date. In addition, the Bank will pay to Mr. Gilfeather the cost of COBRA premiums on a monthly basis commencing with the first month following his date of termination and continuing until the earlier of (A) the twelfth (12<sup>th</sup>) month following Mr. Gilfeather's date of termination; or (B) such time that Mr. Gilfeather first becomes eligible for health insurance coverage with another employer.

In the event Mr. Gilfeather's employment is terminated involuntarily without Cause or voluntarily for Good Reason upon or within 12 months of a Change in Control, the Bank (or any successor) shall: (i) pay or provide to Mr. Gilfeather any Accrued Obligations; and (ii) pay Mr. Gilfeather, or in the event of his subsequent death, Mr. Gilfeather's beneficiary or estate, as severance pay, an amount equal to the sum of three (3) times: (x) Mr. Gilfeather's base salary (at the rate in effect when the Change in Control occurs or, if higher, at the rate in effect on the date of his termination of employment) and (y) the average of the three most recent annual bonuses paid to Mr. Gilfeather under the AIP prior to a Change in Control. In addition to the severance pay, the Bank shall pay to Mr. Gilfeather an additional lump sum cash payment equal to eighteen (18) times the monthly COBRA charge in effect on Mr. Gilfeather's date of termination for the type of bank-provided group health plan coverage in effect for Mr. Gilfeather (e.g., family coverage) on his date of termination. In the event that an excise tax under Sections 280G and 4999 of the Internal Revenue Code would be assessed on the payments or other benefits received under the Gilfeather Agreement in connection with a Change in Control, Mr. Gilfeather would receive either: (1) all the payments and benefits to which he is entitled under the Gilfeather Agreement, subject to the excise tax; or (2) have such payments and benefits reduced by the minimum amount necessary so that the excise tax will not apply, if such reduction would result in a greater net after-tax benefit to Mr. Gilfeather.

The Gilfeather Agreement terminates upon Mr. Gilfeather's death in which event the Bank will pay Mr. Gilfeather's estate or his beneficiaries any Accrued Obligations. All unvested retention bonuses (cash and stock) will vest and any unvested RSUs granted under the LTIP will also vest.

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In the event Mr. Gilfeather voluntarily terminates his employment with the Bank or the Company (other than for Good Reason) or his employment is terminated by the Company or the Bank for Cause, the sole obligation of the Company and the Bank under the Gilfeather Agreement is to pay Mr. Gilfeather his Accrued Obligations.

The Gilfeather Agreement provides for a one-year non-competition covenant and two-year non-solicitation covenants related to employees and customers, provided, however, that such covenants will cease immediately upon a Change in Control.

On December 22, 2023, the Bank entered into an amended and restated Employment Agreement with Joseph Ruhl, Executive Vice President and Chief Deposit Officer of the Bank (the "Ruhl Agreement"), which replaces and supersedes his prior employment agreement. The term of the Ruhl Agreement commences on December 22, 2023 and continues through December 31, 2025, unless terminated sooner pursuant to its terms. Commencing on January 1, 2024 and continuing on each January 1st thereafter, the term of the Ruhl Agreement will automatically extend for one additional year, unless either the Bank or Mr. Ruhl provides written notice to the other of its intent not to renew. If a Change of Control (as defined in the Ruhl Agreement) occurs during the term of the Ruhl Agreement, the term of the Ruhl Agreement will not end before the first anniversary of the date on which a Change of Control first becomes effective.

The Ruhl Agreement provides Mr. Ruhl with a base salary of \$335,000. The Compensation Committee of the Board of Directors of the Bank may consider increasing, but not decreasing, Mr. Ruhl's base salary as it deems appropriate. In addition to base salary, Mr. Ruhl is eligible to participate in the AIP and the LTIP. Mr. Ruhl's target bonus opportunity under the AIP and the LTIP is commensurate with the target bonus opportunities of similarly situated executives at the Bank. Mr. Ruhl is also eligible to participate in all employee benefit plans, arrangements and perquisites offered to employees and officers of the Bank and has been designated as a participant in the SERP. All reasonable travel and other business expenses incurred by Mr. Ruhl in the performance of his duties, including dues and fees associated with country club memberships, are reimbursed by the Bank in accordance with its reimbursement policy, as amended from time to time.

In the event of Mr. Ruhl's termination by the Bank, not in connection with a Change in Control, without Cause or Mr. Ruhl's resignation for Good Reason, the Ruhl Agreement provides Mr. Ruhl with any Accrued Obligations. In addition, the Bank will pay Mr. Ruhl, or in the event of his subsequent death his estate or beneficiaries, a lump sum cash payment equal to: 100% of his base salary as of his termination of employment and (ii) the average of the three (3) most recent annual bonuses paid under the AIP to Mr. Ruhl prior to his termination date. In addition, the Bank will pay to Mr. Ruhl the cost of COBRA premiums on a monthly basis commencing with the first month following his date of termination and continuing until the earlier of (A) the twelfth (12<sup>th</sup>) month following Mr. Ruhl's date of termination; or (B) such time that Mr. Ruhl first becomes eligible for health insurance coverage with another employer.

In the event Mr. Ruhl's employment is terminated upon or within 12 months of a Change in Control, involuntary without Cause or voluntarily for Good Reason, the Bank (or any successor) shall: (i) pay or provide to Mr. Ruhl any Accrued Obligations; and (ii) pay Mr. Ruhl, or in the event of his subsequent death, his beneficiary or estate, as severance pay an amount equal to the sum of two (2) times: (x) Mr. Ruhl's base salary (at the rate in effect when the Change in Control occurs or, if higher, at the rate in effect on the date of his termination of employment) and (y) the average of the three most recent annual bonuses paid to Mr. Ruhl under the AIP prior to a Change in Control. In addition to the severance pay, the Bank shall pay to Mr. Ruhl an additional lump sum cash payment equal to eighteen (18) times the monthly COBRA charge in effect on Mr. Ruhl's date of termination for the type of bank-provided group health plan coverage in

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effect for Mr. Ruhl (e.g., family coverage) on his date of termination. In the event that an excise tax under Sections 280G and 4999 of the Internal Revenue Code would be assessed on the payments or other benefits received under the Ruhl Agreement in connection with a Change in Control, Mr. Ruhl would receive either: (1) all the payments and benefits to which he is entitled under the Ruhl Agreement, subject to the excise tax; or (2) have such payments and benefits reduced by the minimum amount necessary so that the excise tax will not apply, if such reduction would result in a greater net after-tax benefit to Mr. Ruhl.

The Ruhl Agreement provides for non-competition and two-year non-solicitation of employees and customers covenants which apply for 18 months following an involuntary termination for cause or a voluntary termination for Good Reason and for 12 months following a termination for any reason or no reason following the expiration of the term. The non-solicitation covenants, but not the non-competition covenant, apply for 12 months following an involuntary termination without Cause or voluntary termination for Good Reason. The non-competition and non-solicitation covenants will cease immediately upon a Change in Control.

In the event either Mr. Gilfeather or Mr. Ruhl becomes disabled while employed by the Bank, their respective agreements provide for the payment of all Accrued Obligations, as well as salary continuation until the executive receives disability income under the Bank's long-term disability program. Further, if either Mr. Gilfeather or Mr. Ruhl elects COBRA coverage, for a period of 18 months following separation from service, he will receive monthly payments equal to the monthly COBRA premium in effect for the respective executives as of his termination date.

On December 22, 2023, Mr. Gilfeather also executed an amended and restated SERP Participation Agreement (the "Gilfeather SERP Participation Agreement") which reflects an increase in Mr. Gilfeather's annual SERP opportunity to \$260,000, effective for the Bank's fiscal year ending December 31, 2023.

The foregoing description of the Gilfeather Agreement, the Ruhl Agreement and the Gilfeather SERP Participation Agreement does not purport to be complete and is qualified in its entirety by reference to the agreements attached hereto as Exhibits 10.1, 10.2 and 10.3, respectively, to this Current Report on Form 8-K and such agreements are incorporated by reference into this Item 5.02.

**Item 9.01**                      **Financial Statements and Exhibits.**

(d)              Exhibits

<u>Number</u>	<u>Description</u>
<u>10.1</u>	<u><a href="#">Amended and Restated Employment Agreement, dated as of December 22, 2023, by and among Orange County Bancorp, Inc., Orange Bank &amp; Trust Company and Michael J. Gilfeather</a></u>
<u>10.2</u>	<u><a href="#">Amended and Restated Employment Agreement, dated as of December 22, 2023, by and between Orange Bank &amp; Trust Company and Joseph Ruhl</a></u>
<u>10.3</u>	<u><a href="#">Amended and Restated Participation Agreement for Michael J. Gilfeather Under the Orange Bank &amp; Trust Company Performance-Based Supplemental Executive Retirement Plan</a></u>
104	Cover Page for this Current Report on Form 8-K, formatted in Inline XBRL

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**SIGNATURE**

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

**ORANGE COUNTY BANCORP, INC.**

DATE: December 29, 2023

By: /s/ Michael Lesler  
Michael Lesler  
Executive Vice President, Chief Financial Officer

**AMENDED AND RESTATED EMPLOYMENT AGREEMENT**

This Employment Agreement by and between **Orange County Bancorp, Inc.**, a Delaware corporation (the “Company”), **Orange Bank & Trust Company**, a wholly-owned subsidiary of the Company (the “Bank”) and **Michael J. Gilfeather** (“Executive”) was originally effective as of December 31, 2018, amended and restated effective December 31, 2021 and is hereby amended and restated in its entirety effective January 1, 2024 (the “Agreement”). Any reference to the “Employer” in the Agreement shall mean the Bank and the Company.

**WHEREAS**, the Employer wishes to continue to employ the Executive for the period provided in this Agreement; and

**WHEREAS**, in order to induce Executive to remain in the employ of the Bank and the Company and to provide further incentive for Executive to achieve the financial, performance and talent development objectives of the Bank and the Company, the parties desire to enter into this Agreement; and

**WHEREAS**, the Employer desires to set forth the rights and responsibilities of Executive and the compensation payable to Executive, as modified from time to time; and

**WHEREAS**, the Company and the Bank employ the Executive in a position of trust and confidence, and the Executive has become acquainted with the Company’s business, its officers and employees, its strategic and operating plans, its business practices, processes, and relationships, the needs and expectations of its customers and prospective customers, and its trade secrets and other property, including Confidential Information.

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained, and upon the other terms and conditions hereinafter provided, the parties hereby agree as follows:

**1. POSITION AND RESPONSIBILITIES.**

During the term of this Agreement, Executive agrees to continue to serve as President and Chief Executive Officer of the Bank and the Company (collectively the “Executive Position”), and will perform the duties and will have all powers associated with such positions as commonly incident to such positions, as well as those delegated to Executive by the Board of Directors of the Bank or the Company (collectively the “Board”). Notwithstanding the foregoing and subject to budgetary limits, the Executive shall have the authority to hire, compensate and terminate the Bank’s staff, provided that the hiring (and the terms of employment with respect thereto) or termination of senior officers of the Bank that report directly to the Executive, shall be subject to the prior approval of the Joint Compensation Committee of the Bank and the Company (the “Committee”). Executive shall report directly to the Board. During the period provided in this Agreement, Executive also agrees to serve, if elected, as an officer or director of any subsidiary or affiliate of the Company and/or the Bank and in such capacity, to carry out such duties and responsibilities reasonably appropriate to that office. In addition, during the term of this Agreement the Executive may serve as a member of the Board and any affiliate board of directors and shall not receive any additional compensation or benefits for services as a member of such boards.

## 2. TERM.

(a) **Term.** The term of this Agreement and the period of Executive's employment hereunder shall continue through March 31, 2027, unless terminated sooner pursuant the terms of this Agreement. On March 31, 2027 ("Renewal Date") this Agreement shall extend automatically through March 31, 2028, unless the Executive or the Board (excluding the Executive) by written notice to the other, given at least ninety (90) days prior to such Renewal Date, notifies the other of its intent not to extend the Term. The period during which the Executive is employed by the Company and the Bank pursuant to this Agreement, including any extension thereof, is hereinafter referred to as the "Term". Notwithstanding the preceding provisions of this Section, if a Change of Control (as defined in Section 5(a) hereof) occurs during the Term, the Term shall not end before the second anniversary of the date on which a Change of Control first becomes effective, unless Executive's employment is terminated sooner pursuant to the terms of this Agreement.

(b) **Membership on Other Boards or Organizations.** During the period of his employment hereunder, except for periods of absence occasioned by illness, reasonable vacation periods, and reasonable leaves of absence, Executive will devote all of his business time, attention, skill and efforts to the faithful performance of his duties under this Agreement, including activities and duties related to the Executive Position. Notwithstanding the preceding sentence, subject to the approval of the Board, Executive may serve as a member of the board of directors of business, community and charitable organizations, provided that in each case such service shall not materially interfere with the performance of his duties under this Agreement, adversely affect the reputation of the Employer and its affiliates (as determined by the Board), or present any conflict of interest.

(c) **Continued Employment Following Expiration of Term.** Nothing in this Agreement shall mandate or prohibit a continuation of Executive's employment following the expiration of the term of this Agreement.

## 3. COMPENSATION, BENEFITS AND REIMBURSEMENT.

(a) **Base Salary.** In consideration of Executive's performance of the responsibilities and duties set forth in this Agreement, the Employer will provide Executive the compensation specified in this Agreement. The Employer will pay or cause to be paid to the Executive a salary of **\$670,000** per year ("Base Salary"). Such Base Salary will be payable in accordance with the customary payroll practices of the Bank. During the Term, the Board may consider increasing, but not decreasing, Executive's Base Salary as the Board deems appropriate. Any change in Base Salary will become the "Base Salary" for purposes of this Agreement.

(b) **Annual Bonus.** During the Term, Executive shall be eligible to participate in the Bank's Annual Incentive Plan (or any successor thereto) (the "Annual Bonus Plan") in accordance with its terms. Executive's minimum target opportunity under the Annual Bonus Plan will be 40% of his Base Salary (the "Target Bonus"). The actual amount of Executive's annual bonus shall depend upon the achievement of Company and individual performance goals established by the Committee. Annual bonuses awarded to Executive under the Annual Bonus Plan are referred to herein as "Annual Bonuses." The determination and payment of Annual



Bonuses shall be subject to all the terms and conditions of the applicable Annual Bonus Plan, including any underlying award agreement or notice.

(c) **Long-Term Compensation.** During the Term, the Executive shall be granted the opportunity to earn long-term incentive awards pursuant to the terms and conditions of the Company's Long-Term Incentive Program or any successor program thereto (the "LTIP"). Executive's LTIP award performance goals and weightings shall be established by the Committee in consultation with the Executive and approved by the Board. During the Term, the Executive's minimum target opportunity under the LTIP will be 50% of his Base Salary. The issuance of Restricted Stock Units ("RSUs") following the satisfaction of the LTIP performance goals is subject to the terms and conditions of the LTIP, the Company-sponsored equity plan and any underlying award agreements. The Executive agrees and acknowledges that the actual value of any LTIP award will be based upon actual performance in relation to the performance goals used for the LTIP award. The Executive's satisfaction of his LTIP performance goals will be determined by the Committee, in its sole discretion. RSUs issued under the LTIP during the Term will generally vest ratably over a three-year period. During the Term, vesting will accelerate in the event Executive dies, or in the event that on or after a Change in Control Executive's employment is terminated involuntarily without Cause or voluntarily for Good Reason. In the event the Bank or Company terminates Executive's employment without Cause or the Executive terminates his employment for Good Reason during the Term, unvested RSUs granted under the LTIP will be pro-rated based on the Executive's service during the vesting period. In the event the Executive voluntarily terminates his employment with the Bank or the Company during the Term, prior to full vesting of an RSU, Executive will forfeit the unvested portion of his RSUs as of the Executive's termination date.

(d) **Supplemental Executive Retirement Plan.** The Executive participates in the Bank's defined contribution performance-based supplemental executive retirement plan ("SERP"). During the Term, Executive will have an opportunity to earn an annual SERP contribution of \$260,000 upon his satisfaction of specific performance goals and other conditions set forth in the Executive's SERP Participation Agreement. If Executive's employment with the Bank and the Company is terminated for any reason other than Cause or voluntary resignation other than Good Reason during the Term, Executive will receive the SERP contribution for the year in which he has a separation from service and the Bank and Company will have no further obligations to make contributions under the SERP.

(e) **Other Benefit Plans.** During the Term, Executive shall be entitled to participate, on the terms and conditions not less favorable to Executive than other similarly situated executives of the Bank generally, in the Bank's (A) tax-qualified retirement plans; (B) group life, health and disability insurance plans; and (C) any other employee benefit plans and programs and perquisites in accordance with the Bank's customary practices with respect to other similarly situated executives, provided that Executive's participation shall be subject to the terms of such plans and programs; and provided, further, that nothing herein shall limit the Bank's right to amend or terminate any such plans or programs.

(f) **Vacation.** Executive will be entitled to four (4) weeks of paid vacation time each year during the Term measured on a calendar year basis, in accordance with the Bank's customary practices, as well as sick leave, holidays and other paid absences in accordance with the Bank's

policies and procedures for executives. Any unused paid time off during an annual period will be treated in accordance with the Bank's personnel policies as in effect from time to time.

(g) **Expense Reimbursements.** The Bank will reimburse Executive for all reasonable travel, entertainment and other reasonable expenses incurred by Executive during the course of performing his obligations under this Agreement, including, without limitation, fees for memberships in such organizations as Executive and the Committee mutually agree are necessary and appropriate in connection with the performance of his duties under this Agreement, upon substantiation of such expenses in accordance with applicable policies and procedures of the Bank. Executive shall be provided a car allowance in the amount of \$1,500 per month, with the expense of gas and maintenance incurred to be paid or reimbursed to Executive by the Bank. In addition, Executive shall be entitled to reimbursement of membership fees and assessments with respect to a country club located in Orange County, New York relevant to Executive's business activities, as approved by the Committee. All reimbursements pursuant to this Section 3(g) shall be reimbursed upon presentation to the Bank of an itemized account of such expense in such form as the Bank may reasonably require.

(h) **Life Insurance.** The Bank shall continue to maintain a fifteen (15) year term life insurance policy in an amount equal to one million dollars (\$1,000,000.00) for the benefit of the Executive, which may be continued by the Executive, at his own expense, upon the termination of his employment.

(i) **Cash Retention Bonus.** The Company shall pay the Executive a lump sum cash retention bonus in the amount of \$375,000 (the "Cash Retention Bonus"), so long as the Executive remains continuously employed with the Company and the Bank through December 31, 2026 with such amount payable in the next regular payroll following such date. If Executive remains employed through December 31, 2027, Executive is eligible to receive an additional lump sum cash payment in the amount of \$125,000 ("Cash Retention Enhancement Bonus"), with such amount payable in the next regular payroll following December 31, 2027. In the event of a Change in Control or Executive's death prior to the payment of the Cash Retention Bonus or the Cash Retention Enhancement Bonus, Executive shall be entitled to any unpaid Cash Retention Bonus or, if the death or Change in Control is on or after January 1, 2027, Cash Retention Enhancement Bonus within 30 days of the Change in Control or Executive's death, as applicable. If the Bank or the Company terminates Executive's employment without Cause or Executive terminates his employment for Good Reason, Executive shall be entitled to any unpaid Cash Retention Bonus or, if the termination is on or after January 1, 2027, Cash Retention Enhancement Bonus, in the regular payroll following the effective date of the release of claims described in Section 4(e)(iv) of this Agreement.

(j) **RSU Retention Bonus.** Within 30 days following the effective date of this Agreement and annually during the month of February in 2025 and 2026 (subject to Executive's employment with the Bank and the Company on the date of grant), the Company will grant the Executive RSUs equal to 20% of his Base Salary on the date of grant ("RSU Retention Bonus"). The RSUs granted under this paragraph (j) in 2024, 2025 and 2026 will cliff vest on December 31, 2026, if Executive remains continuously employed through that date and satisfies the performance criteria established by the Committee. All RSU Retention Bonus grants will be subject to the terms of the Orange County Bancorp, Inc. 2023 Equity Incentive Plan and outlined

in RSU agreements. Notwithstanding the foregoing and subject to the execution and non-revocation of a general release of claims as described under Section 4(e)(iv) of this Agreement, in the event of a Change in Control or Executive's death, involuntary termination without Cause or voluntary termination for Good Reason, prior to December 31, 2026, the unvested RSUs granted under this paragraph (j) will fully vest. In the event of a Change in Control or Executive's death, involuntary termination without Cause or voluntary termination for Good Reason prior to Executive being granted all the RSU grants contemplated under this paragraph (j), Executive will receive a cash payment in lieu of each ungranted RSU grant equal to 20% of the Executive's Base Salary at the time of the Change in Control or his separation from service due to his death, involuntary termination without Cause or voluntary termination with Good Reason. The Company or its successor will issue shares of Company stock and/or make a payment of cash to the Executive as required under this paragraph (j) within 30 days of the effective date of the general release of claims described in Section 4(e)(iv) of this Agreement.

**(k) Clawback/Recoupment.** All Incentive Compensation awarded to the Executive is subject to the Company's Recoupment Policy, as may be in place from time to time and as generally applicable for senior executive management team. For purposes of this Agreement, "Incentive Compensation" means (1) Annual Bonuses under the Annual Bonus Plan, or any successor plan; (2) vested or unvested equity- or cash-based awards under the LTIP, or any successor plan; and (3) any other incentive-based compensation provided by the Employer.

#### **4. TERMINATION AND TERMINATION PAY.**

Subject to Section 5 of this Agreement which governs the occurrence of a Change in Control, Executive's employment under this Agreement may be terminated in the following circumstances:

**(a) Death.** This Agreement shall terminate upon Executive's death, in which event the Employer shall pay Executive's estate or beneficiary any "Accrued Obligations" as defined in paragraph (g) below. Any Cash Retention Bonus, Cash Retention Enhancement Bonus or RSU Retention Bonus not earned as of the Executive's date of death will be treated in accordance with Sections 3(i) and (j) of this Agreement. In addition, any unvested RSUs (other than the RSU Retention Bonus) granted under the LTIP will be treated in accordance with Section 3(c) of this Agreement, unless the Committee, in its sole discretion, elects to provide Executive with a cash payment in lieu of the issuance of Company common stock equal to the present value of the unvested RSUs as of the date of Executive's death.

**(b) Disability.** This Agreement shall terminate in the event Executive becomes "Totally Disabled." For purposes of this Agreement, Executive shall be "Totally Disabled" if Executive is deemed disabled for purposes of eligibility for receipt of disability benefits under the Bank's long-term disability plan, if any, or receipt of Social Security disability benefits. In the event Executive's employment is terminated due to becoming Totally Disabled, the Bank shall pay or provide Executive with any Accrued Obligations. In addition, Executive shall continue to receive his full Base Salary under Section 3(a) of this Agreement until he becomes eligible for and receives disability income under the long-term disability insurance coverage then in effect for the Executive. If Executive elects to continue his group health coverage with the Bank pursuant to COBRA, the Bank shall pay to Executive the "COBRA Payments" for a period of 18 months

or, if earlier, until the date on which Executive receives substantially comparable coverage under another group health insurance plan. The “COBRA Payments” shall be monthly installment payments, each equal to the monthly COBRA premium in effect as of the date of Executive’s termination of employment for the level of coverage in effect for Executive under the Bank’s group health plan.

(c) **Termination for Cause.** The Board may immediately terminate Executive's employment at any time for "Cause." In the event Executive's employment is terminated for Cause, the Employer's sole obligation shall be to pay or provide to Executive any Accrued Obligations. Termination for "Cause" shall mean termination of Executive's employment because of, in the good faith determination of the Board, Executive's:

(i) act of fraud, embezzlement, or theft while employed by the Bank, or indictment or conviction of the Executive for, or plea of no contest to, a felony, conviction of or plea of no contest to a misdemeanor involving moral turpitude, or the arrest and incarceration of Executive for acts by Executive involving moral turpitude;

(ii) gross negligence, insubordination, disloyalty, or dishonesty in the performance of the Executive's duties as an officer of the Bank; willful or reckless failure by the Executive to adhere to the Bank's written policies; intentional wrongful damage by Executive to the business or property of the Company and the Bank, including without limitation its reputation, which in the Board's sole judgment causes material harm to the Company, the Bank or any of its affiliates;

(iii) removal of Executive from office or permanent prohibition of Executive from participating in the affairs of the Bank by an order issued under Section 8(e)(4) or (g)(1) of the Federal Deposit Insurance Act, 12 U.S.C. 1818(e)(4) or (g)(1); or

(iv) acts or omissions in the performance of Executive's duties having a material adverse effect on the Bank that were not done or omitted to be done in good faith or which involved intentional misconduct or a knowing violation of law.

(d) **Voluntary Termination by Executive without Good Reason.** Executive may voluntarily terminate employment during the Term upon at least 30 days prior written notice to the Board. Except upon Executive's voluntary termination "With Good Reason" (as defined below), Executive shall have no right to receive any compensation or benefits under this Agreement or otherwise upon his voluntary termination of employment, except any Accrued Obligations. Notwithstanding anything in this Agreement to the contrary, any Annual Bonus, Cash Retention Bonus, Cash Retention Enhancement Bonus or RSU Retention Bonus unearned as of the date of Executive's voluntary termination without Good Reason shall be forfeited. The Bank may accelerate the date of termination upon receipt of written notice of Executive's voluntary termination.

(e) **Termination Without Cause or With Good Reason.**

(i) The Board may immediately terminate Executive’s employment at any time for a reason other than Cause (a termination “Without Cause”), and Executive may, by

written notice to the Board, terminate this Agreement at any time within 90 days following an event constituting “Good Reason,” as defined below (a termination “With Good Reason”); provided, however, that the Bank shall have 30 days to cure the “Good Reason” condition, but the Bank may waive its right to cure. Any termination of Executive’s employment shall have no effect on or prejudice the vested rights of Executive under the Bank’s qualified or non-qualified retirement, pension, savings, thrift, profit-sharing or bonus plans, group life, health (including hospitalization, medical and major medical), dental, accident and long-term disability insurance plans or other employee benefit plans or programs, or compensation plans or programs in which Executive was a participant.

(ii) In the event of termination as described under Section 4(e)(i) of this Agreement, the Bank shall pay or provide to Executive any Accrued Obligations and pro-rate any Annual Bonus accrued but unpaid based on Executive’s period of employment through his separation from service. In addition, any Cash Retention Bonus, Cash Retention Enhancement Bonus or RSU Retention Bonus not earned as of the Executive’s separation from service will be treated in accordance with Sections 3(i) and (j) of this Agreement. In addition, any unvested RSUs granted under the LTIP will be treated in accordance with Section 3(c) of this Agreement, unless the Committee, in its sole discretion, elects to provide Executive with a cash payment in lieu of the issuance of Company common stock equal to the present value of the unvested RSUs as of the date of Executive’s death. In addition, the Bank shall pay Executive, or in the event of Executive’s subsequent death, Executive’s beneficiary or estate, as the case may be, as severance pay, a cash lump sum payment equal to the sum of Executive’s Base Salary as of the date of termination, plus the average of the three most recent Annual Bonuses paid to Executive period to the termination date. The severance pay will be paid to the Executive in the Bank’s first regular payroll period following the effective date of the general release of claims as described under Section 4(e)(iv) of this Agreement. The Bank shall also pay to Executive the COBRA Payments on a monthly basis commencing with the first month following Executive’s date of termination and continuing until the earlier of (A) the twelfth (12<sup>th</sup>) month following Executive’s date of termination; or (B) such time that Executive first becomes eligible for health insurance coverage with another employer.

(iii) “Good Reason” exists if, without Executive’s express written consent, any of the following occurs:

(A) a material reduction of 10% or more in Executive’s Base Salary or, following a Change in Control, in Executive’s Annual Bonus opportunity;

(B) a material reduction in Executive’s authority, duties or responsibilities from the position and attributes associated with the Executive Position;

(C) Executive ceases to report to the Board; or

(D) a change in the geographic location at which Executive must perform services for the Bank by more than 50 miles from the location

where it is contemplated that Executive will be performing Executive's duties; provided, however that Executive being requested to oversee activities in (not relocate to) branches outside of New York State shall not constitute "Good Reason" under this Section 4(e)(iv).

(iv) Executive shall not be entitled to any payments or benefits under this Section 4(e) unless and until Executive executes a release of claims (the "Release") against the Bank and any affiliate, and their officers, directors, successors and assigns, releasing said persons from any and all claims, rights, demands, causes of action, suits, arbitrations or grievances relating to the employment relationship, including claims under the Age Discrimination in Employment Act, but not including claims for benefits under tax-qualified plans or other benefit plans in which Executive is vested, claims for benefits required by applicable law or claims with respect to obligations set forth in this Agreement that survive the termination of this Agreement. The Release must be executed and become irrevocable by the 60<sup>th</sup> day following the date of Executive's termination of employment, provided that if the 60-day period spans two (2) calendar years, then, to the extent necessary to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), the payments and benefits described in this Section 4(e) will be paid, or commence, in the second calendar year.

(f) **Effect on Status as an Officer or Director.** In the event of Executive's termination of employment under this Agreement for any reason, such termination shall also constitute Executive's resignation as an officer or director of the Bank or the Company, or any subsidiary or affiliate thereof, to the extent Executive is acting as a director of any of the aforementioned entities.

(g) **Accrued Obligations.** For purposes of this Agreement, "Accrued Obligations" shall mean: (1) any accrued and unpaid Base Salary of Executive through his separation from service, payable pursuant to the Bank's standard payroll policies; (2) any earned and unpaid bonus of Executive under the Annual Bonus Plan for any completed fiscal year prior to separation from service; (3) any compensation and benefits to the extent payable to Executive based on Executive's participation in any compensation or benefit plan (including pursuant to any individual or group life insurance plan or policy), program or arrangement of the Bank through his separation from service, payable in accordance with the terms of such plan, program or arrangement; and (4) any expense reimbursement to which Executive is entitled under the Bank's standard expense reimbursement policy (as applicable) in Section 3(g) hereof.

## 5. CHANGE IN CONTROL.

(a) **Change in Control Defined.** For purposes of this Agreement, the term "Change in Control" shall be deemed to have occurred on the earliest of the following dates:

(i) the date any person or group of persons (as defined in Section 13(d) and 14(d) of the Exchange Act) together with its affiliates, excluding employee benefit plans of the Company and its Affiliates, is or becomes, directly or indirectly, the "beneficial owner" (as defined in Rule 13d-3 promulgated under the Exchange Act) of securities of the

Company representing twenty percent (20%) or more of the combined voting power of the Company's then outstanding voting securities (excluding the acquisition of securities of the Company by an entity at least eighty percent (80%) of the outstanding voting securities of which are, directly or indirectly, beneficially owned by the Company); or

(ii) the date when, as a result of a tender offer or exchange offer for the purchase of securities of the Company (other than such an offer by the Company for its own securities), or as a result of a proxy contest, merger, share exchange, consolidation or sale of assets, or as a result of any combination of the foregoing, individuals who as of January 1, 2024, constitute the Board, plus new directors whose election or nomination for election by the Company's shareholders is approved by a vote of at least two-thirds (2/3) of the directors still in office who were directors as of January 1, 2024, cease for any reason during a consecutive two- year period to constitute at least two-thirds (2/3) of the members of such Board; or

(iii) the date a merger, share exchange or consolidation of the Company with any other corporation or entity is consummated regardless of which entity is the survivor, other than a merger, share exchange or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or being converted into voting securities of the surviving or acquiring entity) at least fifty percent (50%) of the combined voting power of the voting securities of the Company or such surviving or acquiring entity outstanding immediately after such merger, share exchange or consolidation; or

(iv) the date the shareholders of the Company approve a plan of complete liquidation or winding-up of the Company; or

(v) the date a sale or disposition by the Company of all or substantially all of the Company's assets is consummated.

To the extent necessary to comply with Code Section 409A, a Change in Control will be deemed to have occurred only if the event also constitutes a change in the effective ownership or effective control of the Company or the Bank, as applicable, or a change in the ownership of a substantial portion of the assets of the Company or the Bank, as applicable, in each case within the meaning of Treasury Regulation section 1.409A-3(i)(5).

**(b) Change in Control Benefits.** In the event of a termination of Executive's employment by the Employer (or its successor) Without Cause or by Executive With Good Reason upon or within 12 months of a Change in Control that occurs during the Term, the Bank (or any successor) shall: (i) pay or provide to Executive any Accrued Obligations; and (ii) pay Executive, or in the event of Executive's subsequent death, Executive's beneficiary or estate, as severance pay an amount equal to the sum of three (3) times: (x) Executive's Base Salary (at the rate in effect when the Change in Control occurs or, if higher, at the rate in effect on Executive's date of termination) and (y) the average of the three most recent Annual Bonuses paid to Executive prior to a Change in Control. In addition to the cash payment provide in this paragraph (b), the Bank shall pay to Executive an additional lump sum cash payment equal to eighteen (18) times the monthly COBRA charge in effect on the Executive's date of termination for the type of

bank-provided group health plan coverage in effect for Executive (e.g., family coverage) on his date of termination. Notwithstanding the foregoing, the payments provided in this Section 5(b) shall be payable to Executive in lieu of any payments or benefits that are payable under Section 4(e). Unless otherwise delayed under Section 11(d) of this Agreement, the payments under this paragraph (b) shall be made within 30 days of Executive's termination of employment.

(c) **Excise Tax Limitation.** In the event it should be determined (in the manner set forth below) that any payment or distribution of any type to or for the benefit of Executive made by the Employer, any person who acquires ownership or effective control of the Company or ownership of a substantial portion of the Company's assets in connection with a "change in control" (within the meaning of Code Section 280G and the regulations thereunder) or any affiliate of such person, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (the "Total Payments"), would otherwise exceed the amount that could be received by Executive without the imposition of an excise tax under Code Section 4999 (the "Safe Harbor Amount"), then the Total Payments shall be reduced to the extent, and only to the extent, necessary to assure that their aggregate present value, as determined in accordance with the applicable provisions of Code Section 280G and the regulations thereunder, does not exceed the greater of (i) the Safe Harbor Amount, or (ii) the greatest after-tax amount payable to Executive after taking into account any excise tax imposed under Code Section 4999 on the Total Payments (such greater amount of (i) or (ii), the "Benefit Limit"). All determinations under this Section 5 shall be made by an independent compensation consultant, law firm or independent registered public accounting firm selected by the Employer and Executive (the "Advisor"). If a reduction in payments or benefits is necessary so that the Total Payments do not exceed the Benefit Limit, reduction shall occur in the following order: reduction of cash payments; cancellation of accelerated vesting of stock awards; reduction of employee benefits. In the event that accelerated vesting of stock awards is to be reduced, such accelerated vesting shall be cancelled in the reverse order of the grant date of Executive's stock awards. The provisions of this Section 5, including the calculations, notices, and opinions provided for herein shall be based upon the conclusive presumption that (A) the compensation provided for in this Agreement and (B) any other compensation earned by Executive pursuant to the Employer's programs that would have been provided in any event are reasonable compensation for services rendered, even though the timing of such payment is triggered by the Change in Control; *provided, however*, that if such Advisor so requests in connection with the opinion required by this Section 5, Executive and the Employer shall obtain, at the Employer's expense, the advice of a firm of recognized executive compensation consultants as to the reasonableness of any item of compensation to be received by Executive. The Executive shall receive a copy of all final written reports and/or opinions issued by the Advisor engaged hereunder. Any modification, reduction or elimination of payments necessary to accomplish the foregoing shall be done in accordance with applicable provisions of Code Section 409A.

## 6. COVENANTS OF EXECUTIVE AFTER TERMINATION OF EMPLOYMENT

(a) **Covenant Not to Solicit Employees.** The Executive agrees not to solicit directly or indirectly the services of any officer or employee of the Bank for **two (2) years** after the Executive's termination of employment for any reason.



**(b) Covenant Not to Compete.**

(i) The Executive covenants and agrees not to compete directly or indirectly with the Employer for a period of **one (1) year** after termination of his employment. For purposes of this Section 6.2:

(ii) the term **compete** means:

(A) providing financial products or services on behalf of any financial institution for any person residing in the territory,

(B) assisting (other than through the performance of ministerial or clerical duties) any financial institution in providing financial products or services to any person residing in the territory, or

(C) inducing or attempting to induce any person who was a customer of the Employer at the date of the Executive's employment termination to seek financial products or services from another financial institution.

(iii) the words **directly or indirectly** mean:

(A) acting as a consultant, officer, director, independent contractor, or employee of any financial institution in competition with the Employer in the territory, or

(B) communicating to such financial institution the names or addresses or any financial information concerning any person who was a customer of the Employer when the Executive's employment terminated.

(iv) the term **customer** means any person, business entity or other corporation to whom the Employer is providing financial products or services on the date of the Executive's employment termination.

(v) the term **financial institution** means any bank, savings association, or bank or savings association holding company, trust company, credit union, or any other institution, the business of which is engaging in activities that are financial in nature or incidental to such financial activities as described in Section 4(k) of the Bank Holding Company Act of 1956, other than the Employer or any of its affiliated companies.

(vi) **financial product or service** means any product or service that a financial institution, wealth management company or a financial holding company could offer by engaging in any activity that is financial in nature or incidental to such a financial activity under 14 Section 4(k) of the Bank Holding Company Act of 1956 and that is offered by the Employer or an affiliate of the Employer on the date of the Executive's employment

termination, including but not limited to banking and wealth management activities and activities that are closely related and a proper incident to banking and wealth management.

(iv) the term **person** means any individual or individuals, Company, partnership, fiduciary or association.

(v) the **term** territory means the area within a 50-mile radius from any county in which the Employer has a branch at the date of the Executive's employment termination.

(vi) If any provision of this Section or any word, phrase, clause, sentence or other portion thereof (including, without limitation, the geographical and temporal restrictions contained therein) is held to be unenforceable or invalid for any reason, the unenforceable or invalid provision or portion shall be modified or deleted so that the provisions hereof, as modified, are legal and enforceable to the fullest extent permitted under applicable law.

(c) **Article 6 Survives Termination But Is Void After a Change in Control.** The rights and obligations set forth in this Article 6 shall survive termination of this Agreement. However, Article 6 shall become null and void effective immediately upon a Change in Control.

(d) **Information/Cooperation.** Executive shall, upon reasonable notice, furnish such information and assistance to the Employer as may be reasonably required by the Employer, in connection with any litigation in which it or any of its subsidiaries or affiliates is, or may become, a party; provided, however, that Executive shall not be required to provide information or assistance with respect to any litigation between Executive and the Employer or any affiliates of the Employer.

(e) **Enforcement.** Except as otherwise provided, all payments and benefits to Executive under this Agreement shall be subject to Executive's compliance with this Section 6, to the extent applicable. The parties hereto, recognizing that irreparable injury will result to the Employer, the business and property of the Employer in the event of Executive's breach of this Section 6, agree that, in the event of any such breach by Executive, the Employer will be entitled, in addition to any other remedies and damages available, to an injunction to restrain the violation hereof by Executive and all persons acting for or with Executive. Executive represents and admits that Executive's covenants set forth in this Section 6 are reasonable. Nothing herein will be construed as prohibiting the Employer from pursuing any other remedies available to them for such breach or threatened breach, including the recovery of damages from Executive. Executive agrees that Executive will submit to personal jurisdiction of the courts of the State of New York in any action by the Employer to enforce an arbitration award against the Executive or to obtain interim injunctive or other relief pending an arbitration decision.

## 7. SOURCE OF PAYMENTS.

All payments provided in this Agreement shall be timely paid by check or direct deposit from the general funds of the Bank (or any successor of the Bank).

**8. EFFECT ON PRIOR AGREEMENTS AND EXISTING BENEFITS PLANS.**

This Agreement, along with any agreement referenced herein, contains the entire understanding between the parties hereto and supersedes any prior employment agreement between the Bank or any predecessor of the Bank and Executive, except that this Agreement shall not affect or operate to reduce any benefit or compensation inuring to Executive under another plan, program or agreement (other than an employment agreement) between the Bank and Executive.

**9. NO ATTACHMENT; BINDING ON SUCCESSORS.**

(a) Except as required by law, no right to receive payments under this Agreement shall be subject to anticipation, commutation, alienation, sale, assignment, encumbrance, charge, pledge, or hypothecation, or to execution, attachment, levy, or similar process or assignment by operation of law, and any attempt, voluntary or involuntary, to affect any such action shall be null, void, and of no effect.

(b) The Bank shall require any successor or assignee, whether direct or indirect, by purchase, merger, consolidation or otherwise, to all or substantially all the business or assets of the Bank, expressly and unconditionally to assume and agree to perform the Bank's obligations under this Agreement, in the same manner and to the same extent that the Bank would be required to perform if no such succession or assignment had taken place.

**10. MODIFICATION AND WAIVER.**

(a) This Agreement may not be modified or amended except by an instrument in writing signed by the parties hereto.

(b) No term or condition of this Agreement shall be deemed to have been waived, nor shall there be any estoppel against the enforcement of any provision of this Agreement, except by written instrument of the party charged with such waiver or estoppel. No such written waiver shall be deemed a continuing waiver unless specifically stated therein, and each such waiver shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future as to any act other than that specifically waived.

**11. REQUIRED PROVISIONS.**

Notwithstanding anything herein contained to the contrary, the following provisions shall apply:

(a) The Board may terminate Executive's employment at any time, but any termination by the Bank's Board other than termination for Cause shall not prejudice Executive's right to compensation or other benefits under this Agreement. Executive shall have no right to receive compensation or other benefits under this Agreement for any period after Executive's termination for Cause.

(b) Notwithstanding anything herein contained to the contrary, any payments to Executive by the Company, whether pursuant to this Agreement or otherwise, are subject to and

conditioned upon their compliance with Section 18(k) of the Federal Deposit Insurance Act, 12 U.S.C. Section 1828(k), and the regulations promulgated thereunder in 12 C.F.R. Part 359.

(c) To the extent necessary to comply with Section 409A, references in this Agreement to "termination of employment" or "terminates employment" (and similar references) shall have the same meaning as "Separation from Service" under Section 409A(a)(2)(A)(i) and any governing Internal Revenue Service guidance and Treasury regulations ("Separation from Service"), and no payment subject to Section 409A that is payable upon a termination of employment shall be paid unless and until (and not later than applicable in compliance with Section 409A) the Executive incurs a Separation from Service. For purposes of this Agreement, a "Separation from Service" shall have occurred if the Bank and Executive reasonably anticipate that either no further services will be performed by Executive after the date of termination (whether as an employee or as an independent contractor) or the level of further services performed is less than 50 percent of the average level of bona fide services in the 36 months immediately preceding the termination. For all purposes hereunder, the definition of Separation from Service shall be interpreted consistent with Treasury Regulation Section 1.409A-1(h)(ii).

(d) Notwithstanding the foregoing, if Executive is a "specified employee" (i.e., a "key employee" of a publicly traded company within the meaning of Section 409A of the Code and the final regulations issued thereunder) and any payment under this Agreement is triggered due to Executive's Separation from Service, then solely to the extent necessary to avoid penalties under Section 409A of the Code, no payment shall be made during the first six (6) months following Executive's Separation from Service. Rather, any payment which would otherwise be paid to Executive during such period shall be accumulated and paid to Executive in a lump sum on the first day of the seventh month following such Separation from Service. All subsequent payments shall be paid in the manner specified in this Agreement.

(e) If the Bank cannot provide Executive or Executive's dependents any continued health insurance or other welfare benefits as required by this Agreement because Executive is no longer an employee, applicable rules and regulations prohibit such benefits or the payment of such benefits in the manner contemplated, or it would subject the Bank to penalties, then the Bank shall pay Executive or Executive's beneficiary or estate in the event of death a cash lump sum payment reasonably estimated to be equal to the value of such benefits or the value of the remaining benefits at the time of such determination. Such cash payment shall be made in a lump sum within 30 days after the later of Executive's date of termination or the effective date of the rules or regulations prohibiting such benefits or subjecting the Bank to penalties.

(f) The right to a series of payments under this Agreement will be treated as a right to a series of separate payments. Each payment under this Agreement that is made within 2-1/2 months following the end of the year that contains the termination date is intended to be exempt from Section 409A as a short-term deferral within the meaning of the final regulations under Section 409A. Each payment under this Agreement that is made later than 2-1/2 months following the end of the year that contains the termination date is intended to be exempt from Section 409A under the two-times exception of Treasury Reg. § 1.409A-1(b)(9)(iii), up to the limitation on the availability of that exception specified in the regulation. Then, each payment that is made after the two-times exception ceases to be available shall be subject to delay, as necessary, as specified below.

(g) To the extent that any payment of or reimbursement by the Bank to the Executive of eligible expenses under this Agreement constitutes a “deferral of compensation” within the meaning of Section 409A (a “Reimbursement”) (i) the Executive must request the Reimbursement (with substantiation of the expense incurred) no later than 90 days following the date on which the Executive incurs the corresponding eligible expense; (ii) subject to any shorter time period provided in any Bank expense reimbursement policy or specifically provided otherwise in this Agreement, the Bank shall make the Reimbursement to the Executive on or before the last day of the calendar year following the calendar year in which the Executive incurred the eligible expense; (iii) the Executive’s right to Reimbursement shall not be subject to liquidation or exchange for another benefit; (iv) the amount eligible for Reimbursement in one calendar year shall not affect the amount eligible for Reimbursement in any other calendar year; and (v) except as specifically provided otherwise in this Agreement, the period during which the Executive may incur expenses that are eligible for Reimbursement is limited to five calendar years following the calendar year in which the termination date occurs

(h) Notwithstanding anything in this Agreement to the contrary, Executive understands that nothing contained in this Agreement limits Executive’s ability to file a charge or complaint with the Securities and Exchange Commission or any other federal, state or local governmental agency or commission (“Government Agencies”), about a possible securities law violation without approval of the Bank (or any affiliate). Executive further understands that this Agreement does not limit Executive’s ability to communicate with any Government Agency 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 Bank (or any affiliate) related to the possible securities law violation. This Agreement does not limit Executive’s right to receive any resulting monetary award for information provided to any Government Agency.

## **12. SEVERABILITY.**

If, for any reason, any provision of this Agreement, or any part of any provision, is held invalid, such invalidity shall not affect any other provision of this Agreement or any part of such provision not held so invalid, and each such other provision and part thereof shall to the full extent consistent with law continue in full force and effect.

## **13. GOVERNING LAW.**

This Agreement shall be interpreted, governed and enforced by the laws of the State of New York (without regard to its conflicts of laws rules), but only to the extent not superseded by federal law.

## **14. ARBITRATION.**

In the event of any controversy, dispute or claim arising out of or related to this Agreement or Executive’s employment by the Employer, the parties shall negotiate in good faith in an attempt to reach a mutually acceptable settlement of such dispute. If negotiations in good faith do not result in a settlement of any such controversy, dispute or claim, it shall, except as otherwise provided for herein be finally settled by expedited arbitration conducted by a single arbitrator selected as hereinafter provided (the “Arbitrator”) in accordance with the National Rules of the American

Arbitration Association (“National Rules”), subject to the following (the parties hereby agreeing that, notwithstanding the provisions of Rule 1 of the National Rules, in the event that there is a conflict between the provisions of the National Rules and the provisions of this Agreement, the provisions of this Agreement shall control):

(a) The Arbitrator shall be determined from a list of names of five impartial arbitrators each of whom shall be an attorney experienced in arbitration matters concerning executive employment disputes, supplied by the AAA chosen by Executive and the Employer each in turn striking a name from the list until one name remains (with the Employer being the first to strike a name).

(b) The expenses of the arbitration shall be borne by the Employer; and the Employer shall bear its own legal fees and expenses and pay, at least monthly, all of Executive's legal fees and expenses incurred in connection with such arbitration, except that Executive shall have to reimburse the Employer for his legal fees and expenses if the arbitrator finds that Executive brought an action in bad faith.

(c) The Arbitrator shall determine whether and to what extent any party shall be entitled to damages under this Agreement; provided that no party shall be entitled to punitive or consequential damages (including, in the case of the Employer, any claim for alleged lost profits or other damages that would have been avoided had Executive remained an employee), and each party waives all such rights, if any.

(d) The Arbitrator shall not have the power to add to nor modify any of the terms or conditions of this Agreement. The Arbitrator's decision shall not go beyond what is necessary for the interpretation and application of the provision(s) of this Agreement in respect of the issue before the Arbitrator. The Arbitrator shall not substitute his or her judgment for that of the parties in the exercise of rights granted or retained by this Agreement. The Arbitrator's award or other permitted remedy, if any, and the decision shall be based upon the issue as drafted and submitted by the respective parties and the relevant and competent evidence adduced at the hearing.

(e) The Arbitrator shall have the authority to award any remedy or relief (including provisional remedies and relief) that a court of competent jurisdiction could order or grant. The Arbitrator's written decision shall be rendered within sixty (60) days of the closing of the hearing. The decision reached by the Arbitrator shall be final and binding upon the parties as to the matter in dispute. To the extent that the relief or remedy granted by the Arbitrator is relief or remedy on which a court could enter judgment, a judgment upon the award rendered by the Arbitrator shall be entered in any court having jurisdiction thereof (unless in the case of an award of damages, the full amount of the award is paid within ten (10) days of its determination by the Arbitrator). Otherwise, the award shall be binding on the parties in connection with their continuing performances of this Agreement and, in any subsequent arbitral or judicial proceedings between the parties.

(f) The arbitration shall take place in Orange County, New York.

(g) The arbitration and all filing, testimony, documents and information relating to or presented during the arbitration proceeding shall be disclosed exclusively for the purpose of

facilitating the arbitration process and in any court proceeding relating to the arbitration, and for no other purpose, and shall be deemed to be information subject to the confidentiality provisions of this Agreement.

(h) The parties shall continue performing their respective obligations under this Agreement notwithstanding the existence of a dispute while the dispute is being resolved unless and until such obligations are terminated or expire in accordance with the provisions hereof.

(i) The parties may obtain a pre-hearing exchange of information including depositions, interrogatories, production of documents, exchange of summaries of testimony or exchange of statements of position, and the Arbitrator shall limit such disclosure to avoid unnecessary burden to the parties and shall schedule promptly all discovery and other procedural steps and otherwise assume case management initiative and control to effect an efficient and expeditious resolution of the dispute. At any oral hearing of evidence in connection with an arbitration proceeding, each party and its counsel shall have the right to examine its witness and to cross-examine the witnesses of the other party. No testimony of any witness, or any evidence, shall be introduced by affidavit, except as the parties otherwise agree in writing.

(j) Notwithstanding the dispute resolution procedures contained in this Section 14, either party may apply to any court sitting in Orange County, New York (i) to enforce this agreement to arbitrate, (ii) to seek provisional injunctive relief so as to maintain the status quo until the arbitration award is rendered or the dispute is otherwise resolved, (iii) to confirm any arbitration award, or (iv) to challenge or vacate any final judgment, award or decision of the Arbitrator that does not comport with the express provisions of this Section 14.

#### **15. INDEMNIFICATION.**

The Bank or the Company shall provide Executive (including Executive's heirs, executors and administrators) with coverage under a standard directors' and officers' liability insurance policy at its expense, and shall indemnify Executive (and Executive's heirs, executors and administrators) in accordance with the charter and bylaws of the Bank and to the fullest extent permitted under applicable law against all expenses and liabilities (including attorneys' fees) reasonably incurred by Executive in connection with or arising out of any action, suit or proceeding in which he may be involved by reason of Executive having been a director or officer of the Bank or any subsidiary or affiliate of the Bank.

#### **16. NOTICE.**

For the purposes of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by certified or registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth below:

**To the Bank:**

Orange Bank & Trust Company  
212 Dolson Avenue  
Middletown, NY 10940  
Attention: Chief Executive Officer

**17. CONFIDENTIALITY.**

(a) Executive recognizes and acknowledges that the knowledge of the business activities, plans for business activities, and all other proprietary information of the Employer, as it may exist from time to time (collectively referred to herein as “Confidential Information”), are valuable, special and unique assets of the business of the Employer. Executive will not, during or after the term of Executive’s employment, disclose any knowledge of the past, present, planned or considered Confidential Information to any person, firm, corporation, or other entity for any reason or purpose whatsoever unless expressly authorized by the Board or required by law. Notwithstanding the foregoing, Executive may disclose any knowledge of banking, financial and/or economic principles, concepts or ideas which are not solely and exclusively derived from the business plans and activities of the Employer. Further, Executive may disclose information regarding the business activities of the Employer to any bank regulator having regulatory jurisdiction over the activities of the Employer pursuant to a formal regulatory request and may disclose information that generally becomes known to and available for use by the public, if not disclosed as a result of Executive’s wrongful act or omission. Further, pursuant to the Defend Trade Secrets Act of 2016, Executive understands that:

(i) Executive may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and solely for the purpose of reporting or investigating a suspected violation of law; or is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding; and

(ii) if Executive files a lawsuit for retaliation by Employer for reporting a suspected violation of law, Executive may disclose the Employer’s trade secrets to Executive’s attorney and use the trade secret information in the court proceeding if Executive files each document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

(b) In the event of a breach or threatened breach by Executive of the provisions of this Section 17, the Employer will be entitled to an injunction restraining Executive from disclosing, in whole or in part, the knowledge of the past, present, planned or considered business activities of the Employer or any other similar proprietary information, or from rendering any services to any person, firm, corporation, or other entity to whom such knowledge, in whole or in part, has been disclosed or is threatened to be disclosed. Nothing herein will be construed as prohibiting the Bank from pursuing any other remedies available to the Employer for such breach or threatened breach, including the recovery of damages from Executive.



IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates below.

**ORANGE BANK & TRUST COMPANY**

December 22, 2023  
Date

By: /s/ Jonathan Rouis  
Duly authorized representative of the Bank

**ORANGE COUNTY BANCORP, INC.**

December 22, 2023  
Date

By: /s/ Jonathan Rouis  
Duly authorized representative of the Company

**EXECUTIVE**

December 22, 2023  
Date

/s/ Michael J. Gilfeather  
Michael J. Gilfeather

**AMENDED AND RESTATED EMPLOYMENT AGREEMENT**

This Employment Agreement by and between **Orange Bank & Trust Company** (the “Bank”) and **Joseph Ruhl** (“Executive”) originally entered into effective January 1, 2018 and amended on December 31, 2020 is hereby amended and restated effective December 22, 2023 (the “Agreement”). Any reference to the “Company” shall mean Orange County Bancorp, Inc. or any successor thereto.

**WHEREAS**, the Bank wishes to assure itself of the continued services of Executive for the period provided in this Agreement; and

**WHEREAS**, in order to induce Executive to remain in the employ of the Bank and to provide further incentive for Executive to achieve the financial and performance objectives of the Bank, the parties desire to enter into this Agreement; and

**WHEREAS**, the Bank desires to set forth the rights and responsibilities of Executive and the compensation payable to Executive, as modified from time to time.

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained, and upon the other terms and conditions hereinafter provided, the parties hereby agree as follows:

**1. POSITION AND RESPONSIBILITIES.**

During the term of this Agreement, Executive agrees to serve as Executive Vice President, Regional President and Chief Deposit Officer of the Bank (referred to herein as the “Executive Position”) and will perform the duties and have the responsibilities set forth on Schedule 1 to this Agreement. Executive shall report directly to the Chief Executive Officer of the Bank. During the period provided in this Agreement, Executive also agrees to serve, if elected, as an officer or director of any subsidiary or affiliate of the Bank and in such capacity carry out such duties and responsibilities reasonably appropriate to that office.

**2. TERM AND DUTIES.**

(a) **Term and Annual Renewal.** The term of this Agreement and the period of Executive’s employment hereunder shall continue through December 31, 2025 (the “Term”). Commencing on January 1, 2024 and continuing on each January 1st thereafter (the “Renewal Date”), the Term shall extend automatically for one additional year, unless either the Bank or the Executive by written notice to the other given at least ninety (90) days prior to such Renewal Date notifies the other of its intent not to extend the same. In the event that notice not to extend is given by either the Bank or the Executive, this Agreement shall terminate as of the last day of the then current term. Notwithstanding the preceding provisions of this Section, if a Change in Control (as defined in this Agreement) occurs during the Term, the Term shall not end before the first anniversary of the date on which the Change in Control occurs.

(b) **Membership on Other Boards or Organizations.** During the period of his employment hereunder, except for periods of absence occasioned by illness, reasonable vacation periods, and reasonable leaves of absence, Executive will devote all of his business time, attention, skill and efforts to the faithful performance of his duties under this Agreement, including activities and duties related to the Executive Position. Notwithstanding the preceding sentence, subject to the approval of the Board of Directors of the Bank (“Board”), Executive may serve as a member of the board of directors of business, community and charitable organizations, provided that in each case such service shall not materially interfere with the performance of his duties under this Agreement, adversely affect the reputation of the Bank or any other affiliates of the Bank (as determined by the Board), or present any conflict of interest.

(c) **Continued Employment Following Expiration of Term.** Nothing in this Agreement shall mandate or prohibit a continuation of Executive's employment following the expiration of the Term.

### 3. COMPENSATION, BENEFITS AND REIMBURSEMENT.

(a) **Base Salary.** In consideration of Executive's performance of the responsibilities and duties set forth in this Agreement, the Bank will provide Executive the compensation specified in this Agreement. The Bank will pay Executive a fixed salary of \$ 335,000 per year ("**Base Salary**"). Executive's Base Salary will be payable in accordance with the customary payroll practices of the Bank. During the Term, the Compensation Committee of the Board of Directors of the Bank ("**Committee**") may consider increasing, but not decreasing, Executive's Base Salary as the Committee deems appropriate. Any change in Base Salary will become the "**Base Salary**" for purposes of this Agreement.

(b) **Annual Bonus.** For each fiscal year of the Bank during the Term, Executive shall be eligible to participate in the Bank's Annual Incentive Plan (or any successor thereto) (the "**Annual Bonus Plan**"). An annual bonus awarded to Executive under the Annual Bonus Plan is referred to herein as an "**Annual Bonus**." Executive's target Annual Bonus under the Annual Bonus Plan shall be determined by the Committee and shall be commensurate with the target Annual Bonus opportunity available for similarly situated executives of the Bank. The actual amount of Executive's Annual Bonus shall depend upon the achievement of performance goals established by the Committee. The terms and conditions of the Annual Bonus Plan and the payments to Executive thereunder shall be applied on the basis not less favorable to Executive than to other similarly situated executives of the Bank. However, the Committee may in its discretion increase Executive's Annual Bonus. The payment of any Annual Bonus shall be subject to all the terms and conditions of the applicable Annual Bonus Plan, including any underlying bonus agreement.

(c) **Long-Term Compensation.** For each fiscal year of the Bank during the Term, Executive shall be eligible to participate in the Company's Long-Term Incentive Program (the "**LTIP**") and/or any other long-term compensation program established by the Company or the Bank from time to time for executive officers. Executive's target LTIP award opportunity shall be determined by the Committee and shall be no less favorable than the target LTIP opportunity available to other similarly situated executives of the Bank, with the actual LTIP award to be determined by the Committee on a basis not less favorable to Executive than other similarly situated executives of the Bank generally. The terms and conditions of any LTIP award (such as the underlying performance goals and/or vesting requirements) shall be subject to Company equity plan and any LTIP award agreement.

(d) **Supplemental Executive Retirement Plan.** During the Term, Executive shall be eligible to participate in the Orange Bank & Trust Company Performance-Based Supplemental Executive Retirement Plan (the "**SERP**"), pursuant to which the Bank shall make an annual contribution to a book-entry account for the benefit of Executive, with the amount and the terms and conditions of the annual contributions (such as the underlying performance goals, vesting requirements and the time and manner in which the benefits will be paid) to be determined pursuant to an underlying Participation Agreement, which shall be reasonable and acceptable to the Bank and Executive.

(e) **Other Benefit Plans.** During the Term, Executive shall be entitled to participate, on the terms and conditions not less favorable to Executive than other similarly situated executives of the Bank generally, in the Bank's (A) tax-qualified retirement plans; (B) group life, health and disability insurance plans; and (C) any other employee benefit plans and programs and perquisites in accordance with the Bank's customary practices with respect to other similarly situated executives generally, provided that Executive's participation shall be subject to the terms of such plans and programs; and provided, further, that nothing herein shall limit the Bank's right to amend or terminate any such plans or programs.

(f) **Vacation.** Executive will be entitled to four (4) weeks of paid vacation time each calendar year during the Term, in accordance with the Bank's customary practices, as well as sick leave, holidays and other paid absences in accordance with the Bank's policies and procedures for executives. Any unused paid time off during an annual period will be treated in accordance with the Bank's personnel policies as in effect from time to time.

(g) **Expense Reimbursements.** The Bank will reimburse Executive for all reasonable travel, entertainment and other reasonable expenses incurred by Executive during the course of performing his obligations under this Agreement, including, without limitation, fees for memberships in such organizations as Executive and the Chief Executive Officer mutually agree are necessary and appropriate in connection with the performance of his duties under this Agreement, upon substantiation of such expenses in accordance with applicable policies and procedures of the Bank. Executive shall be provided a car allowance in the amount of \$1,000.00 per month, with the expense of gas and maintenance incurred be paid or reimbursed to Executive by the Bank. In addition, Executive shall be entitled to reimbursement of membership fees and assessments with respect to a country club located in a county of New York relevant to Executive's business activities, as approved by the Chief Executive Officer. All reimbursements pursuant to this Section 3(g) shall be reimbursed upon presentation to the Bank of an itemized account of such expense in such form as the Bank may reasonably require.

#### 4. TERMINATION AND TERMINATION PAY.

Subject to Section 5 of this Agreement which governs the occurrence of a Change in Control, Executive's employment under this Agreement may be terminated in the following circumstances:

(a) **Death.** This Agreement shall terminate upon Executive's death, in which event the Bank's sole obligation under this Agreement shall be to pay Executive's estate or beneficiary any "Accrued Obligations" as such term is defined in paragraph (f) below.

(b) **Disability.** This Agreement shall terminate in the event of Executive becomes "Totally Disabled." For purposes of this Agreement, Executive shall be "Totally Disabled" if Executive is deemed disabled for purposes of eligibility for receipt of disability benefits under the Bank's long-term disability plan, if any, or receipt of Social Security disability benefits. In the event Executive's employment is terminated due to becoming Totally Disabled, the Bank shall pay or provide Executive with any Accrued Obligations. In addition, Executive shall continue to receive his full Base Salary under Section 3(a) of this Agreement until he becomes eligible for and receives disability income under the long-term disability insurance coverage then in effect for the Executive. If Executive elects to continue his group health coverage with the Bank pursuant to COBRA, the Bank shall pay to Executive the "COBRA Payments" for a period of 18 months or, if earlier, until the date on which Executive receives substantially comparable coverage under another group health insurance plan. The "COBRA Payments" shall be monthly installment payments, each equal to the monthly COBRA premium in effect as of the date of Executive's termination of employment for the level of coverage in effect for Executive under the Bank's group health plan.

(c) **Termination for Cause.** The Board may immediately terminate Executive's employment at any time for "Cause." In the event Executive's employment is terminated for Cause, the Bank's sole obligation shall be to pay or provide to Executive any Accrued Obligations. Termination for "Cause" shall mean termination because of, in the good faith determination of the Board, Executive's:

- i. an act of fraud, embezzlement, or theft while employed by the Bank, or indictment or conviction of the Executive for, or plea of no contest to, a felony, conviction of or plea of no

contest to a misdemeanor involving moral turpitude, or the arrest and incarceration of Executive for acts by Executive involving moral turpitude;  
contest to a misdemeanor involving moral turpitude, or the arrest and incarceration of Executive for acts by Executive involving moral turpitude;

ii.

gross negligence, insubordination, disloyalty, or dishonesty in the performance of the Executive's duties as an officer of the Bank; willful or reckless failure by the Executive to adhere to the Bank's written policies; intentional wrongful damage by Executive to the business or property of the Company and the Bank, including without limitation its reputation, which in the Board's sole judgment causes material harm to the Company, the Bank or any of its affiliates, provided, however, that the Bank shall provide Executive with written notice specifying Executive's actions or conduct that breached this Section 4(c)(ii) and Executive shall have 30 days to cure or remediate such actions or conduct after receiving such written notice;

iii. removal of Executive from office or permanent prohibition of Executive from participating in the affairs of the Bank by an order issued under Section 8(e)(4) or (g)(1) of the Federal Deposit Insurance Act, 12 U.S.C. 1818(e)(4) or (g) (1); or

iv. acts or omissions in the performance of Executive's duties having a material adverse effect on the Bank that were not done or omitted to be done in good faith or which involved intentional misconduct or a knowing violation of law.

(d) **Voluntary Termination by Executive without Good Reason.** Executive may voluntarily terminate employment during the Term upon at least 30 days prior written notice to the Board. Except upon Executive's voluntary termination "With Good Reason" (as defined below), Executive shall have no right to receive any compensation or benefits under this Agreement or otherwise upon his voluntary termination of employment, except any Accrued Obligations, provided, however, that any unpaid Annual Bonus as of the date of termination shall be forfeited. The Bank may accelerate the date of termination upon receipt of written notice of Executive's voluntary termination.

(e) **Termination Without Cause or With Good Reason.**

i. The Board may immediately terminate Executive's employment at any time for a reason other than Cause (a termination "Without Cause"), and Executive may, by written notice to the Board, terminate this Agreement at any time within 90 days following an event constituting "Good Reason," as defined below (a termination "With Good Reason"); provided, however, that the Bank shall have 30 days to cure the "Good Reason" condition, but the Bank may waive its right to cure. Any termination of Executive's employment shall have no effect on or prejudice the vested rights of Executive under the Bank's qualified or non-qualified retirement, pension, savings, thrift, profit-sharing or bonus plans, group life, health (including hospitalization, medical and major medical), dental, accident and long-term disability insurance plans or other employee benefit plans or programs, or compensation plans or programs in which Executive was a participant.

ii. In the event of termination as described under Section 4(e)(i) and subject to the requirements of Section 4(e)(v), the Bank shall pay or provide to Executive any Accrued Obligations. In addition, the Bank shall pay Executive, or in the event of Executive's subsequent death, Executive's beneficiary, or estate, as the case may be, as severance pay, a cash lump sum payment equal to the sum of: (i) 100% of Executive's Base Salary as of Executive's termination of employment, and (ii) the average of the three (3) most recent Annual Bonuses paid to the Executive prior to

his termination date. Executive's severance will be paid in the Bank's first regular payroll following the effective date of the Release as described under Section 4(e)(v) of this Agreement.

- iii. In addition, the Bank shall pay to Executive the COBRA Payments on a monthly basis commencing with the first month following Executive's date of termination and continuing until the earlier of (A) the twelfth (12<sup>th</sup>) month following Executive's date of termination; or (B) such time that Executive first becomes eligible for health insurance coverage with another employer.
- iv. "Good Reason" exists if, without Executive's express written consent, any of the following occurs:
- (A) a material reduction of 10% or more in Executive's Base Salary or, following a Change in Control, in Executive's Annual Bonus opportunity;
  - (B) a material reduction in Executive's authority, duties or responsibilities from the position and attributes associated with the Executive Position;
  - (C) Executive ceases to report to the Chief Executive Officer of the Bank; or
  - (D) a change in the geographic location at which Executive must perform services for the Bank by more than 35 miles from the location where it is contemplated that Executive will be performing Executive's duties, provided, however, that Executive being asked/requested to provide services to the Bank at its headquarters in Middletown, NY shall not constitute "Good Reason" under this Section 4(e)(iv).
- (i) Executive shall not be entitled to any payments or benefits under this Section 4(e) unless and until Executive executes a release of claims (the "Release") against the Bank and any affiliate, and their officers, directors, successors and assigns, releasing said persons from any and all claims, rights, demands, causes of action, suits, arbitrations or grievances relating to the employment relationship, including claims under the Age Discrimination in Employment Act, but not including claims for benefits under tax-qualified plans or other benefit plans in which Executive is vested, claims for benefits required by applicable law or claims with respect to obligations set forth in this Agreement that survive the termination of this Agreement. The Release must be executed and become irrevocable by the 60th day following the date of Executive's termination of employment, provided that if the 60-day period spans two (2) calendar years, then, to the extent necessary to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), the payments and benefits described in this Section 4(e) will be paid, or commence, in the second calendar year.
- (f) **Definition of Accrued Obligations.** For purposes of this Agreement, and "Accrued Obligation" shall mean: (i) any accrued and unpaid Base Salary of Executive through the date of termination of employment, payable pursuant to the Bank's standard payroll policies; (2) except as otherwise provided under Section 4(d) of this Agreement, any earned and unpaid bonus of Executive under the Annual Bonus Plan for any completed fiscal year prior to the date of termination of employment; (3) any compensation

and benefits to the extent payable to Executive based on Executive's participation in any compensation or benefit plan (including pursuant to any individual or group life insurance plan or policy), program or arrangement of the Bank through the date of termination of employment, payable in accordance with the terms of such plan, program or arrangement; and (4) any expense reimbursement to which Executive is entitled under the Bank's standard expense reimbursement policy (as applicable) in Section 3(g) hereof.

(g) **Effect on Status as a Director.** In the event Executive is also serving as a director of the Bank or the Company, Executive's termination of employment under this Agreement for any reason shall also constitute Executive's resignation as a director of the Bank or the Company, or any subsidiary or affiliate thereof, to the extent Executive is acting as a director of any of the aforementioned entities.

## 5. CHANGE IN CONTROL.

(a) **Change in Control Defined.** For purposes of this Agreement, the term "Change in Control" shall be deemed to have occurred on the earliest of the following dates:

- (i) the date any person or group of persons (as defined in Section 13(d) and 14(d) of the Exchange Act) together with its affiliates, excluding employee benefit plans of the Company and its Affiliates, is or becomes, directly or indirectly, the "beneficial owner" (as defined in Rule 13d-3 promulgated under the Exchange Act) of securities of the Company representing twenty percent (20%) or more of the combined voting power of the Company's then outstanding voting securities (excluding the acquisition of securities of the Company by an entity at least eighty percent (80%) of the outstanding voting securities of which are, directly or indirectly, beneficially owned by the Company); or
- (ii) the date when, as a result of a tender offer or exchange offer for the purchase of securities of the Company (other than such an offer by the Company for its own securities), or as a result of a proxy contest, merger, share exchange, consolidation or sale of assets, or as a result of any combination of the foregoing, individuals who, at the beginning of any two- (2) year period during the duration of the Agreement, constitute the Board of Directors of the Company ("Company Board"), plus new directors whose election or nomination for election by the Company's shareholders is approved by a vote of at least two-thirds (2/3) of the directors still in office who were directors at the beginning of such two- (2) year period, cease for any reason during such two- (2) year period to constitute at least two-thirds (2/3) of the members of such Company Board; or
- (iii) the date a merger, share exchange or consolidation of the Company with any other corporation or entity is consummated regardless of which entity is the survivor, other than a merger, share exchange or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or being converted into voting securities of the surviving or acquiring entity) at least fifty percent (50%) of the combined voting power of the voting securities of the Company or such surviving or acquiring entity outstanding immediately after such merger, share exchange or consolidation; or
- (iv) the date the shareholders of the Company approve a plan of complete liquidation or winding-up of the Company; or
- (v) the date a sale or disposition by the Company of all or substantially all of the Company's assets is consummated.

To the extent necessary to comply with Code Section 409A, a Change in Control will be deemed to have occurred only if the event also constitutes a change in the effective ownership or effective control of the Company or the Bank, as applicable, or a change in the ownership of a substantial portion of the assets of the Company or the Bank, as applicable, in each case within the meaning of Treasury Regulation section 1.409A-3(i)(5).

(b) **Change in Control Benefits.** In the event of a termination of Executive's employment by the Bank (or any successor) Without Cause or by Executive With Good Reason upon or within 12 months of a Change in Control that occurs during the Term, the Bank (or any successor) the Bank shall: (i) pay or provide to Executive any Accrued Obligations; and (ii) pay Executive, or in the event of Executive's subsequent death, Executive's beneficiary or estate, as severance pay, a lump sum payment equal to two (2) times: (i) Executive's Base Salary (at the rate in effect when the Change in Control occurs or, if higher, at the rate in effect on Executive's date of termination), and (ii) the average of the three (3) most recent Annual Bonuses paid to the Executive prior to his termination date. The severance pay will be paid to Executive within 30 days of Executive's termination of employment. In addition to the cash payment provide in this paragraph (b), the Bank shall pay to Executive an additional lump sum cash payment equal to eighteen (18) times the monthly COBRA charge in effect on the Executive's date of termination for the type of bank-provided group health plan coverage in effect for Executive (e.g., family coverage) on his date of termination. Notwithstanding the foregoing, the payments and benefits provided in this Section 5(b) shall be payable to Executive in lieu of any payments or benefits that are payable under Section 4(e).

(c) **Excise Tax Limitation.** In the event it should be determined (in the manner set forth below) that any payment or distribution of any type to or for the benefit of Executive made by the Bank (referred to in this paragraph (c) as the "Employer"), any person who acquires ownership or effective control of the Company or ownership of a substantial portion of the Company's assets in connection with a "change in control" (within the meaning of Code Section 280G and the regulations thereunder) or any affiliate of such person, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (the "Total Payments"), would otherwise exceed the amount that could be received by Executive without the imposition of an excise tax under Code Section 4999 (the "Safe Harbor Amount"), then the Total Payments shall be reduced to the extent, and only to the extent, necessary to assure that their aggregate present value, as determined in accordance with the applicable provisions of Code Section 280G and the regulations thereunder, does not exceed the greater of (i) the Safe Harbor Amount, or (ii) the greatest after-tax amount payable to Executive after taking into account any excise tax imposed under Code Section 4999 on the Total Payments (such greater amount of (i) or (ii), the "Benefit Limit"). All determinations under this Section 6 shall be made by an independent compensation consultant, law firm or independent registered public accounting firm selected by the Employer and Executive (the "Advisor"). If a reduction in payments or benefits is necessary so that the Total Payments do not exceed the Benefit Limit, reduction shall occur in the following order: reduction of cash payments; cancellation of accelerated vesting of equity awards; reduction of employee benefits. In the event that accelerated vesting of equity awards is to be reduced, such accelerated vesting shall be cancelled in the reverse order of the grant date of Executive's equity awards. The provisions of this Section 5, including the calculations, notices, and opinions provided for herein shall be based upon the conclusive presumption that (A) the compensation provided for in this Agreement and (B) any other compensation earned by Executive pursuant to the Employer's programs that would have been provided in any event are reasonable compensation for services rendered, even though the timing of such payment is triggered by the Change in Control; *provided, however*, that if such Advisor so requests in connection with the opinion required by this Section 5, Executive and the Employer shall obtain, at the Employer's expense, the advice of a firm of recognized executive compensation consultants as to the reasonableness of any item of compensation to be received by Executive. The Executive shall receive a copy of all final written reports and/or opinions issued by the Advisor or executive compensation



consultants engaged hereunder. Any modification, reduction or elimination of payments necessary to accomplish the foregoing shall be done in accordance with applicable provisions of Code Section 409A.

**6. COVENANTS OF EXECUTIVE.**

(a) **Non-Competition/Non-Solicitation - Employed with the Bank.** Executive hereby covenants and agrees to comply with the: (1) Non-Solicitation of Employees Covenant; (2) Non-Solicitation of Customers Covenant; and (3) Non-Competition Covenant while employed with Bank during, and after the expiration of, the Term, as applicable.

(b) **Non-Competition/Non-Solicitation - Termination of Employment During the Term.**

- (i) **Termination for Cause/Voluntary Termination Without Good Reason.** In the event of Executive's termination by the Bank for Cause or voluntary resignation without Good Reason during the Term, Executive agrees to comply with the (1) Non-Solicitation of Employees Covenant; (2) Non-Solicitation of Customers Covenant; and (3) Non-Competition Covenant for a period of 18 months following Executive's date of termination.
- (ii) **Involuntary Termination Without Cause or Voluntary Termination With Good Reason.** In the event of Executive's termination by the Bank without Cause or voluntary termination With Good Reason during the Term, Executive agrees to comply with the (1) Non-Solicitation of Employees Covenant; and (2) Non-Solicitation of Customers Covenant for a period of 12 months following Executive's date of termination.

(c) **Non-Competition/Non-Solicitation - Termination of Employment after the Expiration of the Term.** In the event of Executive's termination of employment with the Bank for any reason (or no reason) following the expiration of the Term, Executive agrees to comply with the (1) Non-Solicitation of Employees Covenant and (2) Non-Solicitation of Customers Covenant for a period of 12 months following Executive's date of termination, provided, however, that the foregoing covenants shall only apply to Executive if the expiration of the Term is on account of Executive's election not to renew the Term pursuant to Section 2(a) of this Agreement.

(d) **Non-Competition/Non-Solicitation - Survival of Covenants/Change in Control.** The covenants of Executive set forth in this Sections 6(a) 6(b) and 6(c) shall survive the termination of this Agreement. However, Sections 6(b) and 6(c) shall become null and void effective immediately upon a Change in Control.

(e) **Non-Competition/Non-Solicitation - Certain Definitions.** For purposes of this Agreement, the following capitalized terms are defined as follows:

- (i) **"Non-Solicitation of Employees Covenant"** means that Executive shall not, without the written consent of the Bank, either directly or indirectly solicit, offer employment to, or take any other action intended (or that a reasonable person acting in like circumstances would expect) to have the effect of causing any officer or employee of the Bank, or any of its respective subsidiaries or affiliates, to terminate his or her employment with the Bank and/or accept employment with another employer.

- (ii) “Non-Solicitation of Customers Covenant” means that Executive shall not, without the written consent of the Bank, either directly or indirectly induce or attempt to induce any client, customer or other business relation (whether (1) current, (2) former, within the six (6) months after such relationship has been terminated or (3) prospective, provided that there are demonstrable efforts or plans to establish such relationship) of the Bank or any of its respective subsidiaries or affiliates to cease doing business or to reduce the amount of business they have customarily done or contemplate doing with the Bank or any such subsidiary or affiliate, whether or not the relationship with the Bank or such subsidiary or affiliate and such client, customer or other business relation was originally established, in whole or in part, through Executive’s efforts, or in any way interfere with the relationship between any such client, customer or business relation, on the one hand, and the Bank or any such affiliate or subsidiary, on the other hand.
- (iii) “Non-Competition Covenant” means that Executive shall not, without the written consent of the Bank, either directly or indirectly become an officer, employee, consultant, director, independent contractor, agent, joint venturer, partner or trustee of any savings bank, savings and loan association, savings and loan holding company, commercial bank, credit union, bank or bank holding company, any mortgage or loan broker or any other entity (excluding not-for-profit entities other than credit unions) that competes with the business of the Bank or any of their direct or indirect subsidiaries or affiliates that has a headquarters, or one or more offices, within the New York Counties of Dutchess, Putnam, Sullivan, Westchester, Rockland, Orange or Bronx, or the Connecticut County of Fairfield.

(f) **Information/Cooperation.** Executive shall, upon reasonable notice, furnish such information and assistance to the Bank as may be reasonably required by the Bank, in connection with any litigation in which it or any of its subsidiaries or affiliates is, or may become, a party; provided, however, that Executive shall not be required to provide information or assistance with respect to any litigation between Executive and the Bank or any other subsidiaries or affiliates.

(g) **Reliance.** Except as otherwise provided, all payments and benefits to Executive under this Agreement shall be subject to Executive’s compliance with this Section 6, to the extent applicable. The parties hereto, recognizing that irreparable injury will result to the Bank, its business and property in the event of Executive’s breach of this Section 6, agree that, in the event of any such breach by Executive, the Bank will be entitled, in addition to any other remedies and damages available, to an injunction to restrain the violation hereof by Executive and all persons acting for or with Executive. Executive represents and admits that Executive’s covenants set forth in this Section 6 are reasonable. Nothing herein will be construed as prohibiting the Bank from pursuing any other remedies available to them for such breach or threatened breach, including the recovery of damages from Executive.

**7. SOURCE OF PAYMENTS.**

All payments provided in this Agreement shall be timely paid by check or direct deposit from the general funds of the Bank (or any successor of the Bank).

**8. EFFECT ON PRIOR AGREEMENTS AND EXISTING BENEFITS PLANS.**

This Agreement, along with any agreement referenced herein, contains the entire understanding between the parties hereto and supersedes any prior employment agreement between the Bank or any

predecessor of the Bank and Executive, except that this Agreement shall not affect or operate to reduce any benefit or compensation inuring to Executive under another plan, program or agreement (other than an employment agreement) between the Bank, Company and Executive.

**9. NO ATTACHMENT; BINDING ON SUCCESSORS.**

(a) Except as required by law, no right to receive payments under this Agreement shall be subject to anticipation, commutation, alienation, sale, assignment, encumbrance, charge, pledge, or hypothecation, or to execution, attachment, levy, or similar process or assignment by operation of law, and any attempt, voluntary or involuntary, to affect any such action shall be null, void, and of no effect.

(b) The Bank shall require any successor or assignee, whether direct or indirect, by purchase, merger, consolidation or otherwise, to all or substantially all the business or assets of the Bank, expressly and unconditionally to assume and agree to perform the Bank's obligations under this Agreement, in the same manner and to the same extent that the Bank would be required to perform if no such succession or assignment had taken place.

**10. MODIFICATION AND WAIVER.**

(a) This Agreement may not be modified or amended except by an instrument in writing signed by the parties hereto.

(b) No term or condition of this Agreement shall be deemed to have been waived, nor shall there be any estoppel against the enforcement of any provision of this Agreement, except by written instrument of the party charged with such waiver or estoppel. No such written waiver shall be deemed a continuing waiver unless specifically stated therein, and each such waiver shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future as to any act other than that specifically waived.

**11. REQUIRED PROVISIONS.**

Notwithstanding anything herein contained to the contrary, the following provisions shall apply:

(a) The Board may terminate Executive's employment at any time, but any termination by the Board other than termination for Cause shall not prejudice Executive's right to compensation or other benefits under this Agreement. Executive shall have no right to receive compensation or other benefits under this Agreement for any period after Executive's termination for Cause.

(b) Notwithstanding anything herein contained to the contrary, any payments to Executive by the Company, whether pursuant to this Agreement or otherwise, are subject to and conditioned upon their compliance with Section 18(k) of the Federal Deposit Insurance Act, 12 U.S.C. Section 1828(k), and the regulations promulgated thereunder in 12 C.F.R. Part 359.

(c) Notwithstanding anything else in this Agreement to the contrary (with the exception of Section 4(c)(i)), Executive's employment shall not be deemed to have been terminated unless and until Executive has a Separation from Service within the meaning of Code Section 409A. For purposes of this Agreement, a "Separation from Service" shall have occurred if the Bank and Executive reasonably anticipate that either no further services will be performed by Executive after the date of termination (whether as an employee or as an independent contractor) or the level of further services performed is less than 50 percent of the average level of bona fide services in the 36 months immediately preceding the

termination. For all purposes hereunder, the definition of Separation from Service shall be interpreted consistent with Treasury Regulation Section 1.409A-1(h)(ii).

(d) Notwithstanding the foregoing, if Executive is a “specified employee” (i.e., a “key employee” of a publicly traded company within the meaning of Section 409A of the Code and the final regulations issued thereunder) and any payment under this Agreement is triggered due to Executive’s Separation from Service, then solely to the extent necessary to avoid penalties under Section 409A of the Code, no payment shall be made during the first six (6) months following Executive’s Separation from Service. Rather, any payment which would otherwise be paid to Executive during such period shall be accumulated and paid to Executive in a lump sum on the first day of the seventh month following such Separation from Service. All subsequent payments shall be paid in the manner specified in this Agreement.

(e) If the Bank cannot provide Executive or Executive’s dependents any continued health insurance or other welfare benefits as required by this Agreement because Executive is no longer an employee, applicable rules and regulations prohibit such benefits or the payment of such benefits in the manner contemplated, or it would subject the Bank to penalties, then the Bank shall pay Executive or Executive’s beneficiary or estate in the event of death a cash lump sum payment reasonably estimated to be equal to the value of such benefits or the value of the remaining benefits at the time of such determination. Such cash payment shall be made in a lump sum within 30 days after the later of Executive’s date of termination or the effective date of the rules or regulations prohibiting such benefits or subjecting the Bank to penalties.

(f) To the extent not specifically provided in this Agreement, any compensation or reimbursements payable to Executive shall be paid or provided no later than two and one-half (2.5) months after the calendar year in which such compensation is no longer subject to a substantial risk of forfeiture within the meaning of Treasury Regulation Section 1.409A-1(d).

(g) Notwithstanding anything in this Agreement to the contrary, Executive understands that nothing contained in this Agreement limits Executive’s ability to file a charge or complaint with the Securities and Exchange Commission or any other federal, state or local governmental agency or commission (“Government Agencies”) about a possible securities law violation without approval of the Bank (or any affiliate). Executive further understands that this Agreement does not limit Executive’s ability to communicate with any Government Agency 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 Bank (or any affiliate) related to the possible securities law violation. This Agreement does not limit Executive’s right to receive any resulting monetary award for information provided to any Government Agency.

## **12. SEVERABILITY.**

If, for any reason, any provision of this Agreement, or any part of any provision, is held invalid, such invalidity shall not affect any other provision of this Agreement or any part of such provision not held so invalid, and each such other provision and part thereof shall to the full extent consistent with law continue in full force and effect.

## **13. GOVERNING LAW.**

This Agreement shall be governed by the laws of the State of New York, but only to the extent not superseded by federal law.

#### 14. ARBITRATION.

In the event of any controversy, dispute or claim arising out of or related to this Agreement or Executive's employment by the Employer, the parties shall negotiate in good faith in an attempt to reach a mutually acceptable settlement of such dispute. If negotiations in good faith do not result in a settlement of any such controversy, dispute or claim, it shall, except as otherwise provided for herein be finally settled by expedited arbitration conducted by a single arbitrator selected as hereinafter provided (the "Arbitrator") in accordance with the National Rules of the American Arbitration Association ("National Rules"), subject to the following (the parties hereby agreeing that, notwithstanding the provisions of Rule 1 of the National Rules, in the event that there is a conflict between the provisions of the National Rules and the provisions of this Agreement, the provisions of this Agreement shall control):

(a) The Arbitrator shall be determined from a list of names of five impartial arbitrators each of whom shall be an attorney experienced in arbitration matters concerning executive employment disputes, supplied by the AAA chosen by Executive and the Employer each in turn striking a name from the list until one name remains (with the Employer being the first to strike a name).

(b) The expenses of the arbitration shall be borne by the Employer; and the Employer shall bear its own legal fees and expenses and pay, at least monthly, all of Executive's legal fees and expenses incurred in connection with such arbitration, except that Executive shall have to reimburse the Employer for his legal fees and expenses if the arbitrator finds that Executive brought an action in bad faith.

(c) The Arbitrator shall determine whether and to what extent any party shall be entitled to damages under this Agreement; provided that no party shall be entitled to punitive or consequential damages (including, in the case of the Employer, any claim for alleged lost profits or other damages that would have been avoided had Executive remained an employee), and each party waives all such rights, if any.

(d) The Arbitrator shall not have the power to add to nor modify any of the terms or conditions of this Agreement. The Arbitrator's decision shall not go beyond what is necessary for the interpretation and application of the provision(s) of this Agreement in respect of the issue before the Arbitrator. The Arbitrator shall not substitute his or her judgment for that of the parties in the exercise of rights granted or retained by this Agreement. The Arbitrator's award or other permitted remedy, if any, and the decision shall be based upon the issue as drafted and submitted by the respective parties and the relevant and competent evidence adduced at the hearing.

(e) The Arbitrator shall have the authority to award any remedy or relief (including provisional remedies and relief) that a court of competent jurisdiction could order or grant. The Arbitrator's written decision shall be rendered within sixty (60) days of the closing of the hearing. The decision reached by the Arbitrator shall be final and binding upon the parties as to the matter in dispute. To the extent that the relief or remedy granted by the Arbitrator is relief or remedy on which a court could enter judgment, a judgment upon the award rendered by the Arbitrator shall be entered in any court having jurisdiction thereof (unless in the case of an award of damages, the full amount of the award is paid within ten (10) days of its determination by the Arbitrator). Otherwise, the award shall be binding on the parties in connection with their continuing performances of this Agreement and, in any subsequent arbitral or judicial proceedings between the parties.

(f) The arbitration shall take place in Orange County, New York.

(g) The arbitration and all filing, testimony, documents and information relating to or presented during the arbitration proceeding shall be disclosed exclusively for the purpose of facilitating the arbitration process and in any court proceeding relating to the arbitration, and for no other purpose, and shall be deemed to be information subject to the confidentiality provisions of this Agreement.

(h) The parties shall continue performing their respective obligations under this Agreement notwithstanding the existence of a dispute while the dispute is being resolved unless and until such obligations are terminated or expire in accordance with the provisions hereof.

(i) The parties may obtain a pre-hearing exchange of information including depositions, interrogatories, production of documents, exchange of summaries of testimony or exchange of statements of position, and the Arbitrator shall limit such disclosure to avoid unnecessary burden to the parties and shall schedule promptly all discovery and other procedural steps and otherwise assume case management initiative and control to effect an efficient and expeditious resolution of the dispute. At any oral hearing of evidence in connection with an arbitration proceeding, each party and its counsel shall have the right to examine its witness and to cross-examine the witnesses of the other party. No testimony of any witness, or any evidence, shall be introduced by affidavit, except as the parties otherwise agree in writing.

(j) Notwithstanding the dispute resolution procedures contained in this Section 14, either party may apply to any court sitting in Orange County, New York (i) to enforce this agreement to arbitrate, (ii) to seek provisional injunctive relief so as to maintain the status quo until the arbitration award is rendered or the dispute is otherwise resolved, (iii) to confirm any arbitration award, or (iv) to challenge or vacate any final judgment, award or decision of the Arbitrator that does not comport with the express provisions of this Section 14.

#### **15. INDEMNIFICATION.**

The Bank shall provide Executive (including Executive's heirs, executors and administrators) with coverage under a standard directors' and officers' liability insurance policy at its expense, and shall indemnify Executive (and Executive's heirs, executors and administrators) in accordance with the charter and bylaws of the Bank and to the fullest extent permitted under applicable law against all expenses and liabilities (including attorneys' fees) reasonably incurred by Executive in connection with or arising out of any action, suit or proceeding in which he may be involved by reason of Executive having been a director or officer of the Bank or any subsidiary or affiliate of the Bank.

#### **16. NOTICE.**

For the purposes of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by certified or registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth below:

<b>To the Bank:</b>	Orange Bank & Trust Company 212 Dolson Avenue Middletown, NY 10940 Attention: Chief Executive Officer
<b>To Executive:</b>	Most recent address on file with the Bank

**17. CONFIDENTIALITY.**

(a) Executive recognizes and acknowledges that the knowledge of the business activities, plans for business activities, and all other proprietary information of the Bank and the Company as it may exist from time to time (collectively referred to herein as “Confidential Information”), are valuable, special and unique assets of the business of the Bank and the Company. Executive will not, during or after the term of Executive’s employment, disclose any knowledge of the past, present, planned or considered Confidential Information to any person, firm, corporation, or other entity for any reason or purpose whatsoever unless expressly authorized by the Board or required by law. Notwithstanding the foregoing, Executive may disclose any knowledge of banking, financial and/or economic principles, concepts or ideas which are not solely and exclusively derived from the business plans and activities of the Bank or the Company. Further, Executive may disclose information regarding the business activities of the Bank or the Company to any bank regulator having regulatory jurisdiction over the activities of the Bank or the Company pursuant to a formal regulatory request and may disclose information that generally becomes known to and available for use by the public, if not disclosed as a result of Executive’s wrongful act or omission. Further, pursuant to the Defend Trade Secrets Act of 2016, Executive understands that:

(i) Executive may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and solely for the purpose of reporting or investigating a suspected violation of law; or is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding; and

(ii) If Executive files a lawsuit for retaliation by employer for reporting a suspected violation of law, Executive may disclose his employer’s trade secrets to Executive’s attorney and use the trade secret information in the court proceeding if Executive files each document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

(b) In the event of a breach or threatened breach by Executive of the provisions of this Section 17, the Bank and the Company will be entitled to an injunction restraining Executive from disclosing, in whole or in part, the knowledge of the past, present, planned or considered business activities of the Bank and the Company or any other similar proprietary information, or from rendering any services to any person, firm, corporation, or other entity to whom such knowledge, in whole or in part, has been disclosed or is threatened to be disclosed. Nothing herein will be construed as prohibiting the Bank or the Company from pursuing any other remedies available to the Bank and the Company for such breach or threatened breach, including the recovery of damages from Executive.

**[Signature Page Follows]**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates below.

**ORANGE BANK & TRUST COMPANY**

December 22, 2023  
Date

By: /s/ Michael J. Gilfeather  
Name: Michael J. Gilfeather  
Title: President and Chief Executive Officer

**EXECUTIVE**

December 22, 2023  
Date

/s/ Joseph Ruhl  
Joseph Ruhl



**AMENDED AND RESTATED PARTICIPATION AGREEMENT  
UNDER THE  
ORANGE BANK & TRUST COMPANY  
PERFORMANCE-BASED SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN**

**THIS PARTICIPATION AGREEMENT** by and between **ORANGE BANK & TRUST COMPANY** (the “Bank”), and **MICHAEL GILFEATHER**, an executive of Orange County Bancorp, Inc. (the “Company”) and the Bank (referred to herein as the “Participant” and the “Executive”) was originally entered into effective **December 31, 2018** and is hereby amended and restated in its entirety effective **December 22, 2023** (the “Participation Agreement”).

**RECITALS:**

**WHEREAS**, the Company, the Bank and the Executive entered into an employment agreement effective March 18, 2014, which was amended on September 30, 2015, amended and restated effective December 31, 2021 and subsequently amended and restated effective January 1, 2024 (the “Employment Agreement”);

**WHEREAS**, Section 3(d) of the Employment Agreement provides that the Executive participates in the Orange Bank & Trust Company Performance-Based Supplemental Executive Retirement Plan (“SERP”) and that the Executive has the opportunity to receive an annual Performance-Based SERP Contribution upon Executive’s achievement of certain annual financial goals;

**WHEREAS**, upon execution of this Participation Agreement, Executive agrees to continue to participate in the SERP under the terms and conditions set forth in this Participation Agreement and the SERP; and

**WHEREAS**, the SERP opportunity set forth in Section 3(d) of the Employment Agreement is hereby set forth in this Participation Agreement and no further benefit related to Section 3(d) of the Employment Agreement is owed to the Executive under the Employment Agreement.

**NOW, THEREFORE**, in consideration of the foregoing and the agreements and covenants set forth herein, the parties agree as follows:

1. **Effective Date of Participation.** The Participant commenced participation in the SERP on December 31, 2018. Capitalized terms have the meanings as stated in this Agreement and the SERP.
2. **Normal Retirement Age.** The Participant’s Normal Retirement Age for purposes of the SERP is age 65.
3. **Contributions.**
  - (a) *Performance-Based Contributions.* Provided that (i) the Participant is employed by the Bank and the Company on December 31<sup>st</sup> of each year, (ii) the Bank has One Billion Dollars in Total Assets for two consecutive quarters during an applicable fiscal year, and (iii) the Participant satisfies at least 80% of his annual financial goals established for an applicable fiscal year, the Bank shall credit the Participant’s SERP Account with \$60,000 Performance-Based Contribution for the applicable fiscal year. Commencing with the contribution for the fiscal year ending December 31, 2023, the Performance-Based Contribution amount will be increased to \$260,000.

The Board of Directors of the Bank (the “Board”) will determine, in its sole discretion, whether the Participant achieved his annual financial goals for each fiscal year and the level of achievement.

Following the certification of the Participant's annual goals by the Board, Performance-Based Contributions (if any) will be credited to the Participant's SERP Account effective December 31<sup>st</sup> of the fiscal year in which the applicable contribution applies. Unless otherwise determined by the Board, no performance-based contributions will be credited to the Participant's SERP Account for fiscal years commencing after December 31, 2026.

(b) *Discretionary Contributions.* At the sole discretion of the Administrator, a Discretionary Contribution may be credited to the Participant's SERP Account at any time.

4. **Vesting.** As Participant has attained Normal Retirement Age, the Participant's entire SERP Account is fully vested.

The Participant's SERP Account balance shall not be forfeited solely because the Bank's Total Assets in any fiscal year subsequent to a Performance-Based Contribution falls below One Billion Dollars.

5. **Form and Timing of Distribution of SERP Account Balance.**

(a) *Separation from Service for Reasons other than Cause, Change in Control, or Death.* In the event Executive has a Separation from Service for reasons other than Cause, Change in Control, or Death, the Participant will receive his vested SERP Account balance in equal annual installments over a five (5) year period. Subject to delay in accordance with the Plan if Participant is a Specified Employee, Payments under this paragraph (a) will commence on the 1<sup>st</sup> day of the full calendar month following the Participant's Separation from Service.

(b) *Change in Control.* In the event the Participant is terminated upon or within 12 months following a Change in Control, the Participant will receive his SERP benefit in a lump sum within 60 days following his Separation from Service. If the payment of the Participant's SERP Account balance, either alone or together with any other payments and benefits the Participant has the right to receive from the Employer, would constitute a "parachute payment" under Section 280G of the Code, such payments and benefits shall be reduced by the minimum amount necessary to result in no portion of such payments and benefits being non-deductible to the Employer pursuant to Section 280G of the Code and subject to excise tax imposed under Section 4999 of the Code, unless otherwise reduced in accordance with the terms of the Employment Agreement.

(c) *Payments following Death.* If the Participant dies prior to the commencement of his SERP benefits, his Beneficiary, or if none is designated, his estate, shall receive his SERP Account balance in a lump sum on the 1<sup>st</sup> day of the second calendar month following the Participant's death. Notwithstanding Section 4.6(b) of the Plan, if the Participant dies while in pay status, his Beneficiary, or if none is designated, his estate, shall receive the remaining installment payments at the same time and in the same manner they would have been paid to the Participant had he survived.

6. **Forfeitures.** In the event the Participant is terminated for "Cause", (as such term is defined in the Employment Agreement) or breaches a restrictive covenant in the Employment Agreement, the Executive will forfeit his entire SERP Account balance (vested and un-vested) in accordance with terms of the Plan.

7. **Valuation Date.** The Participant's Separation from Service date shall be the valuation date for purposes of determining the value of the Participant's SERP Account balance upon distribution. Installment payments shall be valued in accordance with Section 4.6 of the SERP.

8. **Governing Law.** This Agreement shall be governed under the laws of the State of New York, but only to the extent not superseded by federal law.

Notwithstanding anything in this Participation Agreement to the contrary, if the Participant is a Specified Employee (as defined in the SERP) at the time of his Separation from Service (for reasons other than death), the Bank will delay the distribution of the Participant's SERP Account balance until the first day of the seventh month following the Participant's Separation from Service.

IN WITNESS WHEREOF, each of the parties has caused this Amended and Restated Participation Agreement to be executed as of December 22, 2023.

**PARTICIPANT**

**ORANGE BANK & TRUST COMPANY**

/s/ Michael Gilfeather  
Michael Gilfeather

/s/ Jonathan Rouis  
By: Jonathan Rouis  
Title: Chairman of the Board of Directors