

FEDERAL DEPOSIT INSURANCE CORPORATION
Washington, D.C. 20429

FORM 8-K

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

Date of Report (Date of earliest event reported): September 1, 2022

Harford Bank

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

19101
(FDIC file number)

52-0799113
(IRS Employer
Identification No.)

8 West Bel Air Avenue, Aberdeen, Maryland 21001
(Address of principal executive offices) (Zip Code)

(410) 272-5000
(Registrant's telephone number, including area code)

N/A

(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 obligations of the registrant under any of the following provisions:

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). 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. ☐

INFORMATION TO BE INCLUDED IN THE REPORT

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

(c) Compensatory Arrangements.

On September 1, 2022, Harford Bank (the “Bank”) entered into an employment agreement with Neil L. Christ that provides for his continued service as the Chief Financial Officer (“CFO”) of the Bank (the “Agreement”).

The Agreement provides for an initial one-year term, with successive one-year renewal terms unless either party provides the other party with 90 days’ prior written notice of its intention to not renew the term of Agreement upon the Agreement’s normal expiration. The Agreement sets Mr. Christ’s annual base salary rate at \$195,318, subject to periodic review, and provides that he will be eligible to participate in such equity compensation, bonus, incentive and other executive compensation programs as may be made available to senior management of the Employer from time to time. The employee benefits to be provided pursuant to the Agreement include five weeks of paid time off and such other employee benefits as may be made available from time to time to similarly-situated executive officers of the Bank.

The Agreement provides that, upon the termination of Mr. Christ’s employment for any reason, he will be entitled to receive all unpaid compensation, the cash value of all accrued but unused paid time off (“PTO”), and other monetary compensation that has accrued but remains unpaid through the date of such termination. If, during a term, Mr. Christ is terminated without “Cause” (as defined in the Agreement) or if Mr. Christ terminates his employment for “Good Reason” (as defined in the Agreement), then (i) he will receive, as severance, continued base salary at his then-current rate for 12 months following termination, (ii) he will have the right to continue his participation in the Employer’s health, dental and life insurance benefit plans, the costs of which, for 12 months following termination, will be paid by the Bank, and (iii) any unvested equity awards that he holds will immediately vest and become payable or exercisable pursuant to their terms. If, however, a termination without “Cause” or for “Good Reason” occurs within 12 months after a “Change in Control” (as defined in the Agreement), then, in lieu of the payments described in item (i) above (but in addition to the benefits described in items (ii) and (iii) above), Mr. Christ will be entitled to a lump sum change-in-control severance payment equal to 1.0 times the sum of (a) his then-applicable annual base salary rate and (b) the average of the cash bonuses actually earned by Mr. Christ for the three calendar years immediately preceding the year in which the termination of employment occurs. If the Bank determines that the aggregate present value of any portion of this change in control severance payment that is considered “Contingent Payments” (as defined in the Agreement), together with all other “Contingent Payments” payable to Mr. Christ, exceeds 2.99 times his “Base Amount” (as defined in the Agreement), such that the excise tax under Section 4999 of the Internal Revenue Code of 1986, as amended, would otherwise be triggered, then the Agreement provides that the change in control severance payment will be reduced to the extent necessary to avoid the imposition of that excise tax. Except for the accrued but unpaid compensation and accrued but unused PTO payable in the case of any termination, the payment of

all of the foregoing amounts is conditioned upon Mr. Christ's execution, delivery, and non-revocation of a Separation Agreement in substantially the form attached to the Agreement and, in certain cases, his compliance with certain notice and other requirements.

The Agreement provides that (i) for one year following the termination of his employment for any reason, Mr. Christ may not, directly or indirectly, compete with the Bank or its affiliates from or at any place in the State of Maryland that is located within 60 miles of his most-recently designated employment location at the Bank, and (ii) for one year following the termination of his employment for any reason, Mr. Christ may not, directly or indirectly, (a) solicit the Bank's business relationships, (b) solicit, engage or hire any of the Employer's independent contractors or employees, or (c) urge any of the Bank's business relationships to reduce its business with the Bank or assist any other person with any such reduction. The Agreement also contains representations and warranties by Mr. Christ, covenants regarding confidentiality of Bank information, the return of Bank property upon termination, non-disparagement, and other provisions that are customary for this type of employment agreement.

The foregoing discussion is intended only as a summary of the Agreement's material terms and is qualified in its entirety by the text of the Agreement, a copy of which is filed as Exhibit 10.1 to this report.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The exhibits filed or furnished with this report are listed in the following Exhibit Index:

<u>Exhibit No.</u>	<u>Description</u>
10.1	Employment Agreement, dated as of September 1, 2022, by and between Harford Bank and Neil L. Christ (filed herewith)

SIGNATURES

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 hereunto duly authorized.

HARFORD BANK

Dated: September 6, 2022

By: /s/ Neil L. Christ, CPA
Neil L. Christ, CPA
Senior Vice President & CFO

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this “*Agreement*”) is made and entered into as of September 1, 2022 (the “*Effective Date*”) by and between Neil L. Christ, a resident of the State of Maryland (“*Employee*”), and Harford Bank, a Maryland-chartered commercial bank (“*Employer*”). Employee and Employer are each sometimes referred to herein as a “*Party*” and are collectively sometimes referred to herein as the “*Parties*”.

WITNESSETH

WHEREAS, Employee is employed by Employer and serves as the Senior Vice President and Chief Financial Officer of Employer (the “*CFO*”).

WHEREAS, the Parties desire to enter into this Agreement for the purpose of memorializing the terms and conditions upon which Employee will continue to serve as the CFO.

NOW, THEREFORE, in consideration of the Parties’ promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

A G R E E M E N T

1. Employment and Duties. Employer hereby agrees to continue the employment of Employee as the CFO, subject to the terms and conditions of this Agreement. In such capacity, during the Term (as defined in *Section 2* hereof), Employee shall report directly to the President of Employer (the “*President*”) and shall (a) render administrative and management services to Employer such as are customarily performed by persons situated in a similar executive capacities, (b) promote, by entertainment or otherwise, as and to the extent permitted by law and Employer’s policies, the business of Employer, and (c) perform such other duties as the President of Employer may from time to time reasonably direct, including normal duties of an officer of Employer (all of the foregoing are collectively referred to herein as the “*Duties*”). During the Term, Employee (x) will devote his full time and efforts to performing the Duties, primarily from Employer’s office located at 8 West Bel Air Avenue, Aberdeen, Maryland 21001 or at such other location as Employer may from time to time establish as its headquarters office (the “*Employment Location*”), and (y) will not be engaged in any other activity, whether for compensation or otherwise, that interferes with the performance of the Duties.

2. Term. The initial term of Employee’s employment under this Agreement shall commence on the Effective Date and, subject to *Section 10* hereof, shall expire on the first anniversary of the Effective Date (the “*Initial Term*”). After the expiration of the Initial Term, Employee’s term of employment under this Agreement shall, subject to *Section 10* hereof, be renewed for successive one-year periods (each, a “*Renewal Term*”; the Initial Term and each Renewal Term are each sometimes referred to herein as a “*Term*”) without further action by the Parties, unless either Party has provided the other Party with written notice at least 90 days prior to the commencement of a Renewal Term of such Party’s decision not to renew Employee’s employment under this Agreement for such Renewal Term.

3. Compensation and Benefits. During the Term, Employee shall be entitled to receive the salary and other benefits set forth in this *Section 3* as compensation for all services to be rendered by Employee under this Agreement.

(a) Base Salary. Employee shall receive a base salary ("*Base Salary*") at the rate of \$195,318 per year (the "*Base Salary Rate*"). The Base Salary shall be paid pursuant to the compensation payment schedule adopted by Employer for its full-time employees. The Base Salary Rate shall be periodically reviewed, at least annually, by the President and/or the Board of Directors of Employer (the "*Board*") for the purpose of determining whether an adjustment is appropriate.

(b) Bonuses and Similar Compensation. Employee shall be eligible to participate in such equity compensation, bonus, incentive and other executive compensation programs as may be made available to senior management of Employer from time to time.

(c) Employee Benefits.

(i) Employee shall be entitled to 25 days of paid time off ("*PTO*") per calendar year. If any PTO accrued in a calendar year remain unused by Employee at the end of such year, then Employee may carry over a maximum of five (5) days of such unused PTO into the immediately subsequent calendar year and all other days of such unused PTO shall lapse and be forfeited.

(ii) In addition to PTO, Employee shall be entitled to such other employee benefits as may be made available from time to time for similarly-situated executive officers of Employer or for Employee individually, to the extent the provisions, rules, and regulations of the applicable benefit plan, program or policy make Employee eligible for participation therein, including, without limitation, any plan of Employer relating to pension, profit sharing or other retirement benefits and any health, dental and/or life insurance coverage or reimbursement plans that Employer may adopt for the benefit of its employees and executive officers.

4. Reimbursement of Expenses. Employer shall reimburse Employee for reasonable, actual expenses, against presentation of vouchers, receipts or other documentation satisfactory to Employer, for expenses that are properly incurred by him during the Term in the performance of the Duties and consistent with the Employer's expense reimbursement policies from time to time in effect ("*Reimbursable Expenses*").

5. Confidentiality.

(a) Covenant of Confidentiality. In Employee's position as an officer and employee of Employer, Employee has had and will have access to Confidential Information, Trade Secrets and other proprietary information of vital importance to Employer and has and will also develop relationships with customers, employees and others who deal with Employer which are of value to Employer. Employee agrees and acknowledges that Employer may entrust Employee with highly sensitive, confidential, restricted and proprietary information, including, without limitation, Trade Secrets, Confidential Information, customer lists, and information concerning Business Opportunities and personnel matters (the "*Protected Information*"). Employee acknowledges that

he shall bear a fiduciary responsibility to Employer, both during and after the Term, to protect the Protected Information from unauthorized use or disclosure, and he agrees that he will not use or disclose Protected Information unless authorized by Employer and except as may be necessary for him to perform the Duties.

(b) Definitions. As used in this Agreement:

(i) “*Trade Secret*” shall mean the identity and addresses of customers of Employer and any other information, without regard to form, including, but not limited to, any technical or nontechnical data, any formula, pattern, compilation, program, device, method, technique, drawing, process, financial data, financial plans, and product plans, that (A) is valuable and secret (in the sense that it is not generally known by or available to competitors of Employer) and (B) otherwise qualifies as a “trade secret” under Maryland law pursuant to the Maryland Trade Secrets Act of 1990, as amended.

(ii) “*Confidential Information*” shall mean all “non-public Personal Information,” as defined in Title V of The Gramm-Leach-Bliley Act (15 U.S.C. §§ 680 et seq.) and its implementing regulations (collectively, the “*GLB Act*”) that concerns any of Employer’s “customers and/or consumers”, as defined by the GLB Act, and any data or information, other than Trade Secrets, which is material to Employer and not generally known by or available to the public. Confidential Information shall include, but not be limited to, Business Opportunities (as hereinafter defined) of Employer, the details of this Agreement, Employer’s business plans and financial statements and projections, information as to the capabilities of Employer’s employees, their respective salaries and benefits and any other terms of their employment and the costs of the services Employer may offer or provide to the customers it serves, and any list of actual or active prospective customers, to the extent such information is material to Employer and not generally known by or available to the public.

(iii) “*Business Opportunities*” shall mean any specialized information or plans of Employer not disclosed or available to the public concerning the provision of financial services to a Person, together with all related information concerning the specifics of any contemplated financial services regardless of whether Employer has contacted or communicated with such Person.

(iv) “*Person*” shall mean any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization, any other legal or commercial entity, or two or more of any of the foregoing having a joint or common interest.

(v) “*Affiliate*”, with respect to a specified Person, shall mean a Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the specified Person.

(c) Exceptions. Notwithstanding the definitions of Trade Secrets, Confidential Information, and Business Opportunities set forth in *Section 5(b)* of this Agreement, the terms Trade Secrets, Confidential Information and Business Opportunities shall not include any information:

(i) that is or becomes generally available to the public other than as a result of disclosure by Employee in violation of this Agreement;

(ii) that is developed by Employee after the termination of his employment with Employer through entirely independent efforts;

(iii) that Employee obtains on a non-confidential basis from a source other than Employer or its Affiliates so long as such source is not bound by a confidentiality agreement with, or other contractual, legal, or fiduciary obligation of secrecy or confidentiality to, Employer or any other Person with respect to such information;

(iv) that is required to be disclosed by law, except to the extent eligible for special treatment under an appropriate protective order; or

(v) that the President approves for release.

(d) Defend Trade Secrets Act Notice. An individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret if: (i) the disclosure of the trade secret is made in confidence to a government official, either directly or indirectly, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law; (ii) the disclosure of the trade secret is made in a complaint or other document filed in a lawsuit, if such filing is made under seal; or (iii) if an individual files a lawsuit alleging retaliation by an employer for reporting a suspected violation of law, if the disclosure of the trade secret is made to the attorney of the individual or used in the court proceeding so long as the filing of any document containing the trade secret is under seal and the trade secret is not disclosed except under court order. Nothing in this Agreement is intended to conflict with the foregoing.

6. Observance of Security Measures. During Employee's employment with Employer, Employee shall observe all security measures adopted by Employer to protect Protected Information.

7. Covenants to Protect the Company's Business. As used in this *Section 7*, the term "Employer" means, individually and collectively, Harford Bank and its Affiliates.

(a) Restrictive Covenants.

(i) For so long as Employee is employed by Employer and thereafter for a period of one (1) year from the date on which Employee's employment with Employer is terminated, Employee shall not, directly or indirectly, as owner, partner, director, officer, employee, agent, consultant, advisor, contractor or otherwise, whether for consideration or without consideration, for the benefit of any Person other than Employer, compete with Employer or otherwise engage in the sale of any products or the performance of any services which are the same as or substantially similar to, or which are intended to substitute for, products or services offered or provided by Employer during the Term (the "*Competing Products or Services*") from or at any place that is located within 60 miles of the Employment Location.

(ii) For so long as Employee is employed by Employer and thereafter for a period of one (1) year from the date on which Employee's employment with Employer is

terminated, Employee shall not, directly or indirectly, as owner, partner, director, officer, employee, agent, consultant, advisor, contractor or otherwise, whether for consideration or without consideration, for the benefit of any Person other than Employer, solicit any Business Relation to purchase Competing Products or Services, or sell or otherwise provide Competing Products or Services to such Business Relation;

(iii) For so long as Employee is employed by Employer and thereafter for a period of one (1) year from the date on which Employee's employment with Employer is terminated, Employee shall not, directly or indirectly, as owner, partner, director, officer, employee, agent, consultant, advisor, contractor or otherwise, whether for consideration or without consideration, for the benefit of any Person other than Employer, employ, engage or solicit for employment or for engagement as an independent contractor or consultant, any Person who was employed by, or any Person who was engaged as an independent contractor by, Employer within the 12-month period immediately preceding any employment, engagement, or solicitation by Employer; urge any such Person to reduce his, her or its employment with or provision of services to Employer or assist any such Person with any such reduction; or arrange to have any other Person employ or engage such Person; or

(iv) For so long as Employee is employed by Employer and thereafter for a period of one (1) year from the date on which Employee's employment with Employer is terminated, Employee shall not, directly or indirectly, as owner, partner, director, officer, employee, agent, consultant, advisor, contractor or otherwise, whether for consideration or without consideration, for the benefit of any Person other than Employer, urge any Person to reduce its business with Employer or assist any Person with any such reduction.

Provided, however, that: (A) the ownership by Employee of up to a five percent (5%) interest in the securities of a Person that are registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), shall not constitute a breach of this *Section 7(a)*; and (B) a general solicitation through a public medium not specifically directed toward any Person shall not be considered a breach of this *Section 7(a)*.

(b) Definition of Business Relation. As used in this Agreement, the term "*Business Relation*" shall mean any Person other than Employer who, at any time during Employee's term of employment with Employer, was a Person (i) who is or was a customer of Employer or a prospective customer of Employer, or (ii) who had entered into any contract or other arrangement with Employer for the provision of services or the sale of products, or (iii) to whom Employer had furnished or planned to furnish a proposal for the performance of services or the sale of products, or (iv) with whom Employer entered or agreed to enter into any other business relationship such as a joint venture, collaborative agreement, joint development agreement, teaming arrangement or agreement, or similar arrangement or understanding for the provision of services or sale of products.

(c) No Disparagement. Except as required by applicable law, the rules or regulations of any governmental or self-regulatory organization having jurisdiction over the Employer and/or the Employee, or legal process, the Employer will not, by any verbal, written, or electronic expression or communication (including through the use of any social or professional networking websites and/or blogs), or by any other deed or act of communication, disparage,

criticize, condemn, or impugn the Employer, or any of its owners, managers, officers, or personnel, or their reputations, actions, services, products, writings, policies, practices, procedures, or advertisements.

(d) Acknowledgement. Employee hereby acknowledges and agrees that the covenants and restrictions contained in this *Section 7* regarding geographical scope, length of term and types of activities restricted are reasonable.

8. Return of Materials; No Access. Upon the request of Employer and, in any event, upon the termination of Employee's employment with Employer and its Affiliates, Employee shall deliver to Employer all memoranda, notes, records, manuals or other documents, including all copies of such materials containing Trade Secrets or Confidential Information, whether made or compiled by Employee or furnished to him from any source by virtue of his employment with Employer and its Affiliates ("*Property*"). After the termination of Employee's employment with Employer and its Affiliates, Employee shall not take any action to preserve or regain access to any Property through any means, including, without limitation, access to the facilities of Employer or its Affiliates or through a computer or other digital or electronic means.

9. Remedies; Waiver.

(a) Violation of Business Protection Covenants. Employee acknowledges that a violation by him of any provision of *Section 5* through *Section 8*, inclusive, of this Agreement (the "*Business Protection Covenants*") may cause irreparable injury to Employer, and that there may be no adequate remedy at law for such violation. Therefore, Employee agrees that, in addition to any other remedies for his violation of the Business Protection Covenants available to Employer, which shall include the recovery of all damages incurred, as well as reasonable attorney's fees and other costs, Employer shall have the right, in the event of the breach or threatened breach of any provision of the Business Protection Covenants, to seek an injunction and/or temporary restraining order against such breach or threatened breach and/or to specifically enforce the Business Protection Covenants, and, in the case of a breach of *Section 7* hereof, the duration of such covenants shall be extended by the period of the breach and any litigation with respect thereto.

(b) Remedies in General. The remedies provided in this Agreement are not exclusive, and the Party suffering from a breach or default of this Agreement may pursue all other remedies, both legal and equitable, alternatively or cumulatively as permitted by law. The prevailing Party in any action, suit or proceeding arising out of or relating to this Agreement shall be entitled to recover all costs and reasonable attorneys' fees from the non-prevailing Party. The failure of a Party to fully enforce any provision of this Agreement shall not be deemed to be a waiver of such provision or any part thereof, and the waiver by a Party of any provision of this Agreement shall not be deemed to be a waiver of any other provision of this Agreement or a waiver with respect to any other incidence of non-compliance therewith. No waiver shall be effective unless in writing and signed by the Party so waiving.

10. Termination.

(a) Termination Prior to the Expiration of a Term. During a Term, Employee's employment with Employer: (i) may be terminated at the election of Employer for Cause, upon

Employer's delivery of notice thereof to Employee; (ii) may be terminated at the election of Employer without Cause at any time, upon Employer's delivery of notice thereof to Employee; (iii) may be terminated at the election of Employee for Good Reason, upon Employee's delivery of notice thereof to Employer; (iv) may be terminated at the election of Employee without Good Reason, upon Employee's delivery of notice thereof to Employer; (v) shall be terminated upon Employee's death; or (vi) may be terminated at the election of either Party if Employee suffers a disability resulting in an inability to perform (subject to Employer's obligation, if any, to provide a reasonable accommodation under applicable law) the Duties as set forth in *Section 1* hereof for a period of 180 consecutive days, upon either Party's delivery of notice of such election to the other Party. Any termination of Employee's employment by Employer pursuant to this *Section 10(a)* shall be approved by the Board, excluding the vote of Employee if he is then a director, before such termination will be effective.

(b) Definitions. As used in this Agreement:

(i) "*Cause*" means: (A) conduct by Employee that amounts to fraud, personal dishonesty, breach of fiduciary duty involving personal profit, gross negligence or willful misconduct in the performance of or intentional failure to perform his stated Duties; (B) Employee's conviction (from which no appeal may be, or is, timely taken) of a felony or willful violation of any law, rule or regulation (other than traffic violations or similar offenses); (C) any federal or state regulatory authorities acting under lawful authority pursuant to provisions of federal or state law or regulation which may be in effect from time to time exercises any power granted to it by law or regulation to remove, prohibit or suspend Employee from participating in the conduct of Employer's affairs; (D) willful violation of any final cease-and-desist order; (E) a knowing violation by Employee of federal or state banking laws or regulations which is likely to have a material adverse effect on Employer, as determined by the Board; (F) Employee's material breach of any of Employer's written policies; (G) Employee's refusal to timely perform a reasonable and duly authorized directive of the President or the Board that has been communicated to Employee and that is consistent with the scope of the Duties unless Employee in good faith believes that such act would cause Employee to breach his fiduciary duties to Employer or that such act would be in violation of any federal or state law or regulation; (H) any representation or warranty made by Employee in this Agreement, or in any certificate, document or instrument executed and delivered to Employer by Employee in connection with this Agreement, is or becomes inaccurate or untrue; or (I) a material breach by Employee of any promise, covenant or other provision contained in this Agreement.

(ii) "*Good Reason*" means the satisfaction of both of the following requirements:

(A) The facts and circumstances that shall constitute Good Reason are as follows: (1) without Employee's consent, Employer diminishes Employee's then-current Base Salary Rate by 10% or more, other than a diminution made pursuant to a salary reduction program applicable to all executive officers of Employer that is adopted by the Board; (2) without Employee's consent, Employer materially diminishes Employee's management authority; (3) without Employee's consent, Employer requires Employee to perform his Duties primarily from an Employment Location that is more than 60 miles from

Employee's most recently-designated Employment Location; or (4) Employer breaches any material provision of this Agreement; and

(B) Employee shall have given Employer written notice within 30 days of his knowledge or reason to know of the existence of any fact or circumstance constituting Good Reason, and Employer shall have failed to cure or eliminate such fact(s) or circumstance(s) within 30 days of its receipt of such notice.

11. Payments Upon Termination of Employment.

(a) General. If a Termination of Employment occurs, then Employee shall receive all unpaid Base Salary, the cash value of all accrued but unused PTO, and other monetary compensation that have accrued through the date of such termination (collectively, the "*Accrued Amounts*"), which shall be paid in one lump-sum cash payment as soon as is reasonably practicable following the date on which the Termination of Employment occurs (but in no event later than five business days following such date). In addition, to the extent that the requirements of *Section 11(b)(i)* or *Section 11(b)(ii)* hereof are satisfied, Employee shall also receive the payments and/or benefits described in those Sections, as applicable; *provided, however*, that Employee's receipt of payments and benefits under *Section 11(b)(i)* shall render Employee ineligible for payments and/or benefits under *Section 11(b)(ii)*, and vice versa.

(b) Additional Payments Upon Termination Without Cause or for Good Reason.

(i) Termination in Connection With a Change in Control. If there is: (A) a Termination of Employment by Employer without Cause pursuant to *Section 10(a)(ii)* hereof; or (B) a Termination of Employment by Employee for Good Reason pursuant to *Section 10(a)(iii)* hereof; that, in either case, occurs within 12 months after a Change in Control (the "*Change in Control Protection Period*"), then, subject to the terms and conditions set forth in *Section 12* hereof, Employer shall pay Employee the following additional amounts and/or benefits:

(A) Payments and Other Benefits.

(1) Subject to *Section 11(b)(i)(B)* hereof, a lump sum cash payment (the "*Change in Control Payment*") in an amount equal to 1.0 times the sum of (a) Employee's then-applicable Base Salary Rate and (b) the average of the cash bonuses actually earned by Employee for the three calendar years immediately preceding the year in which the Termination of Employment occurs, which shall be paid in a lump-sum payment within 10 days after the Separation Agreement (as defined in *Section 12(c)* below) becomes effective and irrevocable.

(2) Employee may elect to continue his participation in Employer's medical and dental plan(s) pursuant to the federal Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("*COBRA*"), in which case, for 12 months following the date on which the Termination of Employment occurs, Employer will reimburse Employee for the costs of such election less any amounts that Employee would have paid for such coverages had he remained an active employee of Employer;

(3) Subject to the terms and conditions of the equity compensation plan(s) of Employer and of the awards granted thereunder but notwithstanding any provisions thereof with respect to vesting, all unvested awards granted to Employee under such equity compensation plan(s) that have not expired or been forfeited pursuant to their terms shall immediately vest and become fully exercisable or payable, as the case may be, and Employer shall take or cause to be taken all actions necessary, consistent with the terms and conditions of such equity plan(s), to effect such acceleration.

(B) Reduction of Termination Payments Upon Certain Changes in Control.

(1) If it is determined that the aggregate present value of (a) such portion of Employee's Change in Control Payment that is considered Contingent Payments and (b) all other Contingent Payments payable to Employee exceeds 2.99 times Employee's Base Amount such that the excise tax under Section 4999 of the Internal Revenue Code of 1986, as amended (the "*Code*"), would otherwise be triggered, then the Change in Control Payment shall be reduced to the extent necessary so that the aggregate present value of all Contingent Payments (including the Change in Control Payment) payable following such reduction does not exceed 2.99 times Employee's Base Amount.

(2) The determination that the aggregate present value of all Contingent Payments exceeds 2.99 times his Base Amount, and the calculation of the amount of any reduction, shall be made, at Employer's discretion, by Employer's outside auditing firm or by a nationally-recognized accounting or benefits consulting firm appointed by Employer. The firm's expenses shall be paid by Employer.

(3) If the determination is made that the Change in Control Payment must be reduced in accordance with this *Section 11(b)(i)(B)*, then the amount of the Change in Control Payment that is actually paid to Employee will be the amount determined under this *Section 11(b)(i)(B)* (the "*Reduced Payment*"), which will be paid at the same time and in the same form otherwise specified in *Section 11(b)(i)(A)(1)*.

(ii) Termination Not Within 12 Months of Change in Control. If there is a Termination of Employment by Employer without Cause pursuant to *Section 10(a)(ii)* hereof or by Employee for Good Reason pursuant to *Section 10(a)(iii)* hereof that, in either case, does not occur during the Change in Control Protection Period, then, subject to the terms and conditions set forth in *Section 12* hereof, Employer shall pay Employee the following additional amounts and/or benefits:

(A) Severance in the form of Base Salary continuation, at the then-current Base Salary Rate, for 12 months following the date of such Termination of Employment ("*Severance*"), which shall be paid in accordance with Employer's accepted payroll practices from time to time in effect commencing on the first regular pay day that occurs following the date on which the Separation Agreement becomes effective and irrevocable;

(B) During the period that the Severance is paid, Employee may elect to continue his participation in Employer's medical and dental plan(s) pursuant to *COBRA*, in

which case Employer will reimburse Employee for the costs of such election less any amounts that Employee would have paid for such coverages had he remained an active employee of Employer;

(C) Subject to the terms and conditions of the equity compensation plan(s) of Employer and of the awards granted thereunder but notwithstanding any provisions thereof with respect to vesting, all unvested awards granted to Employee under such equity plan(s) that have not expired or been forfeited pursuant to their terms shall immediately vest and become fully exercisable or payable, as the case may be, and Employer shall take or cause to be taken all actions necessary, consistent with the terms and conditions of such equity plan(s), to effect such acceleration.

(c) Definitions. As used in this Agreement:

(i) “*Change in Control*” shall mean:

(A) any transaction, whether by merger, consolidation, asset sale, tender offer, reverse stock split, or otherwise, which results in the acquisition of beneficial ownership (as such term is defined under rules and regulations promulgated under the Exchange Act) by any Person or any group of Persons acting in concert, of 50% or more of the outstanding shares of common stock of Employer;

(B) the sale of all or substantially all of the assets of Employer;
or

(C) the liquidation of Employer.

(ii) “*Contingent Payments*” means payments in the “nature of compensation” to (or for the benefit) of Employee if such payment is “contingent on a change in the ownership or effective control of the corporation or in the ownership of a substantial portion of the assets of the corporation,” as such terms are defined in Section 280G of the Code and the Treasury Regulations promulgated thereunder.

(iii) “*Base Amount*” means Employee’s “annualized includible compensation for the base period,” within the meaning of Sections 280G(d)(1) and (d)(2) of the Code and the Treasury Regulations promulgated thereunder.

(iv) “*Termination of Employment*” means Employee’s “separation from service” with Employer within the meaning of Section 409A of the Code and the Treasury Regulations promulgated thereunder.

12. Conditions to Employer’s Obligations.

(a) Payments in General. Notwithstanding anything in this Agreement to the contrary, any payments made to Employee 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. § 1828(k)) and the regulations promulgated thereunder (including those contained in 12 C.F.R. Part 359), as such statutory provision and regulations may be amended, superseded and/or replaced from time to time. In addition, if a payment obligation under this Agreement arises

on account of the Termination of Employment while Employee is a “specified employee” (as defined under Section 409A of the Code and applicable guidance thereunder (“*Code Section 409A*”) and determined in good faith by Employer), any and all payments of “deferred compensation” (as defined in Treasury Regulation Section 1.409A-1(b)(1), after giving effect to the exemptions in Treasury Regulation Sections 1.409A-1(b)(3) through (b)(12)) that are scheduled to be paid within six months after such Termination of Employment shall be paid in a lump sum within 15 days after the end of the six-month period beginning on the date of such Termination of Employment. If Employee dies prior to the date payments are required to commence in accordance with the previous sentence, then payment shall be made in a lump sum within 15 days after the appointment of the personal representative or executor of Employee’s estate following his death. The intent of the Parties is that payments and benefits under this Agreement comply with Code Section 409A or comply with an exemption from the application of Code Section 409A and, accordingly, all provisions of this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Code Section 409A. Should any provision of this Agreement be found not to comply with, or otherwise be exempt from, the provisions of Code Section 409A, then such provision may be modified and given effect (retroactively if necessary), in the sole discretion of Employer and without Executive’s consent, in such manner as Employer determines to be necessary or appropriate to comply with, or to effectuate an exemption from, Code Section 409A. Notwithstanding anything in this Agreement to the contrary, in no event shall Employer exercise its discretion to accelerate the timing or settlement of any required payment hereunder where such payment constitutes deferred compensation within the meaning of Section 409A of the Code unless, and solely to the extent that, such accelerated payment or settlement is permissible under Treasury Regulation section 1.409A-3(j)(4) or any successor provision.

(b) Regulatory Matters. Notwithstanding anything in this Agreement to the contrary, this Agreement and the rights and obligations of the Parties hereunder shall be subject to the following:

(i) If Employee is suspended and/or temporarily prohibited from participating in the conduct of Employer’s affairs by a notice served under Section 8(e)(3) or (g)(1) of Federal Deposit Insurance Act (12 U.S.C. § 1818(e)(3) and (g)(1)), then Employer’s obligations under this Agreement shall be suspended as of the date of service unless stayed by appropriate proceedings. If the charges in the notice are dismissed, then Employer may in its discretion (A) pay Employee all or part of the compensation withheld while its obligations hereunder were suspended, and (B) reinstate (in whole or in part) any of its obligations which were suspended.

(ii) If Employee is removed and/or permanently prohibited from participating in the conduct of Employer’s affairs 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)), then all obligations of Employer under this Agreement shall terminate as of the effective date of the order, but vested rights of the Parties shall not be affected.

(iii) If Employer is in default, as defined in Section 3(x)(1) of the Federal Deposit Insurance Act (12 U.S.C. § 1813(x)(1)), then all obligations under this Agreement shall terminate as of the date of default, but this paragraph (iii) shall not affect any vested rights of the Parties.

(iv) All obligations under this Agreement shall be terminated, except to the extent determined that continuation of the Agreement is necessary for the continued operation of Employer:

(A) By the applicable Regional Director (the “Director”) of the Federal Deposit Insurance Corporation (the “FDIC”) or his or her designee, at the time the FDIC enters into an agreement to provide assistance to or on behalf of Employer under the authority contained in 13(c) of the Federal Deposit Insurance Act; or

(B) By the Director or his or her designee, at the time the Director or his or her designee and any other federal banking agency that supervises Employer approve a supervisory merger to resolve problems related to operation of Employer or when Employer is determined by the Director and/or any other federal banking agency that supervises Employer to be in an unsafe or unsound condition.

Provided, however, that any rights of the Parties that have already vested shall not be affected by such action.

(c) Separation Agreement a Condition for Receipt of Change in Control, Severance and Expiration Payments and Benefits. Notwithstanding anything to the contrary contained in this Agreement, Employer shall have no obligation to pay or provide, or continue to pay or provide, the compensation and benefits set forth in *Section 11(b)(i)* or *Section 11(b)(ii)* of this Agreement unless Employee: (i) has returned all Property to Employer; and (ii) signs, does not revoke and complies with a Separation Agreement in substantially the form attached hereto as Exhibit A (the “*Separation Agreement*”), and such Separation Agreement becomes effective and irrevocable no later than 60 days following the date of the Termination of Employment (such deadline, the “*Deadline*”). If any of the conditions set forth in clauses (i) or (ii) of this Section 12(c) are not satisfied, then Employee will forfeit any rights to the compensation and benefits set forth in *Section 11(b)(i)* or *Section 11(b)(ii)* of this Agreement, as applicable. In no event will the compensation and benefits set forth in *Section 11(b)(i)* or *Section 11(b)(ii)* of this Agreement be paid or provided until such Separation Agreement becomes effective and irrevocable on or before the Deadline.

13. Withholding of Taxes. All compensation and benefits payable to Employee under this Agreement shall be subject to all applicable tax withholding requirements.

14. Employee’s Representations and Warranties.

(a) No Conflicting Agreements. Employee represents and warrants to Employer that he is not a party to or otherwise subject to or bound by the terms of any contract, agreement or understanding which in any manner would limit or otherwise affect his ability to provide the Duties hereunder, including, without limitation, any contract, agreement or understanding containing terms and provisions similar in any manner to those contained in *Section 7* of this Agreement.

(b) Third-Party Information. Employee represents, warrants and covenants to Employer that he will not disclose to Employer or otherwise use, in the course of his employment with Employer, any confidential information that he is restricted from disclosing or using pursuant to any other agreement or duty to any other Person.

15. Notices. Any notice, request, demand, waiver, consent, approval or other communication which is required or permitted hereunder shall be in writing and shall be deemed given: (a) on the date established by the sender as having been delivered personally; (b) on the date delivered by a private courier as established by the sender by evidence obtained from the courier; (c) on the date sent by electronic correspondence if sent during normal business hours of the recipient, if not, then on the next business day; or (d) on the fifth (5th) day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications, to be valid, must be addressed as follows:

if to Employer:

President
Harford Bank
8 West Bel Air Avenue
Aberdeen, Maryland 21001; and

if to Employee:

Neil L. Christ
317 Gittings Avenue
Baltimore, Maryland 21212.

16. Miscellaneous.

(a) Entire Agreement. This Agreement, including Exhibit A hereto, constitutes and expresses the entire agreement of the Parties with respect to Employer's employment of Employee, and there are no representations, inducements, promises, agreements, arrangements, or undertakings oral or written, between the Parties other than those set forth herein and therein. Any and all prior agreements or understandings with respect to such matters are hereby superseded. No modification or amendment of this Agreement, nor waiver of any of its provisions, shall be valid or enforceable unless in writing and signed by both Parties.

(b) Governing Law; Waiver of Jury Trial; Venue and Jurisdiction. This Agreement has been made in and shall be governed by and construed in accordance with the laws of the State of Maryland, exclusive of any conflicts of law principle which would apply the law of another jurisdiction, and, to the extent applicable, the laws of the United States, whether as to its validity, construction, capacity, performance or otherwise. **THE PARTIES HEREBY WAIVE TRIAL BY JURY IN ANY ACTION ARISING UNDER THIS AGREEMENT.** Any judicial proceeding arising out of or relating to this Agreement (including any declaratory judgments) shall, if it is to be filed in State court, be filed exclusively in the State courts located in Harford County, Maryland or, if is to be filed in Federal court, be filed exclusively in the Federal courts located in Maryland, and each Party hereby consents to, and will submit to, the personal and subject matter jurisdiction of such courts in any proceeding to enforce any of its obligations under this Agreement and shall not contend that any such court is an improper or inconvenient venue. The foregoing shall not limit the right of any Party to obtain execution of judgment in any other jurisdiction.

(c) Severability. It is the desire and intent of the Parties that the provisions contained in each Section of this Agreement, and within the subsections of such Sections, especially (but in no way limited to) those provisions of *Section 5* through *Section 8*, inclusive, hereof are intended to be separate and divisible, severable from every other contract and course of business by and between the Parties, and shall be enforced to the fullest extent permissible under applicable laws and public policies. Accordingly, if any portion of any provision of this Agreement shall be adjudicated by a court of competent jurisdiction to be invalid or unenforceable, then (i) such portion shall not be held to affect the validity of any other provision contained in this Agreement, and (ii) such portion shall be deemed amended either to conform to such restrictions as such court may allow or to delete therefrom or reform the portion thus adjudicated to be invalid and unenforceable. The Parties hereby expressly request and authorize any court of competent jurisdiction to modify any provision of this Agreement or portion thereof if necessary to render it enforceable in such manner as to preserve as much as possible the Parties' original intentions, as expressed therein, with respect to the scope thereof. Without limiting the generality of the foregoing provisions of this *Section 16(c)*, the Parties agree that the existence of any claim, suit or action by Employee against Employer, whether predicated upon this Agreement or any other agreement, shall not constitute a defense to Employer's enforcement of any covenant made by Employee in *Section 5* through *Section 8*, inclusive, of this Agreement.

(d) Time is of the Essence. Time is of the essence in this Agreement.

(e) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties and their successors and assigns. This Agreement shall not be assignable by Employee.

(f) Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which taken together shall constitute but a single instrument. The exchange of copies of this Agreement and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of an original of this Agreement for all purposes. Signatures of the Parties transmitted by facsimile or PDF transmission shall be deemed to be their original signatures for all purposes.

(g) Survival of Certain Provisions. The provisions of *Sections 4, 5, 7, 8, 9, 10, 11, 12, 13, 15* and *16* of this Agreement shall survive a Termination of Employment under this Agreement and shall remain in full force and effect until the Parties have fully performed their respective obligations under such *Sections* and, in any event, until the applicable statute of limitations with respect thereto have expired.

(h) Headings; Construction. The headings of Sections and subsections contained in this Agreement are provided for convenience only. They form no part of this Agreement and shall not affect its construction or interpretation. All references to Sections, subsections, paragraphs, clauses or other subdivisions in this Agreement refer to the corresponding Sections, subsections, paragraphs, clauses or other subdivisions of this Agreement. All words used in this Agreement shall be construed to be of such gender or number as the circumstances require. Unless otherwise specifically noted, the words "*herein*", "*hereof*", "*hereby*", "*hereunder*" and

words of similar import refer to this Agreement as a whole and not to any particular Section, subsection, paragraph, clause or other subdivision of this Agreement.

[Signatures Appear on Next Page]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

EMPLOYEE:

/s/ Neil L. Christ
Neil L. Christ

EMPLOYER:

HARFORD BANK

By: /s/ Michael F. Allen
Name: Michael F. Allen
Title: President

EXHIBIT A
to Employment Agreement with Neil L. Christ

Form of Separation Agreement
(see attached)

FORM OF SEPARATION AGREEMENT

THIS SEPARATION AGREEMENT (this “*Agreement*”) is made by and among Neil L. Christ (“*Employee*”) and Harford Bank, a Maryland-chartered commercial bank (“*Employer*”). Employee and Employer are sometimes individually referred to herein as a “*Party*” and are sometimes collectively referred to herein as the “*Parties*”. Capitalized terms used but not defined herein shall have the meanings given such terms in the Employment Agreement (as defined below).

WHEREAS, Employee is employed by Employer pursuant to an Employment Agreement, dated as of September 1, 2022, by and between Employer and Employee (the “*Employment Agreement*”).

WHEREAS, Employee and Employer desire to terminate Employee’s relationship with Employer and agree to the terms and conditions relating thereto.

NOW, THEREFORE, in consideration of the foregoing recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties agree as follows:

1. Termination of Employment; Effective Date.

(a) Termination. Employee hereby resigns as the Senior Vice President and Chief Financial Officer and as an employee of Employer, effective as of _____, _____ (the “*Resignation Date*”). Employee agrees and understands that after the Resignation Date, he is not authorized to perform any work for, or to represent himself to others as an employee or other agent of, the Employer. The Employer hereby waives any prior notice required to be given pursuant to the Employment Agreement by Employee in connection with his resignation.

(b) Effective Date of this Agreement. As used in this Agreement, the term “*Effective Date*” means the date on which this Agreement becomes effective and irrevocable, subject to the condition that this Agreement must become effective and irrevocable no later than 60 days following the Termination Date or else it shall be void.

2. Commitments of Employer.

(a) Payment of Accrued Amounts. Employee shall be entitled to receive all Accrued Amounts, less all applicable federal, state and local tax withholding and deductions, in accordance with Section 11(a) of the Employment Agreement.

(b) Payment of [Severance] [CiC Payments] and other Benefits.¹ In full accord and satisfaction of all Released Claims (as defined below in *Section 4(a)(i)* of this Agreement), and subject to *Section 5* and *Section 6* of this Agreement and the applicable provisions of Section 14 of the Employment Agreement, Employee shall be entitled to the following additional payments and benefits:

¹ **Note:** To be completed at time of termination of employment – either per Section 11(b)(i) or Section 11(b)(ii).

(i) [INSERT PROVISION FOR PAYMENT OF CHANGE OF CONTROL PAYMENT OR SEVERANCE, AS APPLICABLE];

(ii) [INSERT APPLICABLE COBRA CONTINUATION PAYMENT PROVISION]; and

(iii) Subject to the terms and conditions of the equity compensation plan(s) of Employer and of the awards granted thereunder but notwithstanding any provisions thereof with respect to vesting, all unvested awards granted to Employee under such equity compensation plan(s) that have not expired or been forfeited pursuant to their terms shall immediately vest and become fully exercisable or payable, as the case may be, and Employer shall take or cause to be taken all actions necessary, consistent with the terms and conditions of such equity plan(s), to effect such acceleration.

(c) No Other Payments or Benefits. Employee agrees that he is not entitled to any payments by or benefits from Employer other than (i) as set forth in this *Section 2* or (ii) any monies properly payable to Employee for indemnification or advancement by virtue of rights to which Employee may be entitled pursuant to the charter or bylaws of Employer or pursuant to any policy of insurance maintained by Employer.

(d) Withholding of Taxes. Employee shall be responsible for the payment of all applicable local, state and federal taxes associated with the Severance, and Employer shall have the right to deduct from any distributions hereunder any such taxes or other amounts required by law to be withheld therefrom.

3. Termination of Benefits. Employee's coverage under Employer's employee benefit and insurance plans, programs and arrangements terminated on the Termination Date (other than Employee's right to elect to continue his health and dental insurance at his sole cost and expense following the Termination Date pursuant to the federal Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, to the extent that paragraph (ii) of Section 2(b) hereof does not apply).

4. Commitments of Employee.

(a) General Release and Forbearance Agreement.

(i) Except as provided in *Section 4(a)(ii)* hereof, Employee releases and discharges Company, its Affiliates, their respective officers, directors, employees, agents, stockholders, and all employee benefit plans sponsored by Parent, Company and their respective Affiliates (the "*Released Parties*"), from any and all debts, demands, actions, complaints, charges, causes of action, suits, covenants, contracts, wages, bonuses, damages and any and all claims, demands, liabilities and expenses (including attorneys' fees and costs) whatsoever of any name or nature, both in law and in equity ("*Claims*") which he had, now has or hereafter may have, based on any act or omission which occurred through the Effective Date, other than those described in *Section 4(a)(ii)* hereof (the "*Released Claims*"). Without limiting the generality of the foregoing, this general release covers all Claims arising out of or related to Employee's employment with Employer, the termination of his employment with Employer, and/or any other relationship of any kind between Employee and a Released Party,

including, without limitation, (A) Claims for tort or contract, or relating to salary, wages, bonuses, severance, commissions, stock or stock options, the breach of any oral or written contract or promise, misrepresentation, defamation, and interference with prospective economic advantage, interference with contract, intentional and negligent infliction of emotional distress, negligence, breach of the covenant of good faith and fair dealing, and medical, disability or other leave; (B) Claims arising out of, based on, or connected with Employee's employment by or other service with Employer, including, without limitation, the terms and conditions of employment or service, and the termination of that employment or service, including, without limitation, Claims arising under Section 806 of the Sarbanes-Oxley Act of 2002, and any other Claims alleging retaliation of any nature; (C) for alleged securities violations by Employer, including, without limitation, in any way related to the exercise or payment of equity awards granted to Employee; and/or (D) for unlawful employment discrimination of any kind, including, without limitation, discrimination due to age, sex, disability or handicap, including, without limitation, failure to offer reasonable accommodations, race, color, religion, sexual orientation, national origin, or sexual or other unlawful harassment arising under or based on any local, state or federal equal employment opportunity, anti-discrimination or similar law, policy, order, regulation or guidelines affecting or relating to Claims or rights of employees. This general release is agreed to without reliance upon any statement or representation by Employer.

(ii) Notwithstanding *Section 4(a)(i)* hereof, this general release does not cover any Claims in respect of (A) rights to indemnification and to be held harmless and be defended by Company pursuant to Employer's charter or bylaws to the extent that Employee is entitled thereto, (B) directors or officers insurance rights to which Employee may be entitled, (C) rights to contribution to which Employee may be entitled, (D) rights that Employee has in his capacity as a securityholder of Employer, (E) rights under this Agreement, including in respect of Severance, or (F) rights to any vested benefits under any equity compensation plan or employee benefit or pension plan or arrangement of, or sponsored by, Employer (collectively, the "*Excluded Claims*").

(iii) Employee represents and warrants that he has not sued or filed any Claim against Employer or any of the other Released Parties in or with any local, state or federal court or administrative agency. Employee will not sue or bring any Released Claim against Employer or any of the other Released Parties with respect to any matters arising out of or relating to his employment or service with Employer, or any Released Claims that, as a matter of law, cannot be released, such as under workers' compensation, for unemployment benefits or any Released Claims related to Employer's future involvement with, if any, Employee's retirement plans with Employer. In the event that Employee, on his behalf, sues or brings any Released Claim against Employer or any of the other Released Parties in respect of any of the foregoing matters, that suit or Released Claim shall be dismissed, if permitted by law, upon presentation of this Agreement and Employee will reimburse Employer for all legal fees and expenses incurred in defending such suit or Released Claim and obtaining its dismissal. Notwithstanding anything to the contrary contained in this *Section 4*, nothing in this Agreement shall preclude Employee from filing a charge or complaint of discrimination with the Equal Employment Opportunity Commission or any other administrative agency or from participating or cooperating in any investigation or proceeding with respect to discrimination conducted by any of such agencies. However, in the event that

such a charge or complaint is filed with any administrative agency by Employee, or in the event of an authorized investigation, charge or lawsuit filed by any administrative agency, Employee hereby expressly waives, and shall not accept, any monetary award, damages, costs or attorneys' fees or release of any sort against Employer or any of the other Released Parties.

(b) Cooperation. Employee will respond to inquiries and otherwise assist Employer with respect to matters with which he had been involved while employed by Employer. Without limiting the generality of the foregoing, Employee will cooperate with Employer in its investigation, defense or prosecution of any potential or actual claim, charge, grievance, or suit by or against Employer. Employee shall not communicate with any attorney or representation of any person who may be involved in any claim, charge, grievance or suit that is adverse to Employer, and will immediately notify Employer of any such communication or attempted communication.

(c) Return of Property.

(i) On or before the Effective Date, Employee will:

(A) return to Employer all Property that is in Employee's possession or under his control, including, without limitation, all originals and copies of memoranda, notes, records, manuals or other documents, including all copies of such materials containing Trade Secrets or Confidential Information, whether made or compiled by Employee or furnished to him from any source by virtue of his employment with Parent, Company and their respective Affiliates; *provided, however*, that with respect to any such Property the nature of which prevents its return, Employee will permanently delete and/or destroy all such property; and he will provide written certification to the President within five days of the Effective Date that he has fully complied with his obligations under this *paragraph (A)*;

(B) not take any action to preserve or regain access to the Property by or through any means, including, without limitation, access to Employer's facilities or through a computer or other digital or electronic means; and

(C) promptly pay all amounts due, owing or otherwise payable by Employee to Employer. Employee expressly authorizes Employer to withhold any amounts payable to him, including for compensation, reimbursement and otherwise, until he has complied with this *paragraph (C)*.

(ii) Employee will promptly return any Property which may come into his possession or under his control in the future, will not make any copy thereof, and will not, directly or indirectly, use, disclose, or transmit in any manner any of such Property.

(d) Intellectual Property.

(i) Employee confirms and ratifies his obligations imposed by Section 9 of the Employment Agreement. On and after the Termination Date, Employee will not, directly or indirectly, create, develop, adopt, license or otherwise use any intellectual property, including, without limitation, any copyright, trademark, service mark, mark, brand or trade secret (or anything which is similar thereto and/or a derivative thereof) that Employer has used or currently uses or that Employee has reason to know is being contemplated for future use by Employer, with such prohibited use including use as a portion of or the entire design, brand, trademark, service mark, title, domain name, Facebook name, Twitter handle or other social media name or handle. Employee agrees that all such intellectual property is owned by Employer and Employee waives all claims to such intellectual property.

(e) Ongoing Obligations Under the Employment Agreement. **Employee acknowledges and agrees that his obligations under the Business Protection Covenants (as defined in Section 9(a) of the Employment Agreement) are not affected by this Agreement and remain in full force and effect.**

5. Remedies in the Event of Breach.

(a) General. In the event that a Party breaches or threatens to breach any covenant, agreement, obligation, representation or warranty made in this Agreement, such Party agrees to pay the non-breaching Party's attorneys' fees and other costs and expenses incurred by the non-breaching Party in connection with such breach or threatened breach, including, without limitation, the fees and costs incurred in seeking to obtain injunctive relief or other damages with respect to the breach or threatened breach.

(b) Breach by Employee. In addition to the remedies specified in *Section 5(a)*, if Employee breaches or threatens to breach any covenant, agreement, obligation, representation or warranty made in this Agreement, then Company's obligations under *Section 2(b)* of this Agreement shall immediately terminate and Company shall have the right to recover all payments made to or for the benefit of Employee thereunder, but Employee's obligations under this Agreement shall remain in full force and effect; *provided, however*, that the foregoing shall apply in the event of a breach or threatened breach of any covenant, agreement or obligation, representation or warranty that relates to a claim under the Age Discrimination in Employment Act (the "ADEA") only if and to the extent permitted by the ADEA.

The foregoing remedies shall be in addition to, and not in lieu of, any other remedy, at law or in equity, that the non-breaching Party may have in connection with the breach or threatened breach.

6. Miscellaneous.

(a) No Representations by Company. Employee acknowledges and agrees that Employer has made no representations or promises to him except as expressly set forth herein.

(b) No Admission. This Agreement is entered into by the Parties for settlement purposes only and does not constitute an admission of wrongdoing of any kind.

(c) Entire Agreement. This Agreement constitutes and expresses the entire agreement of the Parties with respect to the subject matter hereof, and there are no representations, inducements, promises, agreements, arrangements, or undertakings oral or written, between the Parties other than those set forth herein. Any and all prior agreements or understandings with respect to such matters are hereby superseded.

(d) Compliance with Law. Notwithstanding anything in this Agreement to the contrary, any payments made to Employee pursuant to this Agreement, or otherwise, are subject to and conditioned upon their compliance with all laws, rules, regulations and other regulatory pronouncements applicable to Employer, Employee and this Agreement, as such statutory provision and regulations may be amended, superseded and/or replaced from time to time. Employer may amend, modify, suspend or terminate this Agreement, or any provision hereof, without the consent of Employee, as Employer deems necessary or appropriate to ensure compliance with any such laws, rules, regulations and/or other regulatory pronouncements.

(e) Compliance with Code Section 409A. Without limiting the scope of *Section 6(d)* hereof, this Agreement is intended to comply with, or otherwise be exempt from, Code Section 409A (as defined in 12(a) of the Employment Agreement), and, except to the extent expressly provided otherwise herein, Section 12(a) of the Employment Agreement shall apply to this Agreement and the payments contemplated hereunder as if such Section 12(a) were originally included herein. If a payment due to Employee under this Agreement constitutes “deferred compensation” (as defined in Treasury Regulation Section 1.409A-1(b)(1), after giving effect to the exemptions in Treasury Regulation Sections 1.409A-1(b)(3) through (b)(12)) and such payment is scheduled to be paid within six months after the Termination Date, then such payment shall be paid within 15 calendar days after the end of the six-month period that begins on the Termination Date. If Employee dies prior to the date that payments are required to commence in accordance with the previous sentence, then payment shall be made in a lump sum within 15 calendar days after the appointment of the personal representative or executor of Employee’s estate following his death.

(f) Amendment. Except as provided in *Section 6(d)* hereof and Section 15(a) of the Employment Agreement, no provision in this Agreement may be amended unless such amendment is agreed to in writing and signed by all Parties.

(g) Waiver. The rights and remedies provided for herein are cumulative and not exclusive of any right or remedy that may be available to any Party whether at law, in equity, or otherwise. No delay, forbearance, or neglect by any Party, whether in one or more instances, in the exercise or any right, power, privilege, or remedy hereunder or in the enforcement of any term or condition of this Agreement shall constitute or be construed as a waiver thereof. No waiver of any provision hereof, or consent required hereunder, or any consent or departure from this Agreement, shall be valid or binding unless expressly and affirmatively made in writing and duly executed by the Party to be charged with such waiver. No waiver shall constitute or be construed as a continuing waiver or a waiver in respect of any subsequent breach or default, either of similar or different nature, unless expressly so stated in such writing.

(h) Notices. Any notice or other communication required or permitted to be given to a Party shall be in writing and addressed to such Party as set forth below. Notices shall be effective when actually delivered by any commercially reasonable means, provided that if such delivery occurs on any day other than a business day or after the close of business on any business day, the same shall be effective on the next business day. Further, notices sent by certified or registered mail, return receipt requested, or by nationally recognized express courier service, shall be effective on the earlier of (i) actual delivery or (ii) refusal to accept delivery or on failure of delivery because the recipient address is not open to receive deliveries between 9:00 a.m. and 5:00 p.m., Eastern Standard Time, on any business day. Notices sent by facsimile or other electronic means shall be effective only if also sent by nationally recognized express courier service for delivery on the next business day. All notices and other communications shall be addressed as follows:

if to Employer:

President
Harford Bank
8 West Bel Air Avenue
Aberdeen, Maryland 21001; and

if to Employee:

Neil L. Christ

_____, Maryland _____.

(i) Governing Law; Waiver of Jury Trial; Venue and Jurisdiction. This Agreement has been made in and shall be governed by and construed in accordance with the laws of the State of Maryland, exclusive of any conflicts of law principle which would apply the law of another jurisdiction, and, to the extent applicable, the laws of the United States, whether as to its validity, construction, capacity, performance or otherwise. **THE PARTIES HEREBY WAIVE TRIAL BY JURY IN ANY ACTION ARISING UNDER THIS AGREEMENT.** Any judicial proceeding arising out of or relating to this Agreement (including any declaratory judgments) shall, if it is to be filed in State court, be filed exclusively in the State courts located in Harford County, Maryland or, if is to be filed in Federal court, be filed exclusively in the Federal courts located in Maryland, and each Party hereby consents to, and will submit to, the personal and subject matter jurisdiction of such courts in any proceeding to enforce any of its obligations under this Agreement and shall not contend that any such court is an improper or inconvenient venue. The foregoing shall not limit the right of any Party to obtain execution of judgment in any other jurisdiction.

(j) Blue Pencil. It is the desire and intent of the Parties that the provisions contained in each *Section* of this Agreement, and within the *subsections* of such *Sections*, especially (but in no way limited to) those provisions of *Section 4* and *Section 5*, are intended to be separate and divisible and shall be enforced to the fullest extent permissible under applicable laws and public policies. Accordingly, if any portion of any provision of this Agreement shall be adjudicated by a court of competent jurisdiction to be invalid or unenforceable, then (i) such

portion shall not be held to affect the validity of any other provision contained in this Agreement, and (ii) such portion shall be deemed amended either to conform to such restrictions as such court may allow, or to delete therefrom or reform the portion thus adjudicated to be invalid and unenforceable. The Parties hereby expressly request and authorize any court of competent jurisdiction to modify any provision of this Agreement if necessary to render it enforceable, in such manner as to preserve as much as possible the Parties' original intentions, as expressed therein, with respect to the scope thereof.

(a) Headings; Construction. The headings of Sections and subsections contained in this Agreement are provided for convenience only. They form no part of this Agreement and shall not affect its construction or interpretation. All references to Sections, subsections, paragraphs, clauses or other subdivisions in this Agreement refer to the corresponding Sections, subsections, paragraphs, clauses or other subdivisions of this Agreement. All words used in this Agreement shall be construed to be of such gender or number as the circumstances require. Unless otherwise specifically noted, the words "*herein*", "*hereof*", "*hereby*", "*hereunder*" and words of similar import refer to this Agreement as a whole and not to any particular Section, subsection, paragraph, clause or other subdivision of this Agreement. This Agreement is the product of informed negotiations between Employee and Employer. If any part of this Agreement is deemed to be unclear or ambiguous, it shall be construed as if it were drafted jointly by all Parties.

(b) Counterparts/Facsimile. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of an original of this Agreement for all purposes. Signatures of the Parties transmitted by facsimile or PDF transmission shall be deemed to be their original signatures for all purposes.

7. Consideration and Revocation Period.

YOU (EXECUTIVE) HAVE TWENTY-ONE (21) CALENDAR DAYS FROM THE DATE OF YOUR RECEIPT OF THIS AGREEMENT TO CONSIDER THIS AGREEMENT BEFORE YOU SIGN IT. YOU MAY SIGN THIS AGREEMENT EARLIER IF YOU WISH, BUT THE DECISION IS ENTIRELY YOURS. ONCE YOU SIGN THIS AGREEMENT, YOU HAVE SEVEN (7) CALENDAR DAYS AFTER SIGNING TO REVOKE IT, AND THIS AGREEMENT SHALL NOT BECOME EFFECTIVE OR ENFORCEABLE UNTIL THE EXPIRATION OF THAT SEVEN (7) CALENDAR DAY PERIOD.

TO REVOKE THIS AGREEMENT, YOU MUST DELIVER YOUR WRITTEN REVOCATION TO THE EMPLOYER AS PROVIDED IN SECTION 6(h) OF THIS AGREEMENT DURING SUCH SEVEN (7) DAY PERIOD. YOU ARE ADVISED TO CONSULT WITH AN ATTORNEY OF YOUR OWN CHOOSING AND AT YOUR OWN EXPENSE PRIOR TO EXECUTING THIS AGREEMENT. THE AGREEMENT, AMONG OTHER THINGS, WAIVES RIGHTS THAT YOU MAY HAVE UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT. NOTHING IN THIS

AGREEMENT WAIVES RIGHTS OR CLAIMS UNDER THE ADEA THAT MAY ARISE AFTER THE DATE THAT THIS AGREEMENT IS EXECUTED.

IN THE EVENT THAT YOU DO NOT ACCEPT THIS AGREEMENT, BY YOUR SIGNATURE ON AND RETURN OF THE ENCLOSED COPY OF THIS AGREEMENT NOT LATER THAN TWENTY-ONE (21) CALENDAR DAYS FROM THE DATE OF YOUR RECEIPT OF THIS AGREEMENT, OR, IN THE EVENT THAT YOU DO ACCEPT THIS AGREEMENT BUT SUBSEQUENTLY REVOKE IT WITHIN SEVEN (7) CALENDAR DAYS AFTER SIGNING IT, THE EMPLOYER'S OFFER TO ENTER INTO THIS AGREEMENT WILL BE WITHDRAWN AND WILL NOT BE REINSTATED, AND THIS AGREEMENT WILL NOT BECOME EFFECTIVE OR ENFORCEABLE.

YOU AGREE THAT ANY MODIFICATION, MATERIAL OR OTHERWISE, MADE TO THIS AGREEMENT DOES NOT RESTART OR AFFECT IN ANY MANNER THE ORIGINAL TWENTY-ONE (21) CALENDAR DAY CONSIDERATION PERIOD.

HAVING ELECTED TO EXECUTE THIS AGREEMENT, TO FULFILL THE PROMISES AND TO RECEIVE THE SUMS AND BENEFITS STATED HEREIN, YOU FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTER INTO THIS AGREEMENT INTENDING TO WAIVE, SETTLE AND RELEASE ALL CLAIMS YOU HAVE OR MIGHT HAVE AGAINST THE EMPLOYER AND THE RELEASED PARTIES AS PROVIDED HEREIN.

THIS AGREEMENT CONTAINS A RELEASE AND AN AGREEMENT NOT TO SUE. PLEASE READ BEFORE SIGNING.

[Signatures Appear on Next Page]

[Signature Page]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the dates set forth below.

WITNESS:

EMPLOYEE:

Neil L. Christ

Date: _____

WITNESS:

EMPLOYER:

HARFORD BANK

By: _____

Name:

Title:

Date: _____