

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

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

For the fiscal year ended December 31, 2023
or

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

For the transition period from to

Commission File Number: 1-9047

Independent Bank Corp .

(Exact name of registrant as specified in its charter)

MA

(State or other jurisdiction of
incorporation or organization)

04-2870273

(I.R.S. Employer
Identification No.)

Office Address: 2036 Washington Street, Hanover, MA 02339
Mailing Address: 288 Union Street, Rockland, MA 02370
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code:
(781) 878-6100

Title of each Class	Securities registered pursuant to Section 12(b) of the Act:	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	Trading Symbol INDB	NASDAQ Global Select Market

Securities registered pursuant to section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

INDEPENDENT BANK CORP.
2023 ANNUAL REPORT ON FORM 10-K
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Cautionary Statement Regarding Forward-Looking Statements

This Annual Report on Form 10-K (this "Report"), including Management's Discussion and Analysis of Financial Condition and Results of Operations and elsewhere, contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are not historical facts and include expressions about management's confidence and strategies and management's expectations about new and existing programs and products, acquisitions, relationships, opportunities, taxation, technology, market conditions and economic expectations. These statements may be identified by forward-looking terminology such as "should," "could," "will," "may," "expect," "believe," "forecast," "view," "opportunity," "allow," "continues," "reflects," "typically," "usually," "anticipate," "estimate," "intend," or similar statements or variations of such terms. Such forward-looking statements involve risks and uncertainties and our actual results may differ from such forward-looking statements. Factors that may cause actual results to differ materially from those contemplated by such forward-looking statements include, but are not limited to, the following:

- *adverse economic conditions in the regional and local economies within the New England region and the Company's market area;*
- *events impacting the financial services industry, including high profile bank failures, and any resulting decreased confidence in banks among depositors, investors, and other counterparties, as well as competition for deposits, significant disruption, volatility and depressed valuations of equity and other securities of banks in the capital markets;*
- *the effects to the Company of an increasingly competitive labor market, including the possibility that the Company will have to devote significant resources to attract and retain qualified personnel;*
- *the instability or volatility in financial markets and unfavorable domestic or global general economic, political or business conditions, whether caused by geopolitical concerns, including the Russia/Ukraine conflict, the conflict in Israel and surrounding areas and the possible expansion of such conflicts, changes in U.S. and international trade policies, or other factors, and the potential impact of such factors on the Company and its customers, including the potential for decreases in deposits and loan demand, unanticipated loan delinquencies, loss of collateral and decreased service revenues;*
- *unanticipated loan delinquencies, loss of collateral, decreased service revenues, and other potential negative effects on the Company's local economies or the Company's business caused by adverse weather conditions and natural disasters, changes in climate, public health crises or other external events and any actions taken by governmental authorities in response to any such events;*
- *adverse changes or volatility in the local real estate market;*
- *changes in interest rates and any resulting impact on interest earning assets and/or interest bearing liabilities, the level of voluntary prepayments on loans and the receipt of payments on mortgage-backed securities, decreased loan demand or increased difficulty in the ability of borrowers to repay variable rate loans;*
- *acquisitions may not produce results at levels or within time frames originally anticipated and may result in unforeseen integration issues or impairment of goodwill and/or other intangibles;*
- *the effect of laws, regulations, new requirements or expectations, or additional regulatory oversight in the highly regulated financial services industry, including as a result of intensified regulatory scrutiny in the aftermath of certain bank failures in 2023 and the resulting need to invest in technology to meet heightened regulatory expectations, increased costs of compliance or required adjustments to strategy;*
- *changes in trade, monetary and fiscal policies and laws, including interest rate policies of the Board of Governors of the Federal Reserve System;*
- *higher than expected tax expense, including as a result of failure to comply with general tax laws and changes in tax laws;*
- *increased competition in the Company's market areas, including competition that could impact deposit gathering, retention of deposits and the cost of deposits, increased competition due to the demand for innovative products and service offerings, and competition from non-depository institutions which may be subject to fewer regulatory constraints and lower cost structures;*
- *a deterioration in the conditions of the securities markets;*
- *a deterioration of the credit rating for U.S. long-term sovereign debt or uncertainties surrounding the federal budget;*
- *inability to adapt to changes in information technology, including changes to industry accepted delivery models driven by a migration to the internet as a means of service delivery, including any inability to effectively implement new technology-driven products, such as artificial intelligence;*
- *electronic or other fraudulent activity within the financial services industry, especially in the commercial banking sector;*
- *adverse changes in consumer spending and savings habits;*

- the effect of laws and regulations regarding the financial services industry, including the need to invest in technology to meet heightened regulatory expectations or introduction of new requirements or expectations resulting in increased costs of compliance or required adjustments to strategy;
- changes in laws and regulations (including laws and regulations concerning taxes, banking, securities and insurance) generally applicable to the Company's business and the associated costs of such changes;
- the Company's potential judgments, claims, damages, penalties, fines and reputational damage resulting from pending or future litigation and regulatory and government actions;
- changes in accounting policies, practices and standards, as may be adopted by the regulatory agencies as well as the Public Company Accounting Oversight Board, the Financial Accounting Standards Board, and other accounting standard setters;
- operational risks related to cyber threats, attacks, intrusions, and fraud which could lead to interruptions or disruptions of the Company's operating systems, including systems that are customer facing, and adversely impact the Company's business;
- any unexpected material adverse changes in the Company's operations or earnings; and
- the other risks described in the section entitled "Risk Factors" in Part I, Item 1A and elsewhere in this Report.

Except as required by law, the Company disclaims any intent or obligation to update publicly any such forward-looking statements, whether in response to new information, future events or otherwise. Any public statements or disclosures made by the Company following the date of this Report which modify or impact any of the forward-looking statements contained in this Report will be deemed to modify or supersede such statements in this Report.

PART I

ITEM 1. BUSINESS

General

Independent Bank Corp. (the "Company") is a state chartered, federally registered bank holding company headquartered in Rockland, Massachusetts that was incorporated under Massachusetts law in 1985. The Company is the sole stockholder of Rockland Trust Company ("Rockland Trust" or the "Bank"), a Massachusetts trust company chartered in 1907. The Bank provides a wide range of banking, investment and financial services, operating with over 120 retail branches, as well as a network of commercial and residential lending centers, and investment management offices primarily in Eastern Massachusetts, Worcester County, and Rhode Island. Rockland Trust also offers a full suite of mobile, online, and telephone banking services. At December 31, 2023, the Company had total assets of \$19.3 billion, total deposits of \$14.9 billion, and stockholders' equity of \$2.9 billion.

Subsidiaries

At December 31, 2023, Independent Bank Corp.'s consolidated subsidiaries included the Company's banking subsidiary, Rockland Trust, which is the Company's only reportable operating segment. Rockland Trust had the following wholly-owned corporate subsidiaries:

- Six Massachusetts security corporations, namely Rockland Borrowing Collateral Securities Corp., Rockland Deposit Collateral Securities Corp., Taunton Avenue Securities Corp., Goddard Ave Securities Corp., MFLR Securities Corporation, and B.H. Security Corporation;
- RTC LIHTC Investments LLC and Rockland MHEF Fund LLC, established to invest primarily in Massachusetts-based low-income housing tax credit projects;
- Rockland Trust Phoenix LLC, formed for the purpose of holding, maintaining, and disposing of certain foreclosed properties;
- Bright Rock Capital Management LLC, which was established to act as a registered investment advisor under the Investment Advisors Act of 1940; and
- Compass Exchange Advisors LLC, which was established to provide like-kind exchange services pursuant to section 1031 of the Internal Revenue Code. The like-kind exchange services provided in connection with this entity ceased during 2023.

In addition, the Company is currently the sponsor of Independent Capital Trust V, a Delaware statutory trust, Central Bancorp Capital Trust I, a Delaware statutory trust, and Central Bancorp Statutory Trust II, a Connecticut statutory trust, each of which was formed to issue trust preferred securities. These statutory trusts are not included in the Company's consolidated financial statements.

Market Area and Competition

The Bank contends with considerable competition both in generating loans and attracting deposits. The Bank's competition for generating loans is primarily from other commercial banks, savings banks, credit unions, mortgage banking companies, finance companies, online lenders or online banks, and other institutional lenders. Competitive factors considered for loan generation include interest rates, terms offered, loan fees charged, loan products offered, services provided, and geographic locations and a simplified application process.

In attracting deposits, the Bank's primary competitors are savings banks, commercial and co-operative banks, credit unions, internet banks, as well as other nonbank institutions that offer financial alternatives such as brokerage firms and insurance companies. Competitive factors considered in attracting and retaining deposits include deposit and investment products and their respective rates of return, brand awareness, liquidity, and risk, among other factors, such as convenient branch locations and hours of operation, personalized customer service, online and mobile access to accounts and automated teller machines.

The Bank's market area is attractive and entry into the market area by financial institutions previously not competing there has occurred and may continue to occur, which could impact the Bank's growth or profitability. The Bank's primary footprint for branch presence and deposit gathering is generally comprised of Eastern Massachusetts and Worcester County.

Lending Activities

The Bank's gross loan portfolio (loans before allowance for credit losses) amounted to \$14.3 billion on December 31, 2023, or 73.8% of total assets. The Bank's borrowers primarily consist of small-to-upper middle market sized businesses and consumers. Substantially all of the Bank's commercial, consumer real estate, and other consumer loan portfolios consist of loans made to residents of and businesses located in the Bank's market area. The majority of the real estate loans in the Bank's loan portfolio are secured by properties located within this market area.

Although the Bank analyzes the creditworthiness of its borrowers, the risk of deterioration in the ability of borrowers to repay their loans in accordance with their existing loan agreements is inherent in any lending function. Loans are approved based upon a hierarchy of authority, predicated upon the size of the loan, quality of collateral and perceived level of risk. Levels within the hierarchy of lending authorities range from individual lenders to the Loan Approval Committee levels. In accordance with federal and state banking law, the Bank is permitted, with certain exceptions, to make loans and commitments to any one borrower, including related entities, in the aggregate amount of not more than 20% of the Bank's stockholders' equity, or \$584.2 million at December 31, 2023, which is the Bank's legal lending limit. Notwithstanding the foregoing, the Bank has established a more restrictive limit, which may only be exceeded with the approval of the Board of Directors (the "Board"). There were no borrowers whose total indebtedness in aggregate exceeded the Bank's self-imposed restrictive limit. The Bank's largest relationship as of December 31, 2023 consisted of 11 loans with an aggregate exposure of \$171.8 million.

Loan Portfolio The following table shows the balance of the gross average loan portfolio by category, the percentage of the gross average loan portfolio, and the percentage of total interest income that the loans generated, by category, for the fiscal years indicated:

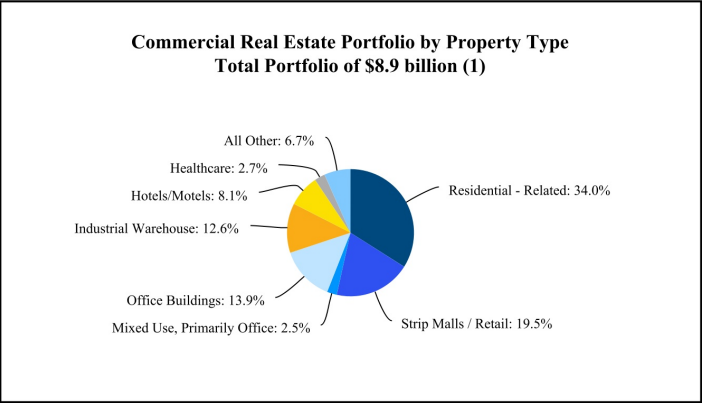
	Average Balance for the Year Ended December 31, 2023	% of Total Loans	% of Total Interest Income Generated for the Years Ended December 31,		
			2023	2022	2021
	(Dollars in thousands)				
Commercial	\$ 10,741,394	76.3 %	71.5 %	72.9 %	71.8 %
Consumer real estate	3,311,517	23.5 %	20.0 %	16.7 %	19.6 %
Other consumer	31,202	0.2 %	0.3 %	0.3 %	0.4 %
Total	\$ 14,084,113	100.0 %	91.8 %	89.9 %	91.8 %

Commercial Loans Commercial loans consist of commercial real estate loans, commercial construction loans, commercial and industrial loans, and small business loans (which generally consist of loans to businesses with commercial credit needs of less than or equal to \$750,000). The Bank offers secured and unsecured commercial loans for business purposes. Commercial loans may be structured as term loans or as revolving/nonrevolving lines of credit, and include overdraft protection and letters of credit. Secured loans may be collateralized by either owner or nonowner-occupied commercial mortgages or other assets.

The Bank's commercial real estate portfolio, inclusive of commercial construction, is the Bank's largest loan type concentration. The Bank believes this portfolio is well diversified with loans secured by a variety of property types, such as owner-occupied and nonowner-occupied commercial real estate, retail, office, industrial, warehouse, industrial development bonds and other special purpose properties, such as hotels, motels, nursing homes, restaurants, churches, and recreational facilities. The portfolio also includes loans secured by certain residential-related property types including multi-family apartment buildings, residential development tracts and condominiums. Although terms vary, commercial real estate loans typically are underwritten with maturities up to ten years. These loans generally have amortization periods of 20 to 30 years. It is the Bank's practice to obtain personal guarantees from the principals of the borrower on commercial real estate loans and to obtain financial statements at least annually from all commercial real estate borrowers. Construction loans within this category present a degree of risk and may be affected by a variety of factors, such as adverse changes in interest rates and the borrower's ability to control costs and adhere to time schedules. Development of commercial real estate projects also may be subject to numerous land use and environmental issues. The payment experience on nonowner-occupied commercial real estate projects is typically dependent on the successful operation of the real estate project, which can be significantly impacted by supply and demand conditions within the markets for commercial, retail, office, industrial/warehouse and multi-family tenancy. The

current environment has created additional considerations over office exposure as the development of hybrid work environments may reduce demand for large office spaces and as a result potentially reduce the valuation of collateral to loans within this property type. Amongst other actions, management is actively monitoring upcoming maturities within this subset of loans.

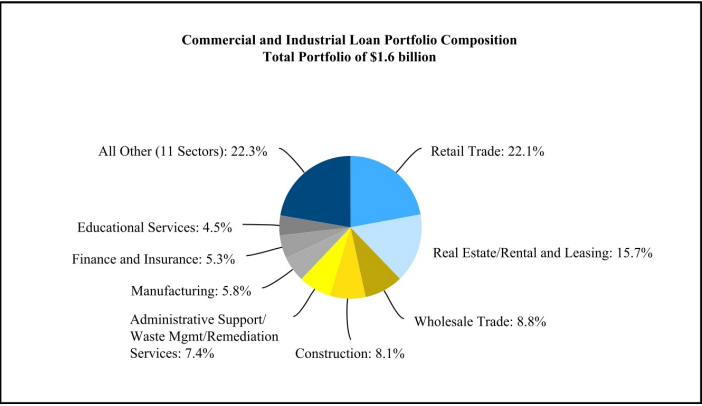
The following pie chart shows the diversification of the commercial real estate portfolio as of December 31, 2023:



(1) Included in the total commercial real estate portfolio balance is \$1.3 billion, or 15.1%, of owner occupied commercial real estate loans.

Select Statistics Regarding the Commercial Real Estate Portfolio		
(Dollars in thousands)		
Average loan size	\$	1,618
Largest individual commercial real estate mortgage outstanding	\$	61,826
Commercial real estate nonperforming loans/commercial real estate loans		0.26 %

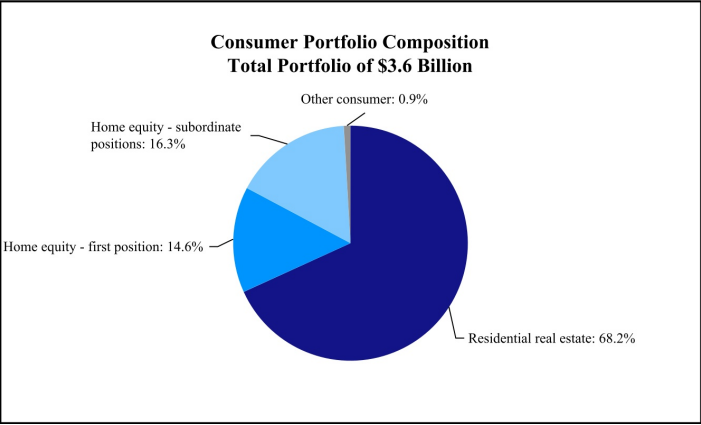
Commercial and industrial loans consist of both term loans and revolving or non-revolving lines of credit. Term loans generally have a repayment schedule of five years or less and are collateralized by equipment, machinery or other business assets. In addition, the Bank generally obtains personal guarantees from the principal owners of the borrower for its commercial and industrial loans. Lines of credit, including asset-based lines, are typically collateralized by accounts receivable, inventory, or both, as well as other business assets. Commercial lines of credit and asset based lines generally are reviewed on an annual basis and usually require either a borrowing base formula or reflect varying levels of repayment of principal during the course of a year. Additionally, other commercial term loans are typically secured by machinery and equipment, and/or owner occupied commercial real estate. To limit the risk within this portfolio, the loans are made across a diverse set of industry groups. The following pie chart shows the diversification of the commercial and industrial portfolio as of December 31, 2023:



Select Statistics Regarding the Commercial and Industrial Portfolio		
	(Dollars in thousands)	
Average loan size (excluding floor plan tranches)	\$	399
Largest individual commercial and industrial loan outstanding	\$	36,820
Commercial and industrial nonperforming loans/commercial and industrial loans		1.28 %

Consumer Loans The Bank's consumer portfolio consists of real estate loans comprised of residential mortgages and home equity loans and lines, all secured by one-to-four family residential properties, as well as other consumer loans. Residential mortgages are offered in amounts based on up to 97% of the lesser of the appraised value of the residential property securing the loan or the purchase price, and generally requires borrowers to obtain private mortgage insurance when the amount of the loan exceeds 80% of the value of the property. The Bank's residential real estate loans are generally originated under terms, conditions and documentation which permit sale in the secondary market. In order to protect the properties securing its residential and other real estate loans, the Bank requires title insurance protecting the priority of its mortgage lien, as well as fire, extended casualty, and flood insurance, when necessary. Independent appraisers assess properties securing all of the Bank's first mortgage real estate loans, as required by regulatory standards. Home equity loans and lines may be secured by a first or second mortgage on the borrower's residence, second home or residential investment properties. The Bank will typically originate home equity loans and lines in an amount up to 80% of the appraised value, hybrid valuation methods or automated valuation methods, reduced for any loans outstanding that are secured by such collateral. Other consumer loans primarily

consist of investment management secured lines of credit, installment loans and overdraft protection lines. The consumer real estate loan portfolio at December 31, 2023 was as follows:



Select Statistics Regarding the Consumer Portfolio		
	(Dollars in thousands)	
Average loan size	\$	111
Largest individual consumer loan outstanding	\$	5,043
Consumer nonperforming loans/consumer loans		0.31 %

Sources of Funds

The Bank's primary sources of funds are derived from deposits and to a lesser extent, borrowings as well as the amortization, prepayment, and maturities of loans and securities.

Deposits obtained through the Bank's branch banking network have traditionally been the principal source of the Bank's funds for use in lending and for other general business purposes. The Bank has built a stable base of in-market core deposits from consumers, businesses, and municipalities. The Bank offers a range of demand deposits, interest checking, money market accounts, savings accounts, and time certificates of deposit, including free checking accounts with no minimum balance and no monthly fees. Interest rates on deposits are based on factors that include loan demand, deposit maturities, alternative costs of funds, and interest rates offered by competing financial institutions in the Bank's market area. The Bank believes it has been able to attract and maintain satisfactory levels of deposits based on the level of service it provides to its customers, the convenience of its banking locations, its electronic banking options, and its interest rates, all of which are generally competitive with those of competing financial institutions.

Rockland Trust's 123 branch locations feature expanded use of video-tellers, and are supplemented by internet and mobile banking services as well as automated teller machine ("ATM") cards and debit cards which may be used to conduct various banking transactions at ATMs maintained at each of the Bank's full-service offices and 28 additional remote ATM locations. The ATM cards and debit cards also allow customers access to a variety of national and international ATM networks. The Bank's mobile banking services give customers the ability to use a variety of mobile devices to check balances, track account activity, pay bills, search transactions, and set up alerts for text or e-mail messages for changes in their account.

Customers can also transfer funds between Rockland Trust accounts, deposit checks into their account, and identify the nearest branch or ATM directly from their mobile device. Rockland Trust also offers person-to-person payment capabilities, allowing for simple and secure funds transfers between most banks and credit unions.

Regulation

The following discussion sets forth certain material elements of the regulatory framework applicable to bank holding companies and their subsidiaries and provides certain specific information relevant to the Company. To the extent that the following information describes statutory and regulatory provisions, it is qualified in its entirety by reference to the particular statutory and regulatory provisions. A change in applicable statutes, regulations or regulatory policy may have a material effect on the Company's business. The laws and regulations governing the Company and the Bank that are described in the following discussion generally have been promulgated to offer protection to customers, including depositors and borrowers and not for the purpose of protecting shareholders.

General The Company is registered as a bank holding company under the Bank Holding Company Act of 1956, as amended (the "BHCA"), and as such is subject to regulation by the Board of Governors of the Federal Reserve System (the "Federal Reserve"). Rockland Trust is subject to regulation and examination by the Commissioner of Banks of the Commonwealth of Massachusetts (the "Commissioner") and the FDIC.

The Bank Holding Company Act The BHCA prohibits the Company from acquiring direct or indirect ownership or control of 5% or more of any class of voting shares of any bank, or increasing such ownership or control of any bank, without prior approval of the Federal Reserve. The BHCA also prohibits the Company from, with certain exceptions, acquiring 5% or more of any class of voting shares of any company that is not a bank and from engaging in any business other than banking or managing or controlling banks.

Under the BHCA, the Federal Reserve is authorized to approve the ownership by the Company of shares in any company, the activities of which the Federal Reserve has determined to be so closely related to banking or to managing or controlling banks as to be a proper incident thereto. The Federal Reserve has, by regulation, determined that some activities are closely related to banking within the meaning of the BHCA. These activities include, but are not limited to, operating a mortgage company, finance company, credit card company, factoring company, trust company or savings association; performing data processing operations; providing some securities brokerage services; acting as an investment or financial adviser; acting as an insurance agent for types of credit-related insurance; engaging in insurance underwriting under limited circumstances; leasing personal property on a full-payout, nonoperating basis; providing tax planning and preparation services; operating a collection agency and a credit bureau; and providing consumer financial counseling and courier services. The Federal Reserve also has determined that other activities, including real estate brokerage and syndication, land development, property management and, except under limited circumstances, underwriting of life insurance not related to credit transactions, are not closely related to banking and are not a proper incident thereto.

Capital Requirements The Federal Reserve has established rules covering a capital framework for U.S. banking organizations, referred to herein as the "Rules". The FDIC has adopted substantially identical rules.

Under the Rules, the minimum capital ratios for the Company and the Bank are as follows:

- 4.5% Common Equity Tier 1 ("CET1") to risk-weighted assets.
- 6.0% Tier 1 capital (i.e., CET1 plus Additional Tier 1) to risk-weighted assets.
- 8.0% Total capital (i.e., Tier 1 plus Tier 2) to risk-weighted assets.
- 4.0% Tier 1 leverage capital ratio.

The Rules also require the Company and the Bank to maintain a "capital conservation buffer" in an amount greater than 2.5%, on top of the minimum risk-weighted asset ratios. The capital conservation buffer is designed to absorb losses during periods of economic stress. Banking institutions that meet the minimum capital requirements of 4.5%, 6.0% and 8.0% for CET1, Tier 1 and Total capital, respectively, but fall below the capital conservation buffer, will face constraints on capital distributions and discretionary bonus payments to executive officers based on the amount of the shortfall. The capital conservation buffer effectively increases the minimum CET1 capital ratio to 7.0%, the minimum Tier 1 risk-based capital ratio to 8.5%, and the minimum total risk-based capital ratio to 10.5%, for banking organizations seeking to avoid the limitations on capital distributions and discretionary bonus payments to executive officers. The Company and the Bank maintain all capital ratios above the required capital conservation buffer of 2.5%.

Pursuant to Section 38 of the Federal Deposit Insurance Act, federal banking agencies are required to take "prompt corrective action" if an insured depository institution fails to meet certain capital adequacy standards. The following table summarizes the minimum capital levels under the Rules:

Category	Bank						Holding Company					
	Total Risk-Based Ratio		Tier 1 Risk-Based Ratio		Common Equity Tier 1 Capital	Tier 1 Leverage Capital Ratio	Total Risk-Based Ratio		Tier 1 Risk-Based Ratio		Common Equity Tier 1 Capital	Tier 1 Leverage Capital Ratio
Well capitalized	≥ 10%	and	≥ 8%	and	≥ 6.5%	≥ 5%	n/a		n/a		≥ 6.5%	n/a
Adequately capitalized	≥ 8%	and	≥ 6%	and	≥ 4.5%	≥ 4%	≥ 8%	and	≥ 6%	and	≥ 4.5%	≥ 4%
Undercapitalized	< 8%	or	< 6%	or	< 4.5%	< 4%	< 8%	or	< 6%	or	n/a	< 4%
Significantly undercapitalized	< 6%	or	< 4%	or	< 3%	< 3%	n/a		n/a		n/a	n/a

The Company is currently in compliance with the above-described regulatory capital requirements. See *Note 18, "Regulatory Matters"* within the Notes to the Consolidated Financial Statements included in Item 8 of this Report for more information.

FDIC Deposit Insurance The Bank's deposit accounts are insured to the maximum extent permitted by law by the Deposit Insurance Fund, which is administered by the FDIC. The FDIC offers insurance coverage on deposits up to the federally insured limit of \$250,000.

The Bank is currently assessed a deposit insurance charge from the FDIC based upon the Bank's overall assessment base multiplied by an assessment rate, determined in part from five established risk categories. The Bank's assessment base is defined as average consolidated total assets minus average tangible equity, adjusted for the impact of the risk category factors.

Additionally, on November 16, 2023, the FDIC Board of Directors approved a final rule to implement a special assessment to recover the loss to the Deposit Insurance Fund ("DIF") associated with protecting uninsured depositors following the closures of three prominent financial institutions in 2023. The Federal Deposit Insurance Act ("FDI Act") requires the FDIC to take this action in connection with the systemic risk determination announced on March 12, 2023. The charge is determined by applying the assessment rate to the Bank's assessment base, which is defined as the estimated uninsured deposits exceeding \$5 billion at December 31, 2022. The Company expensed \$1.1 million in 2023 as an estimated special assessment, which is expected to be paid over eight quarters beginning in the first quarter of 2024.

Community Reinvestment Act ("CRA") Pursuant to the CRA and similar provisions of Massachusetts law, regulatory authorities review the performance of the Company and the Bank in meeting the credit needs of the communities served by the Bank. The applicable regulatory authorities consider compliance with this law in connection with applications for, among other things, approval of new branches, branch relocations, the engagement in certain additional financial activities under the Gramm-Leach-Bliley Act, and acquisitions of banks and bank holding companies. The FDIC and the Massachusetts Division of Banks have assigned the Bank a CRA rating of "Outstanding" as of the latest examination.

Anti-Money Laundering Act of 2020 The Anti-Money Laundering Act of 2020, enacted on January 1, 2021 as part of the National Defense Authorization Act, does not directly impose new requirements on banks, but requires the U.S. Treasury to issue National Anti-Money Laundering and Countering the Financing of Terrorism Priorities, and conduct studies and issue regulations that may, over the next few years, significantly alter some of the due diligence, recordkeeping and reporting requirements that the Bank Secrecy Act and Patriot Act impose on banks. The Anti-Money Laundering Act of 2020 also contains provisions that promote increased information-sharing and use of technology and increases penalties for violations of the Bank Secrecy Act and includes whistleblower incentives, both of which could increase the prospect of regulatory enforcement.

Bank Secrecy Act The Bank Secrecy Act requires financial institutions to monitor account activity, keep records and file reports that are determined to have a high degree of usefulness in criminal, tax and regulatory matters, and to implement anti-money laundering programs and compliance procedures.

USA Patriot Act The Patriot Act strengthens U.S. law enforcement's and the intelligence communities' abilities to work cohesively to combat terrorism on a variety of fronts. The impact of the Patriot Act on financial institutions of all kinds is significant and wide-ranging. The Patriot Act contains sweeping anti-money laundering and financial transparency laws and imposes various regulations, including standards for verifying client identification at account opening, and rules to promote cooperation among financial institutions, regulators and law enforcement entities in identifying parties that may be involved in terrorism or money laundering.

Office of Foreign Assets Control Regulation ("OFAC") The U.S. Treasury Department's "OFAC" administers and enforces economic and trade sanctions against targeted foreign countries and regimes, under authority of various laws, including designated foreign countries, nationals and others. OFAC publishes lists of specially designated targets and countries. The Company and the Bank are responsible for, among other things, blocking accounts of, and transactions with, such targets and countries, prohibiting unlicensed trade and financial transactions with them and reporting blocked transactions after their occurrence. Failure to comply with these sanctions could have serious legal and reputational consequences, including causing applicable bank regulatory authorities not to approve merger or acquisition transactions when regulatory approval is required or to prohibit such transactions even if approval is not required.

Regulation W Transactions between a bank and its "affiliates" are quantitatively and qualitatively restricted under the Federal Reserve Act. The FDI Act applies Sections 23A and 23B to insured nonmember banks in the same manner and to the same extent as if they were members of the Federal Reserve System. The Federal Reserve has also issued Regulation W, which codifies prior regulations under Sections 23A and 23B of the Federal Reserve Act and interpretative guidance with respect to affiliate transactions. Regulation W incorporates the exemption from the affiliate transaction rules, but expands the exemption to cover the purchase of any type of loan or extension of credit from an affiliate. Affiliates of a bank include, among other entities, the bank's holding company and companies that are under common control with the bank. The Company is considered to be an affiliate of the Bank. In general, subject to certain specified exemptions, a bank and its subsidiaries are limited in their ability to engage in "covered transactions" with affiliates:

- to an amount equal to 10% of the bank's capital and surplus, in the case of covered transactions with any one affiliate; and
- to an amount equal to 20% of the bank's capital and surplus, in the case of covered transactions with all affiliates.

In addition, a bank and its subsidiaries may engage in covered transactions and other specified transactions only on terms and under circumstances that are substantially the same, or at least as favorable to the bank or its subsidiary, as those prevailing at the time for comparable transactions with nonaffiliated companies. A "covered transaction" includes:

- a loan or extension of credit to an affiliate;
- a purchase of, or an investment in, securities issued by an affiliate;
- a purchase of assets from an affiliate, with some exceptions;
- the acceptance of securities issued by an affiliate as collateral for a loan or extension of credit to any party; and
- the issuance of a guarantee, acceptance or letter of credit on behalf of an affiliate.

In addition, under Regulation W:

- a bank and its subsidiaries may not purchase a low-quality asset from an affiliate;
- covered transactions and other specified transactions between a bank or its subsidiaries and an affiliate must be on terms and conditions that are consistent with safe and sound banking practices; and
- with some exceptions, each loan or extension of credit by a bank to an affiliate must be secured by collateral with a market value ranging from 100% to 130%, depending on the type of collateral, of the amount of the loan or extension of credit.

Regulation W generally excludes all nonbank and nonsavings association subsidiaries of banks from treatment as affiliates, except to the extent that the Federal Reserve decides to treat these subsidiaries as affiliates.

Dodd-Frank Wall Street Reform and Consumer Protection Act During 2010, Congress enacted the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). This significant law affects the lending, deposit, investment, trading and operating activities of financial institutions and their holding companies.

Key provisions of the Dodd-Frank Act are as follows:

- eliminated the federal prohibitions on paying interest on demand deposits, thus allowing businesses to have interest-bearing checking accounts.
- broadened the base for FDIC insurance assessments. The Dodd-Frank Act also permanently increased the maximum amount of deposit insurance for banks, savings institutions and credit unions to \$250,000 per depositor.

- requires publicly traded companies to give stockholders a nonbinding vote on executive compensation and so-called "golden parachute" payments. The Company provides its shareholders with the opportunity to vote on executive compensation every year.
- broadened the scope of derivative instruments, and the Company is subject to increased regulation of its derivative business, including record-keeping, reporting requirements, and heightened supervision.
- created a new Consumer Financial Protection Bureau ("CFPB") with broad powers to supervise and enforce consumer protection laws. As the Bank has now surpassed the \$10 billion in assets threshold, it now is also subject to CFPB regulatory supervision and enforcement. While it will continue to be examined for compliance with consumer protection regulations by both the FDIC and the Massachusetts Division of Banks ("DOB"), it will now also be similarly monitored and assessed by the CFPB.
- debit card and interchange fees must be reasonable and proportional to the issuer's cost for processing the transaction.

Under the Durbin Amendment contained in the Dodd-Frank Act, the Federal Reserve adopted rules that apply to banks with more than \$10 billion in assets, which establish a maximum permissible interchange fee equal to no more than 21 cents plus 5 basis points of the transaction value for many types of debit interchange transactions. The Federal Reserve also adopted a rule to allow a debit card issuer to recover 1 cent per transaction for fraud prevention purposes if the issuer complies with certain fraud-related requirements required by the Federal Reserve. The Federal Reserve also has rules governing routing and exclusivity that require issuers to offer two unaffiliated networks for routing transactions on each debit or prepaid product.

In May 2018, the Economic Growth, Regulatory Relief, and Consumer Protection Act ("EGRRCPA") was signed into law, making certain limited amendments to the Dodd-Frank Act, as well as certain targeted modifications to other post-financial crisis regulations. While the EGRRCPA eased some regulatory obligations imposed by the Dodd-Frank Act, including the requirement to conduct stress testing, it had minimal impact on the Company's operations.

Incentive Compensation The Dodd-Frank Act required the federal bank regulatory agencies and the U.S. Securities and Exchange Commission ("SEC") to establish joint regulations or guidelines prohibiting incentive-based payment arrangements at specified regulated entities, with at least \$1 billion in total assets such as the Company and the Bank, that encourage inappropriate risks by providing an executive officer, employee, director or principal shareholder with excessive compensation, fees, or benefits or that could lead to material financial loss to the entity.

In June 2010, the Federal Reserve, OCC and FDIC issued comprehensive final guidance on incentive compensation policies intended to ensure that the incentive compensation policies of banking organizations do not undermine the safety and soundness of such organizations by encouraging excessive risk-taking. The guidance, which covers all employees that have the ability to materially affect the risk profile of an organization, either individually or as part of a group, is based upon the key principles that a banking organization's incentive compensation arrangements should (i) provide incentives that do not encourage risk-taking beyond the organization's ability to effectively identify and manage risks, (ii) be compatible with effective internal controls and risk management, and (iii) be supported by strong corporate governance, including active and effective oversight by the organization's board of directors. These three principles are incorporated into the proposed joint compensation regulations under the Dodd-Frank Act.

The Federal Reserve reviews, as part of the regular, risk-focused examination process, the incentive compensation arrangements of banking organizations, such as the Company, that are not "large, complex banking organizations." These reviews are tailored to each organization based on the scope and complexity of the organization's activities and the prevalence of incentive compensation arrangements.

Volcker Rule The Volcker Rule prohibits an insured depository institution and its affiliates from: (i) engaging in "proprietary trading" and (ii) investing in or sponsoring certain types of investment funds (defined as "Covered Funds"). The rule also effectively prohibits short-term trading strategies and prohibits the use of some hedging strategies. The Company has no investments that met the definition of Covered Funds under the foregoing rules.

Collins Amendment The Collins Amendment includes provisions which are intended to subject bank holding companies to the same capital requirements as bank subsidiaries and to eliminate, or significantly reduce, the use of hybrid capital instruments, especially trust preferred securities, as regulatory capital. Accordingly, under the Collins Amendment, trust preferred securities are generally excluded from regulatory capital; however, bank holding companies with consolidated assets of less than \$15 billion as of December 31, 2009 have been able to include these instruments in Tier 1 capital, but no such securities issued after the Collins Amendment was put in place in 2010 are permitted to be included in regulatory capital. Additionally, if any bank holding company exceeds the \$15 billion threshold as a result of an acquisition, subsequent to

December 31, 2016, then these hybrid capital instruments are phased out of Tier 1 capital and generally included within Tier 2 capital, prospectively.

Consumer Protection Regulations As a financial institution with more than \$10 billion in assets, the Bank is supervised by the Consumer Financial Protection Bureau ("CFPB") for consumer protection purposes. The CFPB's regulation of the Bank is focused on risks to consumers and compliance with the federal consumer financial laws and includes regular examinations of the Bank. The CFPB, along with the Department of Justice and bank regulatory authorities, also seeks to enforce discriminatory lending laws. In such actions, the CFPB and others have used a disparate impact analysis, which measures discriminatory results without regard to intent. Consequently, unintentional actions by the Bank could have a material adverse impact on our lending and results of operations if the actions are found to be discriminatory by our regulators.

The Bank is subject to federal consumer protection statutes and regulations promulgated under those laws, including, but not limited to the following:

- Truth-In-Lending Act and Regulation Z, governing disclosures of credit terms to consumer borrowers;
- Home Mortgage Disclosure Act and Regulation C, requiring financial institutions to provide certain information about home mortgage and refinanced loans;
- Equal Credit Opportunity Act and Regulation B, prohibiting discrimination on the basis of race, sex, or other prohibited factors in extending credit;
- Fair Credit Reporting Act and Regulation V, governing the provision of consumer information to credit reporting agencies and the use of consumer information; and
- Fair Debt Collection Practices Act, governing the manner in which consumer debts may be collected by collection agencies.

The Bank's deposit operations are also subject to the following federal statutes and regulations, among others:

- The Truth in Savings Act and Regulation DD, which requires disclosure of deposit terms to consumers;
- Regulation CC, which relates to the availability of deposit funds to consumers;
- The Right to Financial Privacy Act, which imposes a duty to maintain the confidentiality of consumer financial records and prescribes procedures for complying with administrative subpoenas of financial records; and
- Electronic Funds Transfer Act and Regulation E, governing electronic deposits to, and withdrawals from, deposit accounts and customers' rights and liabilities arising from the use of automated teller machines and other electronic banking services.

The CFPB examines the Bank's compliance with such laws and the regulations under them.

Regulation E Federal Reserve Regulation E governs electronic fund transfers and provides a basic framework that establishes the rights, liabilities, and responsibilities of participants in electronic fund transfer systems such as automated teller machine transfers, telephone bill-payment services, point-of-sale terminal transfers in stores, and preauthorized transfers from or to a consumer's account (such as direct deposit and social security payments). The term "electronic fund transfer" generally refers to a transaction initiated through an electronic terminal, telephone, computer, or magnetic tape that instructs a financial institution either to credit or to debit a consumer's asset account. Regulation E describes the disclosures that financial institutions are required to make to consumers who engage in electronic fund transfers and generally limits a consumer's liability for unauthorized electronic fund transfers, such as those arising from loss or theft of an access device, to \$50 for consumers who notify their bank in a timely manner.

Human Capital

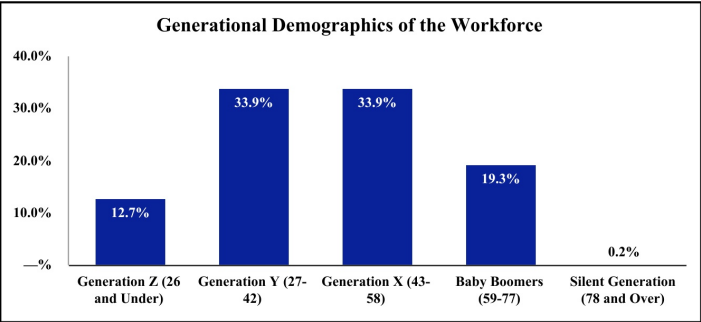
At Rockland Trust, Where Each Relationship Matters®, management is fully committed to creating a respectful and inclusive environment where everyone is given the chance to succeed.

Rockland Trust has been named one of the Boston Globe's Top Places to Work for 15 years running and has continued to be the top rated bank in its size category since 2015. In addition to the Boston Globe's ranking, Rockland Trust has been recognized as a "Best Place to Work" for LGBTQ Equality, scoring 100% on the Human Rights Campaign's Corporate Equality Index since 2016.

Demographics As of December 31, 2023, Rockland Trust employed 1,787 total colleagues, 772 of whom are officers of the Bank. Approximately 63% of the Company's workforce was comprised of women and approximately 21% was

comprised of professionals of color. Of the Company's officers, 44% are women and 13% are professionals of color. Rockland Trust's senior leadership is made up of 19% of women and 8% professionals of color, while our executive leadership team is 46% women and 8% professionals of color.

As depicted in the graph below, the workforce is comprised of colleagues of the following generations:



The Company's largest business units, in terms of total headcount, include Retail, Commercial, and Operations employing 43.3%, 16.8% and 8.1% of colleagues, respectively. Other business units include Audit, Corporate Services, Executive, Executive Administration, Finance, Human Resources, Investment Management Group, Information Technology, Loan Operations, Marketing, Mortgage, and Risk. Rockland Trust's average full time equivalent was 1,721, as of December 31, 2023.

Colleague Engagement Rockland Trust is committed to a culture of inclusion, respect, teamwork, and employee engagement. Colleagues are provided with competitive compensation, a comprehensive benefits package and an environment that supports a healthy work-life balance. Through utilizing effective listening and feedback tools to monitor colleague sentiments around the work experience, the Company is nationally recognized for being a top work place in areas such as employee appreciation, professional development, compensation and benefits, and work-life flexibility. Additionally, according to a recent internal survey, 83% of colleagues would recommend working at Rockland Trust.

Benefits include medical, dental and vision insurance, long-term disability insurance, life insurance, a 401(k) voluntary savings plan, an additional defined contribution retirement savings plan, paid time off, illness/personal time, paid parental leave, childcare assistance, wellness program RockFit, supplemental insurance, pet insurance, and more.

Colleagues are also offered a full suite of learning and development programs designed to support professional growth and career advancement. Formal colleague development programs include the Rising Stars Development Program (for entry-level colleague career advancement), the Commercial Lender Development Program, and the Branch Management Development Program. Colleagues are also invited to participate in the Company's Online Learning Platform and in-house training opportunities. Many of the Company's training and development programs are built on Gestalt-based leadership principles, developed by the Gestalt International Study Center. Rockland Trust also offers Tuition Reimbursement through Cambridge College Global and other colleges and universities.

Rockland Trust encourages colleagues to continually seek ways to learn and grow. The Company's Performance Management and Feedback System allows managers to formally recognize colleagues' achievements and identify goals and areas for improvement. In addition to this annual feedback, colleagues are also periodically spotlighted in many other ways. Colleagues are encouraged to recognize each other's excellent internal and external customer service through a peer recognition, "You Make a Difference" award, of which 3,512 awards were earned in 2023. Managers are also provided the opportunity to recognize colleagues privately, through "Kudos" awards. In order to celebrate the academic achievements of colleagues, an

annual celebration is hosted by the Company's Chief Executive Officer when they receive a degree or certification. Colleagues are also recognized for extraordinary efforts through annual "Shining Star" awards and other awards at the annual all employee meeting.

Community Outreach In 2023, the affiliated charitable foundation of Rockland Trust, Rockland Trust Charitable Foundation Inc., donated over \$2.4 million to 340 nonprofit organizations throughout the Company's footprint. In total, the Bank and our affiliated Foundations contributed over \$4.2 million to 944 local nonprofit and community organizations. In addition, Rockland Trust employees volunteered over 17,500 service hours in our communities in 2023.

Commitment to Diversity, Equity and Inclusion At Rockland Trust, management believes each relationship matters, and that statement goes far beyond the Company's customers. Rockland Trust has an inclusive workforce that enables the Company to better perform for its customers and the diverse communities in which it operates. The Company is committed to respecting all colleagues as individuals and to be courteous and considerate to each colleague.

There has been an established diversity and inclusion program at the Company for over 18 years, which continues to grow and evolve. All Rockland Trust new hires are assigned a Diversity and Inclusion unconscious bias training which promotes a dialogue around creating a more inclusive culture by discussing how micro inequities and unconscious bias play a role in colleague relationships and how we lead. In 2023, Rockland Trust hosted Dignified Banking for the second year, a training program for trainers, human resource leaders, branch managers and other retail staff, which focuses on how we can appropriately develop products and services that better serve the Company's diverse customer base. Also in 2023, the Company piloted a new training called "Inclusive Leadership", which teaches managers and leaders new ways to engage, involve, respect, and value the diverse perspectives and contributions of all team members. Additionally, colleagues have access to enroll in two diversity learning paths: the "Diversity, Equity and Inclusion Learning Path" and the "LGBTQ+ Learning Path," which both aim to educate our workforce on the diverse ways their colleagues, customers, and communities identify to promote greater awareness and understanding.

Rockland Trust works to ensure colleagues have an opportunity to be heard, valued and engaged. Rockland Trust offers four Employee Resource Groups ("ERGs"): Inclusion Network, EmpowHer Alliance, Pride Alliance, and The Money Circle. These voluntary, employee-led groups join together to provide opportunities for colleagues to get involved in making the Company's workforce and communities more inclusive and equitable.

In addition to the efforts described above, there are many other ways the Company promotes diversity and inclusion among its workforce. Established in 2004, the Company continues to support the Diversity and Inclusion Council, which is comprised of Executive and Senior Leaders from all business units, with a purpose to develop strategic priorities through collaboration with the ERGs and business units to execute these priorities. Rockland Trust also partners with diverse organizations to support diverse recruitment efforts and provide professional development opportunities for professionals from various backgrounds. For example, each year Rockland Trust invites colleagues to participate in The Partnership, a third-party organization that offers leadership development programs for diverse professionals throughout New England.

Available Information

Under Sections 13 and 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Company files periodic and current reports, proxy and information statements and other information with the SEC. These filings can be accessed on the SEC's website at www.sec.gov. Additionally, the Company's SEC filings, including its annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, amendments to these reports, and additional shareholder information are available free of charge on the Company's website: www.RocklandTrust.com (within the Investor Relations section) as soon as reasonably practicable after such materials are electronically filed with, or furnished to, the SEC. The Company's Code of Ethics and other Corporate Governance documents are also available free of charge on the Company's website in the Investor Relations section. Information contained on the Company's website and the SEC website is not incorporated by reference into this Form 10-K. (The Company has included its web address and the SEC website address only as inactive textual references and does not intend them to be active links to the Company's website or the SEC website.)

ITEM 1A. RISK FACTORS

Risks Related to Changes in Interest Rates

Changes in interest rates and other factors could adversely impact the Company's financial condition and results of operations. The Company's ability to make a profit, like that of most financial institutions, substantially depends upon its net interest income, which is the difference between the interest income earned on interest-earning assets, such as loans and investment securities, and the interest expense paid on interest-bearing liabilities, such as deposits and borrowings. However, certain assets and liabilities may react differently to changes in market interest rates. Further, interest rates on some types of assets and liabilities may fluctuate prior to changes in broader market interest rates, while rates on other types of assets and liabilities may lag behind. Any substantial, unexpected, or prolonged change in market interest rates could have a material adverse effect on the Company's business, financial condition and results of operations.

Factors such as inflation, recession, unemployment, money supply, global disorder, instability in domestic and foreign financial markets, political uncertainty, and other factors beyond the Company's control, may affect interest rates. Changes in market interest rates also affect the level of voluntary prepayments on loans and the receipt of payments on mortgage-backed securities, which can impact the expected timing of receipt of proceeds. Particularly in a decreasing interest rate environment, prepayments may result in proceeds having to be reinvested at a lower rate than the loan or mortgage-backed security being prepaid. Conversely, in a period of rising interest rates, the interest income earned on the Company's assets may not increase as rapidly as the interest that the Company pays on its liabilities. Additionally, increases in interest rates may decrease loan demand or make it more difficult for borrowers to repay variable rate loans.

Potential sovereign debt defaults, actions that the U.S. government may take to avoid exceeding the debt ceiling, or uncertainties surrounding the debt ceiling and the federal budget may severely impact global and domestic economies and may lead to significantly tighter liquidity and impact the availability of credit. Economic growth may slow down and the national or global economy may experience downturns, including recessionary periods. Market disruption, including potential disruption resulting from inflation and global supply chain interruption, government and central bank policy actions designed to counteract the effects of recession, changes in investor expectations regarding compensation for market risk, credit risk and liquidity risk and changing economic data could impact both the volatility and magnitude of the directional movements of interest rates. Although the Company pursues an asset/liability management strategy designed to manage its risk arising from changes in interest rates, the Company's strategy may not be fully effective, or may be effective in part, and changes in market interest rates can have a material adverse effect on the Company's profitability.

Risks Related to Recent Events Impacting the Financial Services Industry

During 2023, events impacting the financial services industry, including several high profile bank failures, resulted in decreased confidence in banks among depositors, investors and other counterparties, as well as competition for deposits, significant disruption, volatility and depressed valuations of equity and other securities of banks in the capital markets. These events occurred during a period of rapidly rising interest rates which, among other things, has resulted in increased unrealized losses on certain investment securities and increased competition for bank deposits and may increase the risk of a potential recession. These events have, had, and could continue to have, an adverse impact on the market price and volatility of the Company's common stock. These events also have resulted in, and could continue to result in, increased regulatory scrutiny and expectations, and could further lead to potentially adverse changes to laws or regulations applicable to the Company, which could have a material impact on the Company's business and result in increased costs necessary to comply with any such changes. Additionally, the cost of resolving recent bank failures may prompt the FDIC to increase its premiums above the current levels or result in additional special assessments. Any of the above factors could have a material adverse effect on the Company's financial condition and results of operations.

Risks Related to the Company's Lending Activities

If the Company experiences credit losses at a level higher than anticipated in the Company's models, its earnings could materially decrease. The Company's loan customers may not repay loans according to their terms, and the collateral securing the payment of loans may be insufficient to assure repayment or cover losses. If loan customers fail to repay loans according to the terms of the loans, the Company may experience significant credit losses that could have a material adverse effect on its operating results and capital ratios. The Company makes various assumptions and judgments about the collectability of its loan portfolio, including the creditworthiness of borrowers, the value of the real estate and other assets serving as collateral for the repayment of loans, and the enforceability of its loan documents. In determining the amount of the

allowance for credit losses, the Company, in addition to assessing the collectability of its loan portfolio, relies on experience and evaluation of economic conditions. If the assumptions underlying the determination of its allowance for credit losses prove to be incorrect, the current allowance for credit losses may not be sufficient to cover losses inherent in the Company's loan portfolio and an adjustment may be necessary to allow for different economic conditions or adverse developments in its loan portfolio. A problem with one or more loans could require the Company to significantly increase the level of its allowance for credit losses. In addition, federal and state regulators periodically review the Company's allowance for credit losses and may require it to increase its allowance for credit losses or recognize further loan charge-offs. Material additions to the allowance would materially decrease the Company's net income and could have an adverse effect on the Company's results of operations or financial condition.

A significant amount of the Company's loans are concentrated in the Bank's geographic footprint and adverse conditions in this geographic footprint could negatively impact its results of operations. Substantially all of the loans the Company originates are secured by properties located in, or are made to businesses that operate in, Massachusetts and, to a lesser extent, Rhode Island. Because of the current concentration of the Company's loan origination activities in its geographic footprint, in the event of adverse economic conditions impacting the region (including, but not limited to, increased unemployment, downward pressure on the value of residential or commercial real estate, or political or business developments that may affect the ability of property owners and businesses to make payments of principal and interest on the underlying loans in the Bank's geographic footprint), the Company would likely experience higher rates of loss and delinquency on its loans than if its loan portfolio were more geographically diversified, which could have an adverse effect on the Company's results of operations or financial condition.

A significant portion of the Company's loan portfolio is secured by real estate, and events that negatively impact the real estate market could adversely affect the Company's asset quality and the profitability of loans secured by real property and increase the number of defaults and the level of losses within the Company's loan portfolio. The real estate collateral securing the Company's loans provides an alternate source of repayment in the event of default by the borrower. Should real estate values deteriorate or further deteriorate during the time the credit is extended, the Company is potentially exposed to greater losses. A downturn in the real estate market in the Company's primary market areas could result in an increase in the number of borrowers who default on loans and a reduction in the value of the collateral securing loans, which in turn could have an adverse effect on the Company's profitability and asset quality. Further, if the Company is required to liquidate collateral securing a loan to satisfy the related debt during a period of reduced real estate values, the Company may experience higher credit losses than expected and its earnings and shareholders' equity could be adversely affected. Any declines in real estate prices in the Company's primary markets may also result in increases in delinquencies and losses in its loan portfolios. Unanticipated decreases in real estate prices coupled with events, such as a prolonged economic downturn and elevated levels of unemployment could drive credit losses beyond the level provided for in the Company's allowance for credit losses. If this occurs, the Company's earnings could be adversely affected.

The Company's emphasis on originating commercial loans may increase lending risks. At December 31, 2023, 75.1% of the Company's loan portfolio consisted of commercial loans. The Company's commercial loan portfolio includes commercial and industrial loans, commercial real estate loans, commercial construction loans, and small business banking loans. Commercial and industrial loans may expose the Company to additional risks since their underwriting is typically based on the borrower's ability to make repayments from the cash flow of its business and they are secured by non-real estate collateral that may depreciate over time. Commercial real estate loans and small business loans generally expose the Company to greater risk of non-payment and loss than residential mortgage loans because repayment of the loans often depends on the successful operation of the property and the continuity of tenant rental payments. Commercial real estate loans also typically involve larger loan balances to single borrowers or groups of related borrowers compared to residential mortgage loans. Factors such as increased prevalence of remote work arrangements and consumer preference for online shopping have led and could continue to lead to a decreased demand for office and retail space, which could impact the value of the future cash flow and value of the involved property that serves as loan collateral. Such trends could ultimately result in a shrinkage of the commercial real estate market, which could materially impact the Company's results of operations and financial condition and possibly the Company's long-term business strategy because commercial real estate loans are currently the Company's largest loan category. Commercial construction loans are generally considered to involve a higher degree of credit risk than long-term financing on owner-occupied residential real estate. Risk of loss on a construction loan depends largely upon the accuracy of the initial estimate of the property's value at completion of construction as compared to estimated costs. Changes in economic conditions that are out of the control of the borrower and lender could impact the value of the future cash flow and value of the underlying loan collateral. Additionally, some commercial borrowers may have more than one outstanding loan with the Company and, as a result, an adverse development with respect to a commercial credit relationship may expose the Company to greater risk of loss as compared to an adverse development associated with a consumer loan borrower.

The Company may experience losses and expenses if security interests granted for loans are not enforceable. When the Bank makes loans, it sometimes obtains liens, such as real estate mortgages or other asset pledges, to provide the Bank with one or more security interests in collateral. If there is a loan default the Bank may seek to foreclose upon collateral and enforce the security interests to obtain repayment and eliminate or mitigate the Company's loss. Drafting errors, recording errors, other defects or imperfections in the security interests granted to the Bank and/or changes in law may render liens granted to the Bank unenforceable. The Company may incur losses or expenses if security interests granted to the Bank are not enforceable.

Risks Related to Legal, Regulatory and Policy Matters

The Company operates in a highly regulated environment and may be adversely impacted by changes in industry practices, laws, regulations, and accounting standards. Any change in the industry practices, laws, regulations or accounting standards and failure by the Company to comply with such changes, or a change in regulators' supervisory policies or examination procedures, whether by the Massachusetts Commissioner of Banks, the FDIC, the Federal Reserve, other state or federal regulators, the U.S. Congress, or the Massachusetts legislature could have a material adverse effect on the Company's business, financial condition, results of operations, and cash flows. In the wake of several bank failures in 2023, the Massachusetts Commissioner of Banks, FDIC, Federal Reserve and certain other regulators have intensified regulatory scrutiny and heightened expectations with respect to banking institutions. Such intensified scrutiny and heightened expectations may lead to increased costs of compliance as well as an increased risk of formal or informal regulatory actions. Additionally, aspects of current or proposed regulatory or legislative changes to laws applicable in the financial services industry, including the adoption of new rules or more aggressive examination and enforcement by the Company's regulators over its overdraft protection practices, have led certain banking organizations to modify their overdraft protection programs, including the imposition of overdraft transaction fees. These competitive pressures from the Company's peers could cause the Company to modify its program and practices in ways that may negatively impact the profitability of the Company's business activities and expose it to increased business and compliance costs, which, in turn could have an adverse effect on the Company's financial condition and results of operations.

The costs of compliance with fair lending laws or negative outcomes with respect to challenges of the Company's compliance with such laws, inclusive of laws impacting banks exceeding \$10 billion in total assets, could have a material adverse effect on the Company's business, financial condition or results of operations or could damage the Company's reputation. The CRA, the Equal Credit Opportunity Act, the Fair Housing Act and other fair lending laws and regulations impose non-discriminatory lending and other requirements on financial institutions. The U.S. Department of Justice and other federal agencies, including the FDIC and the Consumer Financial Protection Bureau ("CFPB"), are responsible for enforcing these laws and regulations. A successful challenge to an institution's performance under the CRA and other fair lending laws and regulations could result in, among other sanctions, the required payment of damages and civil monetary penalties, injunctive relief, imposition of restrictions on acquisitions and restrictions on expansion. Private parties may also have the ability to challenge an institution's performance under fair lending laws in private class action litigation. The costs of defending, and any adverse outcome from, any challenge with respect to our compliance with fair lending laws could damage our reputation or could have a material adverse effect on our business, financial condition or results of operations.

The impact of changes to the Internal Revenue Code or federal, state or local taxes may adversely affect the Company's financial results or business. The Company is subject to changes in tax law which could impact the Company's effective tax rate. Tax law changes may or may not be retroactive to previous periods and could negatively affect the current and future financial performance of the Company. Changes in enacted tax rates are recognized when promulgated and therefore could have a material impact on the Company's results.

Claims and litigation could result in losses and damage to the Company's reputation. From time to time as part of the Company's normal course of business, customers, bankruptcy trustees, former customers, contractual counterparties, third parties and former employees make claims and take legal action against the Company based on its alleged actions or inactions. If such claims and legal actions are not resolved in a manner favorable to the Company, they may result in financial liability and/or adversely affect the market perception of the Company and its products and services. This may also impact customer demand for the Company's products and services. Any material financial liability or reputational damage could have a material adverse effect on the Company's business, financial condition and results of operations.

Changes in U.S. trade policies and other global political factors beyond the Company's control, including the imposition of tariffs, retaliatory tariffs, or other sanctions, may adversely impact the Company's business, financial condition and results of operations. There have been, and may be in the future, changes and discussions with respect to U.S. and international trade policies, legislation, treaties and tariffs, embargoes, sanctions and other trade restrictions. Tariffs, retaliatory tariffs or other trade restrictions on products and materials that customers import or export, or a trade war or other

related governmental actions related to tariffs, international trade agreements or policies or other trade restrictions have the potential to negatively impact the Company's and/or the Bank's customers' costs, demand for the Bank's customers' products, and/or the U.S. economy or certain sectors thereof and, thus, could adversely impact the Company's business, financial condition and results of operations. In addition, to the extent changes in the global political environment, including the Russia-Ukraine conflict, the conflict in Israel and surrounding areas and the possible expansion of such conflicts, have had and may continue to have a negative impact on the Company or on the markets in which the Company operates, the Company's business, results of operations and financial condition could be materially and adversely impacted in the future.

The Company may not be able to detect money laundering and other illegal or improper activities fully or on a timely basis, which could expose it to additional liability and could have a material adverse effect on the Company. The Company is required to comply with anti-money laundering, anti-terrorism and other laws and regulations in the United States. These laws and regulations require the Company, among other things, to adopt and enforce "know-your-customer" policies and procedures and to report suspicious and large transactions to applicable regulatory authorities. These laws and regulations have become increasingly complex and detailed, require improved systems and sophisticated monitoring and compliance personnel and have become the subject of enhanced government supervision.

The policies and procedures the Company has adopted for the purposes of detecting and preventing the use of its banking network for money laundering and related activities may not completely eliminate instances in which the Company may be used by customers to engage in money laundering and other illegal or improper activities. To the extent the Company fails to fully comply with applicable laws and regulations, banking agencies have the authority to impose fines and other penalties on the Company. In addition, the Company's business and reputation could suffer if customers use its banking network for money laundering or illegal or improper purposes.

Risks Related to the Company's Strategic Activities

Part of the Company's growth has been through acquisitions, and the inability to continue to execute on future acquisitions could have an impact on the Company's results of operations. While focusing on organic growth, the Company's strategy also includes, in part, growth through acquisitions. The Company may not be able to identify suitable acquisition candidates, or complete acquisitions. Further, the success of any acquisition depends on the ability to effectively integrate the acquired business, including integrating operations and achieving synergies and cost efficiencies. Acquisitions can be disruptive as they result in diversion of management's attention from other business activities and can consume significant executive and employee resources as the Company integrates the target's operations and functional business into its operations and business. The Company may experience complications or delays while integrating. In addition, once integrated, acquired businesses may not achieve levels of expected profitability or profitability comparable to those achieved by the Company's existing operations, or otherwise may not perform as expected. Further acquisitions involve numerous risks, including lower than expected performance or higher than expected costs, potential dilution of stockholder value, changes in relationships with customers, and the potential loss of key employees. In addition, the Company may not be successful in mitigating deposit erosion or loan quality deterioration at acquired institutions. Competition for acquisitions can be highly competitive, and the Company may not be able to acquire other institutions on acceptable terms. The ability to grow may be limited if the Company is unable to successfully make acquisitions in the future.

The Company's ability to make opportunistic acquisitions is contingent on regulators granting any requisite approvals. Part of the Company's business strategy includes seeking to make opportunistic whole or partial acquisitions of other banks, branches, financial institutions, or related businesses from time to time. Any possible acquisition may be subject to regulatory approval, and there can be no assurance that the Company will be able to obtain any such approval in a timely manner or at all.

The Company may not realize the value of strategic investments and strategic initiatives that it pursues and such investments and initiatives could divert resources or introduce unforeseen risks to the Company's business. The Company may execute strategic initiatives or make other strategic investments in businesses, products, technologies or platforms to enhance or grow its business. These strategic initiatives and investments may introduce new costs or liabilities which could impact the Company's ability to grow or maintain acceptable performance. The Company may be unable to integrate systems, personnel or technologies from its strategic investments and initiatives. Strategic investments and initiatives may also present unforeseen legal, regulatory or other challenges that the Company may not be able to manage effectively. The planning and integration of a strategic investment or initiative may shift employee time and other resources which could impair the Company's ability to focus on its core business. New strategic investments and strategic initiatives may not perform as expected due to lack of acceptance by customers or employees, higher than forecasted costs or losses, lengthy transition periods, synergies or savings not being realized and a variety of other factors. This may result in a delay or unrealized benefit, or in some cases, increased costs or other unforeseen risks to the Company's business.

Risks Related to Financial and Accounting Matters

The Company's securities portfolio performance in difficult market conditions could have adverse effects on the Company's results of operations. Under accounting principles generally accepted in the United States of America ("GAAP"), the Company measures expected credit losses on its securities portfolios in accordance with the CECL methodology, taking into consideration current market conditions, the extent and nature of changes in fair value, issuer rating changes and trends, volatility of earnings, current analysts' evaluations, the Company's ability and intent to hold investments until a recovery of amortized cost, as well as other factors. Adverse developments with respect to one or more of these factors could require the Company to recognize an allowance for credit losses, with the credit related portion of the reduction in the value required to be recognized as a charge to the Company's earnings. Market volatility can make it extremely challenging to accurately value certain securities the Company holds. Subsequent periodic valuations of securities, taking into consideration then prevailing factors, may result in changes to valuations. Significant negative changes to valuations could result in the recognition of an allowance for credit losses within the Company's securities portfolio, which could have an adverse effect on the Company's results of operations or financial condition.

Impairment of goodwill and/or intangible assets could require charges to earnings, which could result in a negative impact on the Company's results of operations. Goodwill arises when the Company acquires a business for an amount greater than the net fair value of the assets of the acquired business. The Bank has recognized goodwill as an asset on the balance sheet in connection with several acquisitions. Goodwill is an intangible asset. When an intangible asset is determined to have an indefinite useful life, it is not amortized, and instead is evaluated for impairment. The Company conducts goodwill impairment tests annually, or more frequently if necessary. The Company evaluates goodwill using a combined qualitative and quantitative impairment approach. A significant and sustained decline in the Company's stock price and market capitalization, a significant decline in the Company's expected future cash flows, a significant adverse change in the business climate, slower growth rates or other factors could result in a finding of impairment of goodwill or other intangible assets. If the Company were to conclude that a future write-down of goodwill or other intangible assets is necessary, then the Company would record the appropriate charge to earnings, which could have material adverse effect on the Company's results of operations or financial condition.

Deterioration in the performance or financial position of the Federal Home Loan Bank ("FHLB") of Boston might restrict the FHLB of Boston's ability to meet the funding needs of its members, cause a suspension of its dividend, and cause its stock to be determined to be impaired. When necessary, components of the Bank's liquidity needs are met through its access to funding pursuant to its membership in the FHLB of Boston. The FHLB of Boston is a cooperative that provides services to its member banking institutions. The primary reason for joining the FHLB of Boston is to obtain funding. The purchase of stock in the FHLB of Boston is a requirement for a member to gain access to funding. Any deterioration in the FHLB of Boston's performance or financial condition may affect the Company's ability to access funding and/or require the Company to deem the required investment in FHLB of Boston stock to be impaired. If the Company is not able to access funding, it may not be able to meet its liquidity needs, which could have an adverse effect on the results of operations or financial condition. Similarly, if the Company deems all or part of its investment in FHLB of Boston stock impaired, such action could have a material adverse effect on the Company's results of operations or financial condition.

Reductions in the value of the Company's deferred tax assets could adversely affect the Company's results of operations. A deferred tax asset is created by the tax effect of the differences between an asset's book value and its tax basis. The Company assesses the deferred tax assets periodically to determine the likelihood of the Company's ability to realize the benefits. These assessments consider the performance of the associated business and its ability to generate future taxable income. If the information available to the Company at the time of assessment indicates there is a greater than 50% chance that the Company will not realize the deferred tax asset benefit, the Company is required to establish a valuation allowance for the deferred tax asset and reduce its future deferred tax assets to the amount the Company believes could be realized. Recording such a valuation allowance could have a material adverse effect on the Company's results of operations or financial condition. Additionally, the deferred tax assets are determined using effective tax rates expected to apply to the Company's taxable income in the years in which the temporary differences are expected to be recovered or settled. Accordingly, a change in statutory tax rates may result in a decrease or increase to the Company's deferred tax assets. A decrease in the Company's deferred tax assets could have a material adverse effect on the Company's results of operations or financial condition.

Some of the Company's accounting policies require the use of estimates and assumptions that affect the value of the Company's assets and liabilities and results of operations and if actual events differ from the Company's estimates and assumptions, the Company's results of operations and financial condition could be materially adversely affected. Certain accounting policies require the use of estimates and assumptions that may affect the value of the Company's assets and liabilities and results of operations. The Company identified the accounting policies regarding the allowance for credit losses,

security valuations and allowance for credit losses, business combinations, and income taxes to be critical because these policies require management to make difficult, subjective and complex judgments, estimates and assumptions about matters that are inherently uncertain. Under each of these policies, it is possible that materially different values and results of operations would be reported under different conditions, different judgments, or different estimates or assumptions. Further, as new information becomes available, the Company may make a determination to refine or change its judgments, estimates and assumptions, any of which could materially adversely affect the value of the Company's assets and liabilities or its results of operations.

From time to time, the FASB and the SEC change applicable guidance governing the form and content of the Company's financial statements. In addition, accounting standard setters and those who interpret GAAP, such as the FASB, SEC, and banking regulators, may change or even reverse their previous interpretations or positions on how these standards should be applied. Such changes are expected to continue, and may accelerate. Changes in GAAP and current interpretations are beyond the Company's control, can be hard to predict and could materially impact how the Company reports its financial results and condition. In certain cases, the Company could be required to apply new or revised guidance retroactively or apply existing guidance differently (also retroactively), which may result in the Company restating prior period financial statements for material amounts. Additionally, significant changes to GAAP may require costly technology changes, additional training and personnel, and other expenses that could materially adversely affect the Company's results of operations.

Changes in debt and equity markets or economic downturns could affect the level of assets under administration and the demand for other fee-based services. Economic downturns could affect the volume of income earned from and demand for fee-based services. Revenues from the investment management business depend in large part on the level of assets under administration. Market volatility that results in customers liquidating investments, as well as lower asset values, can reduce the level of assets under administration and decrease the Company's investment management revenues, which could materially adversely affect the Company's results of operations.

Risks Related to Information Security and Technology

The need to mitigate against and react to cyber-security risks, and electronic fraud risks require significant resources, and any system failure, a cyber-security attack or electronic fraud could subject the Company to increased operating costs as well as litigation and other liabilities. The risk of electronic fraudulent activity within the financial services industry, especially in the commercial banking sector, due to cyber-attacks (crime committed through or involving the internet, such as phishing, hacking, denial of service attacks, stealing information, unauthorized intrusions into internal systems or the systems of the Company's third-party vendors) continues to increase and could adversely impact the Company's operations or damage its reputation. The Company's information technology infrastructure and systems may be vulnerable to cyber-terrorism, computer viruses, damage from physical theft, fire, power loss, telecommunications failure or a similar catastrophic event, system failures and other intentional or unintentional interference, fraud and other unauthorized attempts to access or interfere with the systems.

Information security risks have increased because of the proliferation of new technologies, including artificial intelligence, and the increased number as well as sophistication and level of activity of perpetrators of cyber-attacks, which include nation-state actors. Many financial institutions and service providers to financial institutions have reported significant breaches in the security of their websites or other systems, some of which have involved sophisticated and targeted attacks intended to obtain unauthorized access to confidential information, destroy data, deny service, or sabotage systems, often through the introduction of computer viruses or malware, cyber-attacks and other means. While the Company has seen attempts to gain access against its systems, and expects such attacks will continue, and may intensify, in the future. Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that we will not suffer losses in the future.

The Company expects risk exposure to cyber-attacks will remain elevated or increase in the future due to, among other things, the increasing size and prominence of the Company in the financial services industry, its expansion of Internet and mobile banking tools and products based on customer needs, and its increasing use of operational software hosted on the Internet as more and more software solutions used in the Company's operations migrate from solutions hosted within the Company's firewalls to internet-hosted solutions at third-party locations.

To help manage the Company's cyber-risks, when entering a new vendor relationship, the Company reviews and assesses the cyber-security risk of third-party service providers. A successful cyber-security attack on one of the Company's third-party service providers could disrupt operations, adversely affect the Company's business, or result in the disclosure or misuse of the Company's confidential information, including customer confidential information. There can be no assurance that the precautions the Company takes to seek to manage cyber risk related to third-party service providers will be effective or

prevent a cyber-attack that could expose the Company to significant operational costs and damages or reputational harm. Although the Company maintains an insurance policy covering these sorts of cyber risks, there can be no assurance that this policy will afford coverage for all possible losses or would be adequate to cover all financial losses, damages, and penalties, including lost revenues, should the Company experience any system failure or cyber-attack in one or more Company or third-party systems.

The Company's risk-based technology and systems or the personnel who monitor such technology and systems may not identify and prevent or effectively mitigate successful cyber-attacks when they occur. Significant operational costs and damages or reputational harm may occur if the Company fails to identify and prevent or effectively mitigate, or there is a delay in identifying, a cyber-attack on its systems, or those of its third-party service providers. Any breach, damage or failure that causes an interruption in operations could have a material adverse effect on the Company's financial condition and results of operations due to the time and money needed to correct the issue. Computer break-ins, phishing and other disruptions could also jeopardize the security of information stored in and transmitted through Company computer systems and network infrastructure, which may result in litigation or significant liability to the Company and may cause existing and potential customers to refrain from doing business with the Company. Finally, depending on the type of incident, banking regulators may impose restrictions on the Company's business and consumer laws may require reimbursement of customer losses.

The Company continually encounters technological change. The failure to understand and adapt to these changes could negatively impact the Company's business, financial condition and results of operations. Financial services industries continually experience rapid technological change with frequent introductions of new technology-driven products and services, such as artificial intelligence. An effective use of technology can increase efficiency, enable financial institutions to better serve customers, and reduce costs. Additionally, as a result of the Coronavirus ("COVID-19") pandemic and the related shift toward remote banking, customers have become more reliant on, and their expectations have increased with respect to, new technology-driven products and services. In addition, technology has lowered barriers to entry and made it possible for "non-banks" to offer traditional bank products and services using innovative technological platforms such as fintech and blockchain. These "digital banks" may be able to achieve economies of scale and offer better pricing than the Company offers for banking products and services, and they may have fewer regulatory burdens than traditional banks such as the Company. However, some new technologies needed to compete effectively result in incremental operating costs and capital investments. The Company's future success depends in part upon its ability to continue to address the needs of its customers by using technology to provide products and services that will satisfy customer demands, as well as to create additional efficiencies in operations. Many of the Company's competitors, because of their larger size and available capital, have substantially greater resources to invest in technological improvements. The Company may not be able to effectively implement new technology-driven products and services or be successful in marketing these products and services to its customers within the same time frame as its large competitors or within the time frame expected by its customers. Failure to successfully keep pace with technological change affecting the financial services industry could lead to loss of customers and could have a material adverse impact on the Company's business and, in turn, its financial condition and results of operations.

The Company is subject to laws regarding the privacy, information security and protection of personal information and any violation of these laws or an incident involving personal, confidential or proprietary information of individuals could damage the Company's reputation and otherwise adversely affect the Company's results of operations and financial condition. The Company regularly collects, processes, transmits and stores confidential information regarding its customers and employees. In some cases, this confidential or proprietary information is collected, compiled, processed, transmitted or stored by third parties on the Company's behalf. Legislation and regulation governing the privacy and protection of personal information of individuals (including customers, employees, suppliers and other third parties) have been evolving, expanding and increasing in complexity in recent years, and although the Company makes and will continue to make reasonable efforts to comply with all applicable laws and regulations, there can be no assurance that the Company will not be subject to regulatory action or monetary penalties in the event of an incident.

For example, the Company is subject to the Gramm-Leach-Bliley Act which, among other things: (i) imposes certain limitations on the ability to share nonpublic personal information about customers with nonaffiliated third parties; (ii) requires that the Company provide certain disclosures to customers about its information collection, sharing and security practices and afford customers the right to "opt out" of any information sharing by us with nonaffiliated third parties (with certain exceptions); and (iii) requires that the Company develop, implement and maintain a written comprehensive information security program containing appropriate safeguards based on its size and complexity, the nature and scope of its activities, and the sensitivity of customer information processed by the Company, as well as plans for responding to data security breaches. Various state and federal banking regulators and states have also enacted data security breach notification requirements with varying levels of individual, consumer, regulatory or law enforcement notification in certain circumstances in the event of a security breach. Ensuring that the collection, use, transfer and storage of personal information by the Company complies with all applicable laws and regulations can increase costs. Furthermore, the Company may not be able to ensure that all of its

customers, suppliers, counterparties and other third parties have appropriate controls in place to protect the confidentiality of information exchanged with them, particularly where such information is transmitted by electronic means. If personal, confidential or proprietary information of customers or others were to be mishandled or misused, the Company could be exposed to litigation or regulatory sanctions under personal information laws and regulations. Concerns regarding the effectiveness of our measures to safeguard personal information, or even the perception that such measures are inadequate, could cause the Company to lose customers or potential customers and thereby reduce revenues. Accordingly, any failure or perceived failure to comply with applicable privacy or data protection laws and regulations may subject the Company to inquiries, examinations and investigations that could result in requirements to modify or cease certain operations or practices or in significant liabilities, fines or penalties, and could damage the Company's reputation and otherwise adversely affect the Company's results of operations and financial condition.

The Company's controls and procedures may be inadequate, and failure to comply with controls and procedures or related regulations could have a material adverse effect on the Company's business, results of operations and financial condition. The Company faces the risk that the design of its controls and procedures, including those designed to mitigate the risk of fraud by employees or outside third parties, may be inadequate or be circumvented, thereby causing delays or failures in detection of errors or inaccuracies in data and information. The Company regularly reviews and updates the Company's internal controls, disclosure controls and procedures, and corporate governance policies and procedures. Any system of controls, however well designed and operated, is based in part on certain assumptions and can provide only reasonable, not absolute, assurances that the objectives of the system are met. Any failure or circumvention of the Company's controls and procedures or failure to comply with regulations related to controls and procedures could have a material adverse effect on the Company's business, results of operations and financial condition. Certain of the Company's employees work remotely and/or hybrid, which arrangements may contribute to heightened cybersecurity, information security and operational risks. The Company has not experienced any material impact to the Company's internal control over financial reporting due to the fact that most of the Company's employees responsible for financial reporting are working remotely and/or hybrid, but the Company is continually monitoring and assessing the impact of remote or hybrid work policies on the Company's internal control over financial reporting to minimize any impact on the design and operating effectiveness. In addition, while the Company maintains a control framework designed to monitor service provider risks, including those relating to internet vulnerability fraud and operational errors of employees, the failure of a service provider to perform in accordance with the contracted arrangements could be disruptive to the Company's operations, which could have a material adverse impact on the Company's financial condition or results of operations, and the Company's (or the service provider's) business continuity plans, risk management processes and procedures or security systems may not adequately mitigate such risk.

Risks Related to Liquidity

The Company may be unable to adequately manage its liquidity risk, which could affect its ability to meet its obligations as they become due, capitalize on growth opportunities, or pay dividends on its common stock. Liquidity risk refers to managing the Company's liquidity so that it can meet its obligations as the obligations become due, opportunistically capitalize on potential growth opportunities as they arise, or pay dividends on its common stock. The Company's liquidity arises from its ability to liquidate assets or obtain adequate funding on a timely basis, at a reasonable cost and within acceptable risk tolerances. Liquidity is required to fund various obligations, including credit commitments to borrowers, mortgage and other loan originations, withdrawals by depositors, repayment of borrowings, dividends to shareholders, operating expenses and capital expenditures. The Company's liquidity is derived primarily from funding obtained from the FHLB of Boston; retail deposit growth and retention; principal and interest payments on loans; principal and interest payments on investment securities the Company issues; sale, maturity and prepayment of investment securities the Company holds; net cash provided from operations; and access to other funding sources. Any substantial, unexpected or prolonged changes in the level or cost of liquidity could have a material adverse effect on the Company's business. Factors that could detrimentally impact the Company's access to liquidity sources include a decrease in the level of business activity as a result of a downturn in the markets in which the Company's loans are concentrated or an adverse regulatory action against the Company. The Company's ability to borrow could also be impaired by factors that are not specific to the Company, such as a disruption in the financial markets or negative views and expectations about the prospects for the financial services industry generally.

Risks Related to Environmental and Social Matters

The Company is subject to environmental liability risk associated with lending activities which could have a material adverse effect on its financial condition and results of operations. A significant portion of the Company's loan portfolio is secured by real property. During the ordinary course of business, the Company may foreclose on and take title to properties securing certain loans. In doing so, there is a risk that hazardous or toxic substances could be found on these properties. If hazardous or toxic substances are found, the Company may be liable for remediation costs, as well as for personal injury and property damage. Environmental laws may require the Company to incur substantial expenses and may materially

reduce the affected property's value or limit the Company's ability to use or sell the affected property. In addition, future laws or more stringent interpretations or enforcement policies with respect to existing laws may increase the Company's exposure to environmental liability. Environmental reviews conducted prior to originating certain commercial real estate loans, as well as before initiating any foreclosure action on real property, as required by Company policies and procedures, may not detect all potential environmental hazards. The remediation costs and any other financial liabilities associated with an environmental hazard could have a material adverse effect on the Company's financial condition or results of operations.

Responses to climate change could adversely affect the Company's business and performance, including indirectly through impacts on its customers. Concerns over the long-term impacts of climate change have led and will continue to lead to governmental efforts around the world to mitigate those impacts. Consumers and businesses also may change their behavior on their own as a result of these concerns. The Company and its customers will need to respond to new laws and regulations as well as consumer and business preferences resulting from climate change concerns. The Company and its customers may face cost increases, asset value reductions, operating process changes, and the like. Among the impacts to the Company could include a drop in demand for its products and services, particularly in certain sectors. In addition, the Company could face reductions in creditworthiness on the part of some customers or in the value of assets securing loans.

Adverse weather conditions and natural disasters could adversely affect the Company's business or results of operations, and this risk may be exacerbated by shifts in weather patterns caused by climate change. The Company's market area includes coastal regions that are susceptible to adverse weather conditions and natural disasters including, but not to limited to, rain storms, hurricanes, blizzards and nor'easters and related flooding and wind damage. The nature and level of such natural disasters cannot be predicted and may be exacerbated by global climate change. Such events can disrupt operations, result in damage to properties and negatively affect the local economies in the markets where the Company operates, which would also impact the Company's customers and borrowers. See also "Natural disasters, severe weather, public health crises, or other catastrophic or man-made events could have an adverse effect on the Company's business or results of operations" below.

Environmental, social and governance ("ESG") risks could adversely affect the Company's reputation, business and performance and the trading price of its common stock. Companies are facing increasing scrutiny from investors, customers, regulators and other stakeholders related to their ESG practices and disclosure. Investors, investor advocacy groups and investment funds are also increasingly focused on these practices, especially as they relate to the environment, climate change, diversity and inclusion, workplace conduct and human capital management. These stakeholders often have differing priorities and expectations regarding ESG issues.

The consideration of ESG factors in making investment and voting decisions is relatively new. Certain stakeholders have commenced, or threatened to commence, lawsuits opposing various ESG measures. Accordingly, the frameworks and methods for assessing ESG policies are not fully developed, vary considerably among the investment community, and will likely continue to evolve over time. Moreover, the subjective nature of methods used by various stakeholders to assess a company with respect to ESG criteria could result in erroneous perceptions or a misrepresentation of our actual ESG policies and practices. Organizations that provide ratings information to investors on ESG matters may also assign unfavorable ratings to the Company. Certain clients might also require that the Company implement additional ESG procedures or standards in order to continue to do business with them.

Failure to adapt to or comply with regulatory requirements or investor or stakeholder expectations and standards could negatively impact our reputation, our ability to do business with certain customers, vendors, suppliers or other third parties, the Company's ability to attract and retain employees and our stock price. The Company could also face negative publicity or reputational harm based on the identity of those with whom we choose to do business. Increased ESG-related compliance costs could result in increases to our overall operational costs, which could impact our profitability. New government regulations could also result in new or more stringent forms of ESG oversight and expanding mandatory and voluntary reporting, diligence, and disclosure, which would result in increased compliance requirements and costs. Any of the foregoing could have an adverse impact on our business, financial condition or results of operations.

Risks Related to the Company's Business and Industry Generally

The Company's business depends on maintaining the trust and confidence of customers and other market participants, and the Company's reputation is critical to its business. The Company's ability to originate and maintain accounts and business is highly dependent upon the perceptions of borrowers and deposit holders and other external perceptions of the Company's business practices and financial health. The Company's reputation is vulnerable to threats that can be difficult or impossible to control, and costly or impossible to remediate. Regulatory inquiries, actual or alleged incidents of employee misconduct and rumors, among other things, can substantially damage the Company's reputation, even if the

inquiries, allegations, or rumors are baseless or satisfactorily addressed. Adverse perceptions regarding the Company's reputation in the consumer, commercial and funding markets could result in difficulties in generating and maintaining accounts and business, as well as in financing accounts and the Company's business. Further, adverse perceptions can result in decreases in the levels of deposits that customers and potential customers choose to maintain with the Company, any of which could have a material adverse effect on the Company's results of operations or financial condition.

If the Company's risk management framework does not effectively identify or mitigate the Company's risks, the Company could suffer unexpected losses and the results of operations and financial condition could be materially adversely affected. The Company's risk management framework seeks to mitigate risk and appropriately balance risk and return. The Company has established processes and procedures intended to identify, measure, monitor and report the types of risk to which it is subject, including credit risk, operations risk, compliance risk, reputation risk, strategic risk, market risk and liquidity risk. The Company seeks to monitor and control its risk exposure through a framework of policies, procedures and reporting requirements. Management of the Company's risks in some cases depends upon the use of analytical and/or forecasting models, which, in turn, rely on assumptions and estimates. If the models used to mitigate these risks are inadequate, or the assumption or estimates are inaccurate or otherwise flawed, the Company may fail to adequately protect against risks and may incur losses. In addition, there may be risks that exist, or that develop in the future, that the Company has not appropriately anticipated, identified or mitigated, which could lead to unexpected losses and the Company's results of operations or financial condition could be materially adversely affected.

The Company has strong competition within its market area which may constrain the Company's ability to grow and achieve profitability. The Company faces significant competition both in attracting deposits and in the origination of loans. See "Market Area and Competition" in *Item 1. Business* of this Report. Mergers and acquisitions of financial institutions within the Company's market area may occur, which could add more competitive pressure as the Company would be competing with the resultant larger financial institutions with greater financial resources on a combined basis. Additionally, the Company's market share and income may be adversely affected by its inability to successfully compete against larger and more diverse financial service providers. If the Company is unable to compete effectively, it may lose market share or fail to maintain its market share, and income generated from loans, deposits, and other financial products may decline.

The success of the Company is dependent on the Company's ability to attract, hire and retain certain key personnel. The Company's business is complex and specialized and performance is largely dependent on the knowledge, talents and efforts of highly skilled individuals. The Company relies on key personnel to manage and operate its business, including major revenue producing functions, such as loan and deposit generation. The loss of key personnel could adversely affect the Company's ability to maintain and manage these functions effectively, which could negatively affect the Company's net income. In addition, loss of key personnel could result in increased recruiting and hiring expenses, which could adversely impact the Company's net income. The Company's continued ability to compete effectively depends on its ability to attract new employees and to retain and motivate its existing key employees. Competition for the best people in the Company's markets and businesses can be intense, and the Company may not be able to hire people or to retain them, in particular due to an increasingly competitive labor market. The labor market continues to experience elevated levels of turnover in the aftermath of the COVID-19 pandemic and the Company has been impacted by an extremely competitive labor market, including increased competition for talent across all aspects of the Company's business, as well as increased competition with non-traditional competitors, such as fintech companies. Employers are offering increased compensation and opportunities to work with greater flexibility, including remote work, on a permanent basis. These can be important factors in a current employee's decision to leave the Company as well as in a prospective employee's decision to join the Company. As competition for skilled professionals remains intense, the Company may have to devote significant resources to attract and retain qualified personnel, which could negatively impact earnings.

Natural disasters, severe weather, public health crises or other catastrophic or man-made events could have an adverse effect on the Company's business or results of operations. The nature and level of such natural disasters, public health crises, such as the COVID-19 pandemic and any resurgences thereof or other pandemics or epidemics, or man-made events, including political events such as war, civil unrest or terrorist attacks, and other catastrophic events cannot be predicted. Such events can disrupt operations, result in damage to properties and negatively affect the local economies in the markets where the Company operates. The Company's borrowers may suffer property damage, experience interruption of their businesses or lose their jobs, which may negatively impact the ability of these borrowers to make deposits with the Company or repay their loans or negatively impact values of collateral securing loans, any of which could result in losses and increased provisions for credit losses. Additionally, the occurrence of these events could harm the Company's operations through interference with communications, including the interruption or loss of its computer systems which could prevent the gathering of deposits, originating loans and processing and controlling business flow, as well as through the destruction of facilities and operational, financial and management information systems, and could cause us to incur significant costs to repair any resulting damage to the Company's property or business relationships.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None

ITEM 1C. CYBERSECURITY

Cybersecurity threats pose a risk to the Company, as crimes committed through or involving the internet, such as phishing, hacking, denial of service attacks, stealing information, unauthorized intrusions into internal systems or the systems of third-party vendors could adversely impact the Company's operations or damage its reputation. The Bank manages cybersecurity threats proactively and maintains robust controls to protect its critical systems and data by investing in secure, reliable and resilient technology infrastructure, fostering a culture of technology risk awareness and continuously improving its technology risk management practices. The Company's process for monitoring and mitigating cybersecurity risk is designed in conjunction with its overall Enterprise Risk Management Policy. The Company's Information Security Program follows ISO 27002, an international standard for information security controls, as well as references to the National Institute of Standards and Technology ("NIST") Cybersecurity Framework, the Federal Financial Institutions Examination Council Information Examination Handbook, and other regulatory guidance and industry standards.

The Company has several processes in place to oversee and identify these risks, such as the Information Technology Risk Governance Committee ("ITRGC"), which is responsible for oversight of information technology ("IT") and information security ("IS") risk. This committee oversees the establishment and revision of IT and IS key risk and key performance indicators and ongoing monitoring of these metrics. The Company's Director of Enterprise Information Security is responsible for cybersecurity initiatives at the Company, including identifying and managing security risks, and escalating elevated risks to the Information Security Officer, who works in tandem with the Chief Risk Officer and collectively report on emerging and existing threats and mitigation strategies to the Board, which has oversight of cybersecurity risk, on a semi-annual basis, or more frequently, if needed. The Director of Enterprise Information Security and the Information Security Officer have 30 and 22 years, respectively, of information security experience across a wide range of industries and both possess substantial knowledge and expertise in how to manage information security and cybersecurity risks. Additionally, the team of employees supporting them maintain education and certification requirements necessary to carry out their responsibilities.

The Company has deployed a layered security approach to identify, measure, monitor and control information technology risks. The Company also maintains a documented Incident Management Standard and Technology and Cyber Incident Response Plan. These documents addresses the prevention, detection, mitigation, and remediation of cybersecurity incidents, and include appropriate timely incident escalations to be followed during an incident, up to and including executive leadership, management committees, such as of the ITRGC, and depending on incident severity, the Board or Board committee. The volume, severity, and root cause of security incidents are reported on at monthly management committees. The Company will regularly engage independent third parties to assist in its cybersecurity preparedness, including but not limited to vulnerability scan assessments, secure code scan reviews, and cybersecurity incident response simulations. The Company's internal audit department also performs annual cybersecurity penetration testing over the Company's internal and external networks. Additionally, for third party related technologies, the Company's Third Party Risk Management Program ("TPRM") is involved with onboarding and ongoing monitoring of these vendor relationships. TPRM documents the Company's view of applicable third party vendors assessing the vendor's technological capability to provide products and/or services in a viable and risk adverse manner.

In an effort to mitigate risks related to cybersecurity threats, the Company has also designed and implemented required training for all employees, including training on the Company's security and privacy policies, which are mandatory as part of the onboarding process, with refresher trainings required annually thereafter. Additionally, the Company carries out regular phishing simulation tests throughout the year to keep employees alert, spread awareness and ensure that employees have the knowledge and resources necessary to report suspicious activity.

While the Company has seen attempts to gain access against its systems, and expects such attacks to continue, or possibly intensify in the future, the Company has not experienced any material losses relating to cyber-attacks or other information security breaches as of December 31, 2023. As a protective measure, the Company maintains insurance coverage for cybersecurity incidents experienced by the Company, or by one or more of the Company's third party providers, however such insurance coverage may not be sufficient to cover all losses incurred. As of the date of this Report, no risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, have materially affected or are reasonably likely to materially affect the Company, including its business strategy, results of operations, or financial condition. For further

discussion surrounding risks from cybersecurity threats, refer to the section captioned "Risks Related to Information Security and Technology" within Item 1A this Report.

ITEM 2. PROPERTIES

At December 31, 2023, the Bank conducted its business from its main retail branch located at 288 Union Street, Rockland, Massachusetts, 121 retail branches and one mobile branch located within Eastern Massachusetts as well as in Worcester County. In addition to its main office, the Bank leased 73 of its branches and owned the remaining 49 branches. In addition to these branch locations, the Bank had 28 remote ATM locations, all of which are leased.

The Bank's executive administration offices are located in Hanover, Massachusetts while the remaining administrative and operations locations are housed in several different campuses. Additionally, the Bank operates a number of commercial banking and mortgage lending centers, as well as investment management offices not associated with a branch location throughout the Bank's footprint.

For additional information regarding the Bank's premises and equipment and lease obligations, see *Notes 4, "Bank Premises and Equipment" and 16 "Leases,"* respectively, within the Notes to Consolidated Financial Statements included in Item 8 of this Report.

ITEM 3. LEGAL PROCEEDINGS

At December 31, 2023, Rockland Trust was involved in pending lawsuits that arose in the ordinary course of business. Management has reviewed these pending lawsuits with legal counsel and has taken into consideration the view of counsel as to their outcome. In the opinion of management, the final disposition of such pending lawsuits is not expected to have a material adverse effect on the Company's financial position or results of operations.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable

PART II

ITEM 5. MARKET FOR INDEPENDENT BANK CORP.'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

(a.) Independent Bank Corp.'s common stock trades on the NASDAQ Global Select Market under the symbol INDB. The Company declared aggregate cash dividends of \$2.20 and \$2.08 per share in 2023 and in 2022, respectively. The ratio of dividends paid to earnings in 2023 and 2022 was 40.92% and 35.53%, respectively.

Payment of dividends by the Company on its common stock is subject to various regulatory restrictions and guidelines. Since substantially all of the funds available for the payment of dividends are derived from the Bank, future dividends will depend on the earnings of the Bank, its financial condition, its need for funds, applicable governmental policies and regulations, and other such matters as the Board of Directors deems appropriate. Management believes that the Bank will continue to generate adequate earnings to continue to pay comparable common dividends on a quarterly basis.

As of February 26, 2024, there were 42,445,920 shares of common stock outstanding which were held by approximately 4,013 holders of record. The number of record-holders may not reflect the number of persons or entities holding stock in nominee name through banks, brokerage firms, and other nominees. The closing price of the Company's common stock on December 29, 2023, the last trading day of the year, was \$65.81.

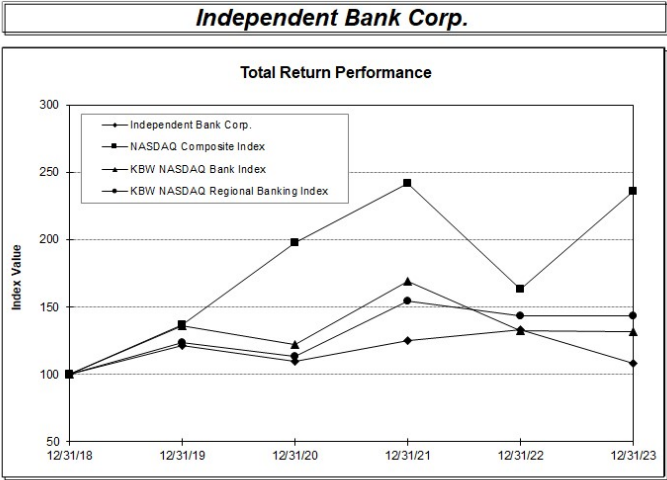
Comparative Stock Performance Graph

The stock performance graph below and associated table compare the cumulative total shareholder return of the Company's common stock from December 31, 2018 to December 31, 2023 to the cumulative total return of the NASDAQ Composite Index (U.S. Companies), the KBW NASDAQ Bank Index, and the KBW NASDAQ Regional Banking Index. The lines in the graph and the numbers in the table below represent yearly index levels derived from compounded daily returns that include reinvestment or retention of all dividends. If the yearly interval, based on the last day of a fiscal year, was not a trading

day, the preceding trading day was used. The index value for all of the series was set to 100.00 on December 31, 2018 (which assumes that \$100.00 was invested in each of the series on December 31, 2018).

The following information in this Item 5 of this Report is not deemed to be "soliciting material" or to be "filed" with the SEC or subject to Regulation 14A or 14C under the Exchange Act or to the liabilities of Section 18 of the Exchange Act and will not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent the Company specifically incorporates it by reference into such a filing. The stock price performance shown on the stock performance graph and associated table below is not necessarily indicative of future price performance. Information used in the graph and table was obtained from a third party provider, a source believed to be reliable, but the Company is not responsible for any errors or omissions in such information.

The following chart depicts the total return performance of the Company:



Index	Period Ending					
	12/31/18	12/31/19	12/31/20	12/31/21	12/31/22	12/31/23
Independent Bank Corp.	100.00	121.11	109.46	242.03	133.00	107.92
NASDAQ Composite Index	100.00	136.69	198.10	242.03	163.28	236.17
KBW NASDAQ Bank Index	100.00	136.13	122.09	168.88	132.75	131.57
KBW NASDAQ Regional Banking Index	100.00	123.81	113.03	154.45	143.75	143.17

Source: S&P Global Market Intelligence
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(b.) Not applicable

(c.) The following table sets forth information regarding the Company's repurchases of its common stock during the three months ended December 31, 2023:

Period	Issuer Purchases of Equity Securities			
	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan or Program	Maximum Number (or Approximate Dollar Value) of Shares That May Yet Be Purchased Under the Plan or Program (1)
October 1 to October 31, 2023	257,500	\$ 47.37	257,500	\$ 87,802,432
November 1 to November 30, 2023	874,900	54.61	874,900	\$ 40,020,259
December 1 to December 31, 2023	151,000	59.47	151,000	\$ 31,041,000
Total	1,283,400	\$ 53.73	1,283,400	

(1) The remaining shares available for repurchase at December 31, 2023 were repurchased during the first quarter of 2024. Accordingly, the share repurchase plan was terminated.

On October 19, 2023, the Company announced a stock buyback plan which authorizes repurchases by the Company of up to \$100 million in common stock. Repurchases under the plan were made from time to time on the open market and in privately negotiated transactions, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Exchange Act. The extent to which the Company repurchases shares and the size and timing of these repurchases will depend on a variety of factors, including price, market and economic conditions, the Company's capital position and amount of retained earnings and legal and contractual requirements. During the fourth quarter of 2023, the Company repurchased 1.3 million shares of common stock for \$69 million under this plan and the remaining repurchases under this plan were completed during the first quarter of 2024. There are no other active repurchase plans at this time.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Company is a state chartered, federally registered bank holding company, incorporated in 1985. The Company is the sole stockholder of Rockland Trust, a Massachusetts trust company chartered in 1907. For a full list of corporate entities see *Item 1 "Business — General."*

All material intercompany balances and transactions have been eliminated in consolidation. When necessary, certain amounts in prior year financial statements have been reclassified to conform to the current year's presentation. The following should be read in conjunction with the Consolidated Financial Statements and related notes.

Executive Level Overview

Management evaluates the Company's operating results and financial condition using measures that include net income, earnings per share, return on assets and equity, return on tangible common equity, net interest margin, tangible book value per share, asset quality indicators, and many others. These metrics are used by management to make key decisions regarding the Company's balance sheet, liquidity, interest rate sensitivity, and capital resources and assist with identifying opportunities for improving the Company's financial position or operating results. The Company focuses on organic growth, but will also consider growth through acquisition. Any potential acquisition opportunities are evaluated for the potential to provide a satisfactory financial return as well as other criteria (ease of integration, synergies, geographical location).

2023 Results

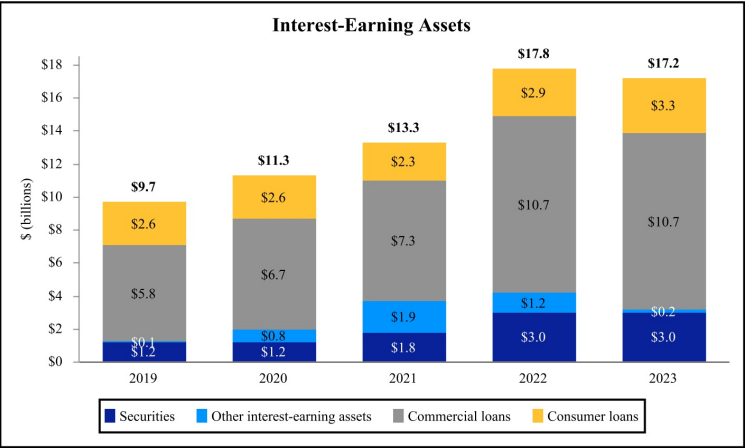
Net income for the year ended December 31, 2023 was \$239.5 million, or \$5.42 on a diluted earnings per share basis, as compared to \$263.8 million, or \$5.69 on a diluted earnings per share basis for the year ended December 31, 2022, representing decreases of 9.2% and 4.7%, respectively. Full year 2023 operating net income was also \$239.5 million, or \$5.42, on a diluted earnings per share basis, as no adjustments were recognized, while full year 2022 operating results reflect pre-tax merger and acquisition-related costs of \$7.1 million associated with the fourth quarter 2021 acquisition of Meridian Bancorp, Inc. ("Meridian") and its subsidiary, East Boston Savings Bank. Excluding these merger and acquisition-related costs, operating net income was \$268.9 million, or \$5.80 on a diluted per share basis for the year ended December 31, 2022, representing decreases of 10.9% and 6.6%, respectively. See "Non-GAAP Measures" below for a reconciliation of non-GAAP measures.

Full year 2023 results reflected the following key drivers:

- Net interest margin increased by 8 basis points as compared to the full year 2022;
- Disciplined loan growth;
- Stable asset quality; provision for credit loss primarily impacted by loss exposure in the commercial portfolios;
- Strong fee income;
- Prudent expense management; 54% efficiency ratio for the year;
- Strong tangible book value growth of 7.3%; and
- Robust capital levels; Company active under two authorized stock buyback programs, repurchasing 2.9 million shares for \$189 million during the year.

Interest-Earning Assets

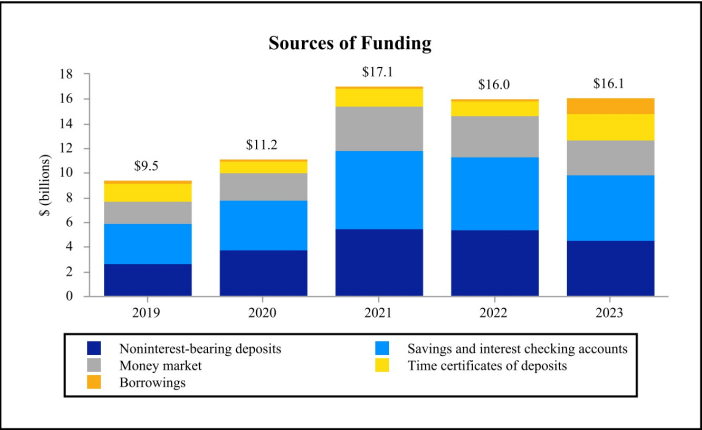
The results depicted in the following table reflect the trend of the Company's interest-earning assets over the past five years and reflect a longer term overall strategy that typically emphasizes loan growth commensurate with overall economic growth. Compared to the prior year, the composition of interest-earnings assets at December 31, 2023 primarily reflects growth in the residential real estate loan portfolio, decreased securities balances reflecting paydowns, calls and maturities, and also reduced cash balances commensurate with deposit balance reductions. The following table summarizes the Company's average interest-earning assets for each year presented:



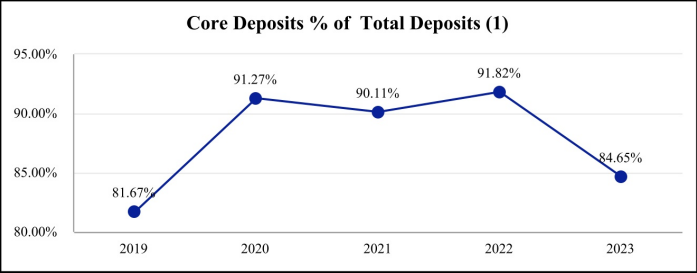
Management strives to be disciplined about loan pricing and considers interest rate sensitivity when generating loan assets. In addition, management takes a disciplined approach to credit underwriting, seeking to avoid undue credit risk and credit losses.

Funding and the Net Interest Margin

The Company's overall sources of funding reflect strong business and retail deposit growth with a management emphasis on core deposit growth to fund loans. Total borrowings increased by \$1.1 billion at December 31, 2023 as compared to December 31, 2022, primarily in response to deposit balance reductions and to fund the Company's stock buyback activity. For further details surrounding the Company's liquidity risks and related strategy, see "Risk Management – Liquidity Risk" section below within *Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations* within this Report. The following chart shows the sources of funding for the trailing five years:

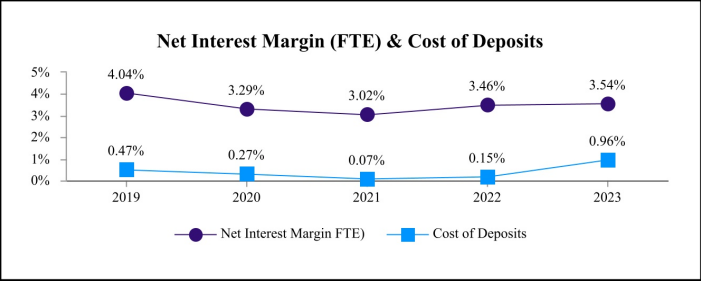


The Company's ratio of core deposits to total deposits decreased during 2023, primarily attributable to core deposit outflows in conjunction with existing deposit balances shifting into higher cost time deposits. The following chart shows the percentage of core deposits to total deposits for the trailing five years:



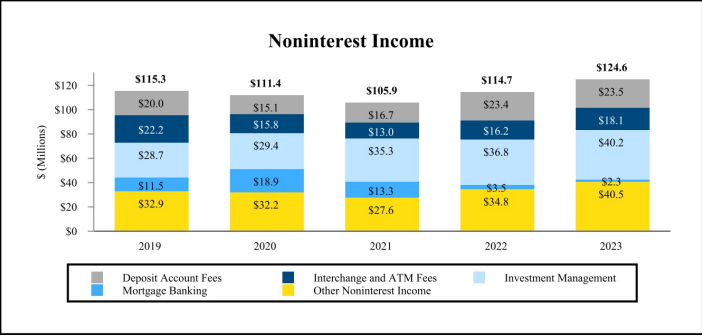
(1) The percentage of core deposits to total deposits presented above is inclusive of reciprocal money market deposits collected through the Company's participation in the IntraFi Network.

The following table shows the net interest margin and cost of deposits trends for the trailing five year period:



Noninterest Income

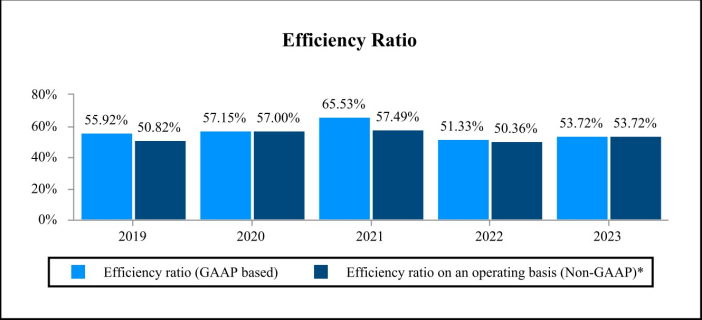
Noninterest income is primarily comprised of deposit account fees, interchange and ATM fees, investment management fees and mortgage banking income. The following chart shows the components of noninterest income over the past five years:



Expense Control

Management seeks to take a balanced approach to noninterest expense control by monitoring ongoing operating expenses while making needed capital expenditures and prudently investing in growth initiatives. The Company's primary expenses arise from Rockland Trust's employee salaries and benefits, as well as expenses associated with buildings and equipment.

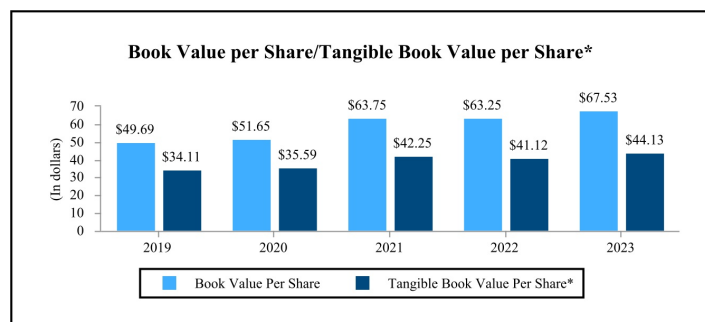
The following chart depicts the Company's efficiency ratio on a GAAP basis (calculated by dividing noninterest expense by the sum of noninterest income and net interest income), as well as the Company's efficiency ratio on a non-GAAP operating basis, (calculated by dividing noninterest expense, excluding certain noncore items, by the sum of noninterest income, excluding certain noncore items, and net interest income) over the past five years:



*See "Non-GAAP Measures" below for a reconciliation to GAAP financial measures.

Capital

The Company's approach with respect to revenue and expense is designed to promote long-term earnings growth, which in turn contributes to capital growth. Capital balances during 2023 were impacted primarily by earnings retention, dividends, changes in other comprehensive income, and opportunistic share repurchases. The following chart shows the Company's book value and tangible book value per share over the past five years:



*See "Non-GAAP Measures" below for a reconciliation to GAAP financial measures.

Cash dividends declared by the Company increased from an aggregate of \$2.08 per share in 2022 to \$2.20 per share in 2023, representing an increase of 5.8%. During the first quarter of 2023, the Company repurchased 1.6 million shares of its common stock for \$120.0 million at an average price of \$74.18, marking the full completion of its stock repurchase program announced in October 2022. Additionally, in consideration of the Company's strong capital position, the Company announced another stock repurchase plan in October 2023 which authorized repurchases by the Company of up to \$100 million in common stock. Under this new plan, the Company repurchased an additional 1.3 million shares of common stock for \$69.0 million at an average price per share of \$53.73 during the fourth quarter of 2023.

Non-GAAP Measures

When management assesses the Company's financial performance for purposes of making day-to-day and strategic decisions, it does so based upon the performance of its core banking business, which is primarily derived from the combination of net interest income and noninterest or fee income, reduced by operating expenses, the provision for credit losses, and the impact of income taxes and other noncore items shown in the table that follows. There are items that impact the Company's results that management believes are unrelated to its core banking business such as gains or losses on the sales of securities, merger and acquisition expenses, provision for credit losses on acquired portfolios, loss on extinguishment of debt, impairment and other items. Management, therefore, excludes items management considers to be noncore when computing the Company's non-GAAP operating earnings and operating EPS, noninterest income on an operating basis and efficiency ratio on an operating basis. Management believes excluding these items facilitates greater visibility into the Company's core banking business and underlying trends that may, to some extent, be obscured by inclusion of such items.

Management also supplements its evaluation of financial performance with an analysis of tangible book value per share (which is computed by dividing stockholders' equity less goodwill and identifiable intangible assets, or tangible common equity, by common shares outstanding) and with the Company's tangible common equity ratio (which is computed by dividing tangible common equity by tangible assets) which are non-GAAP measures. The Company has included information on these tangible ratios because management believes that investors may find it useful to have access to the same analytical tools used by management to assess performance and identify trends. The Company has recognized goodwill and other intangible assets in conjunction with merger and acquisition activities. Excluding the impact of goodwill and other intangibles in measuring asset and capital values for the ratios provided, along with other bank standard capital ratios, facilitates comparison of the capital adequacy of the Company to other companies in the financial services industry.

These non-GAAP measures should not be viewed as a substitute for financial results determined in accordance with GAAP. An item which management deems to be noncore and excludes when computing these non-GAAP measures can be of substantial importance to the Company's results for any particular period. The Company's non-GAAP performance measures are not necessarily comparable to similarly named non-GAAP performance measures which may be presented by other companies.

The following table summarizes the impact of noncore items on net income and reconciles non-GAAP net operating earnings to net income available to common shareholders for the periods indicated:

	Years Ended December 31			
	Net Income		Diluted Earnings Per Share	
	2023	2022	2023	2022
(Dollars in thousands, except per share data)				
Net income available to common shareholders (GAAP)	\$ 239,502	\$ 263,813	\$ 5.42	\$ 5.69
Non-GAAP adjustments				
Noninterest expense components				
Add: merger and acquisition expenses	—	7,100	—	0.15
Noncore increases to income before taxes	—	7,100	—	0.15
Net tax benefit associated with noncore items (1)	—	(1,995)	—	(0.04)
Noncore increases to net income	\$ —	\$ 5,105	\$ —	\$ 0.11
Net operating earnings (Non-GAAP)	\$ 239,502	\$ 268,918	\$ 5.42	\$ 5.80

(1) The net tax benefit associated with noncore items is determined by assessing whether each noncore item is included or excluded from net taxable income and applying the Company's combined marginal tax rate only to those items included in net taxable income.

The following table summarizes the impact of noncore items with respect to the Company's total revenue, noninterest income as a percentage of total revenue, and the efficiency ratio for the periods indicated:

	Years Ended December 31									
	2023		2022		2021		2020		2019	
	(Dollars in thousands)									
Net interest income	\$	606,521	\$	613,249	\$	401,559	\$	367,728	\$	393,135 (a)
Noninterest income (GAAP)	\$	124,609	\$	114,667	\$	105,850	\$	111,440	\$	115,294 (b)
Less:										
Gain on sale of loans		—		—		—		—		951
Noninterest income on an operating basis (non-GAAP)	\$	124,609	\$	114,667	\$	105,850	\$	111,440	\$	114,343 (c)
Noninterest expense (GAAP)	\$	392,746	\$	373,662	\$	332,529	\$	273,832	\$	284,321 (d)
Less:										
Loss on termination of derivatives		—		—		—		684		—
Merger and acquisition expenses		—		7,100		40,840		—		26,433
Noninterest expense on an operating basis (non-GAAP)	\$	392,746	\$	366,562	\$	291,689	\$	273,148	\$	257,888 (e)
Total revenue (GAAP)	\$	731,130	\$	727,916	\$	507,409	\$	479,168	\$	508,429 (a+b)
Total operating revenue (non-GAAP)	\$	731,130	\$	727,916	\$	507,409	\$	479,168	\$	507,478 (a+c)
Ratios										
Noninterest income as a % of total revenue (GAAP) (calculated by dividing total noninterest income by total revenue)		17.04	%	15.75	%	20.86	%	23.26	%	22.68 % (b/(a+b))
Noninterest income as a % of total revenue on an operating basis (Non-GAAP) (calculated by dividing total noninterest income on an operating basis by total revenue)		17.04	%	15.75	%	20.86	%	23.26	%	22.53 % (c/(a+c))
Efficiency ratio (GAAP) (calculated by dividing total noninterest expense by total revenue)		53.72	%	51.33	%	65.53	%	57.15	%	55.92 % (d/(a+b))
Efficiency ratio on an operating basis (Non-GAAP) (calculated by dividing total noninterest expense on an operating basis by total revenue)		53.72	%	50.36	%	57.49	%	57.00	%	50.82 % (e/(a+c))

The following table summarizes the calculation of the Company's tangible common equity ratio and tangible book value per share for the periods indicated:

	Years Ended December 31				
	2023	2022	2021	2020	2019
(Dollars in thousands, except per share data)					
Tangible common equity					
Stockholders' equity	\$ 2,895,251	\$ 2,886,701	\$ 3,018,449	\$ 1,702,685	\$ 1,708,143 (a)
Less: Goodwill and other intangibles	1,003,262	1,010,140	1,017,844	529,313	535,492
Tangible common equity (Non-GAAP)	1,891,989	1,876,561	2,000,605	1,173,372	1,172,651 (b)
Tangible assets					
Assets (GAAP)	19,347,373	19,294,174	20,423,405	13,204,301	11,395,165 (c)
Less: Goodwill and other intangibles	1,003,262	1,010,140	1,017,844	529,313	535,492
Tangible assets (Non-GAAP)	\$ 18,344,111	\$ 18,284,034	\$ 19,405,561	\$ 12,674,988	\$ 10,859,673 (d)
Common shares	42,873,187	45,641,238	47,349,778	32,965,692	34,377,388 (e)
Common equity to assets ratio (GAAP)	14.96 %	14.96 %	14.78 %	12.89 %	14.99 % (a/c)
Tangible common equity to tangible assets ratio (Non-GAAP)	10.31 %	10.26 %	10.31 %	9.26 %	10.80 % (b/d)
Book value per share (GAAP)	\$ 67.53	\$ 63.25	\$ 63.75	\$ 51.65	\$ 49.69 (a/e)
Tangible book value per share (Non-GAAP)	\$ 44.13	\$ 41.12	\$ 42.25	\$ 35.59	\$ 34.11 (b/e)

SELECTED FINANCIAL DATA

The selected consolidated financial and other data of the Company set forth below does not purport to be complete and should be read in conjunction with, and is qualified in its entirety by, the more detailed information, including the Consolidated Financial Statements and related notes, appearing elsewhere herein.

Table 1 - Selected Financial Data

	As of or for the Years Ended December 31									
	2023		2022		2021		2020		2019	
	(Dollars in thousands, except per share data)									
Financial condition data										
Securities	\$	2,930,860	\$	3,129,281	\$	2,664,859	\$	1,162,317	\$	1,190,670
Loans		14,278,070		13,928,675		13,587,286		9,392,866		8,873,639
Allowance for credit losses		(142,222)		(152,419)		(146,922)		(113,392)		(67,740)
Goodwill and other intangibles		1,003,262		1,010,140		1,017,844		529,313		535,492
Total assets		19,347,373		19,294,174		20,423,405		13,204,301		11,395,165
Deposits		14,865,547		15,879,007		16,917,044		10,993,170		9,147,367
Borrowings		1,218,379		113,377		152,374		181,060		303,103
Stockholders' equity		2,895,251		2,886,701		3,018,449		1,702,685		1,708,143
Nonperforming loans		54,383		54,881		27,820		66,861		48,049
Nonperforming assets		54,493		54,881		27,820		66,861		48,049
Operating data										
Interest income	\$	795,726	\$	642,840	\$	415,276	\$	402,069	\$	447,014
Interest expense		189,205		29,591		13,717		34,341		53,879
Net interest income		606,521		613,249		401,559		367,728		393,135
Provision for credit losses		23,250		6,500		18,205		52,500		6,000
Noninterest income		124,609		114,667		105,850		111,440		115,294
Noninterest expenses		392,746		373,662		332,529		273,832		284,321
Net income		239,502		263,813		120,992		121,167		165,175
Per share data										
Net income — basic	\$	5.42	\$	5.69	\$	3.47	\$	3.64	\$	5.03
Net income — diluted		5.42		5.69		3.47		3.64		5.03
Cash dividends declared		2.20		2.08		1.92		1.84		1.76
Book value		67.53		63.25		63.75		51.65		49.69
Tangible book value (1)		44.13		41.12		42.25		35.59		34.11
Performance ratios										
Return on average assets		1.24 %		1.33 %		0.81 %		0.96 %		1.52 %
Return on average common equity		8.31 %		9.05 %		6.34 %		7.13 %		10.85 %
Net interest margin (on a fully tax equivalent basis)		3.54 %		3.46 %		3.02 %		3.29 %		4.04 %
Dividend payout ratio		40.92 %		35.53 %		51.85 %		50.21 %		32.25 %
Asset quality ratios										
Nonperforming loans as a percent of gross loans		0.38 %		0.39 %		0.20 %		0.71 %		0.54 %
Nonperforming assets as a percent of total assets		0.28 %		0.28 %		0.14 %		0.51 %		0.42 %
Allowance for credit losses as a percent of total loans		1.00 %		1.09 %		1.08 %		1.21 %		0.76 %
Allowance for credit losses as a percent of nonperforming loans		261.52 %		277.73 %		528.12 %		169.59 %		140.98 %
Capital ratios										
Equity to assets		14.96 %		14.96 %		14.78 %		12.89 %		14.99 %
Tangible equity to tangible assets (1)		10.31 %		10.26 %		10.31 %		9.26 %		10.80 %
Tier 1 leverage capital ratio		10.96 %		10.99 %		12.03 %		9.56 %		11.28 %
Common equity tier 1 capital ratio		14.19 %		14.33 %		14.30 %		12.67 %		12.86 %
Tier 1 risk-based capital ratio		14.19 %		14.33 %		14.30 %		13.34 %		13.53 %
Total risk-based capital ratio		15.91 %		16.11 %		16.04 %		15.13 %		14.83 %

(1) Represents a non-GAAP measurement. For reconciliation to GAAP measurement, see Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations - Executive Level Overview - Non-GAAP Measures".

Financial Position

Securities Portfolio The Company's securities portfolio primarily consists of U.S. Treasury, U.S. government agency securities, agency mortgage-backed securities, agency collateralized mortgage obligations, and small business administration pooled securities. Also included in the Company's security portfolio are trading and equity securities related to certain employee benefit programs. The majority of these securities are investment grade debt obligations with average lives of five years or less. U.S. government agency securities entail a lesser degree of risk than loans made by the Bank by virtue of the guarantees that back them, require less capital under risk-based capital rules than noninsured or nonguaranteed mortgage loans, are more liquid than individual mortgage loans, and may be used to collateralize borrowings or other obligations of the Bank. The Bank views its securities portfolio as a source of income and liquidity. Interest and principal payments generated from securities provide a source of liquidity to fund loans and meet short-term cash needs.

Total securities decreased by \$198.4 million, or 6.3%, at December 31, 2023 as compared to December 31, 2022, primarily reflecting the impact of paydowns, calls, and maturities, partially offset by unrealized gains of \$42.0 million related to the available for sale portfolio. The ratio of securities to total assets decreased to 15.1% at December 31, 2023 as compared to 16.2% at December 31, 2022. The Company estimates expected credit losses for its available for sale and held to maturity securities in accordance with the CECL methodology, as described in *Note 1, "Summary of Significant Accounting Policies"* within the Notes to Consolidated Financial Statements included in Item 8 of this Report.

The following table sets forth the fair value of available for sale securities and the amortized cost of held to maturity securities along with the percentage distribution:

Table 2 - Securities Portfolio Composition

	December 31			
	2023		2022	
	Amount	Percent	Amount	Percent
(Dollars in thousands)				
Fair value of securities available for sale				
U.S. government agency securities	\$ 207,138	15.5 %	\$ 202,300	14.5 %
U.S. treasury securities	769,102	57.6 %	791,341	56.5 %
Agency mortgage-backed securities	277,047	20.8 %	313,688	22.4 %
Agency collateralized mortgage obligations	33,189	2.5 %	38,843	2.8 %
State, county and municipal securities	190	— %	191	— %
Pooled trust preferred securities issued by banks and insurers	1,018	0.1 %	1,034	0.1 %
Small business administration pooled securities	46,572	3.5 %	51,757	3.7 %
Total fair value of securities available for sale	1,334,256	100.0 %	1,399,154	100.0 %
Amortized cost of securities held to maturity				
U.S. government agency securities	29,521	1.9 %	31,258	1.8 %
U.S. treasury securities	100,712	6.4 %	100,634	5.9 %
Agency mortgage-backed securities	829,431	52.9 %	898,927	52.8 %
Agency collateralized mortgage obligations	477,517	30.4 %	535,971	31.4 %
Single issuer trust preferred securities issued by banks	1,500	0.1 %	1,500	0.1 %
Small business administration pooled securities	130,426	8.3 %	136,830	8.0 %
Total amortized cost of securities held to maturity	1,569,107	100.0 %	1,705,120	100.0 %
Total	\$ 2,903,363		\$ 3,104,274	

The Company's available for sale securities are carried at fair value and are categorized within the fair value hierarchy based on the observability of model inputs. Securities which require inputs that are both significant to the fair value measurement and unobservable are classified as level 3 within the fair value hierarchy. At December 31, 2023 and 2022, the Company had no securities categorized as level 3 within the fair value hierarchy.

The following table sets forth the weighted average yield for each range of contractual maturities of the Bank's available for sale and held to maturity securities portfolios at December 31, 2023. Actual maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. Weighted average yields in the table below have been calculated based on the amortized cost of the security.

Table 3 - Securities Portfolio, Weighted Average Yields

	Within One Year	One Year to Five Years	Five Years to Ten Years	Over Ten Years	Total
	Weighted Average Yield				
Securities available for sale:					
U.S. government agency securities	—	1.2 %	1.6 %	—	1.3 %
U.S. treasury securities	0.4 %	0.9 %	—	—	0.8 %
Agency mortgage-backed securities	4.0 %	1.6 %	1.9 %	2.0 %	1.8 %
Agency collateralized mortgage obligations	—	—	2.1 %	3.6 %	3.5 %
State, county, and municipal securities	—	3.0 %	—	—	3.0 %
Single issuer trust preferred securities issued by banks	—	—	—	3.7 %	3.7 %
Pooled trust preferred securities issued by banks and insurers	—	—	—	6.1 %	6.1 %
Small business administration pooled securities	—	—	—	2.2 %	2.2 %
Total available for sale securities	0.4 %	1.1 %	1.8 %	2.3 %	1.2 %
Securities held to maturity:					
U.S. government agency securities:	0.5 %	—	—	—	0.5 %
U.S. treasury securities	—	1.3 %	1.5 %	—	1.3 %
Agency mortgage-backed securities	—	2.9 %	2.4 %	3.2 %	2.8 %
Agency collateralized mortgage obligations	—	2.5 %	1.1 %	1.6 %	1.7 %
Single issuer trust preferred securities issued by banks	—	8.3 %	—	—	8.3 %
Small business administration pooled securities	—	—	2.2 %	4.1 %	4.0 %
Total held to maturity securities	0.5 %	2.6 %	2.3 %	2.5 %	2.5 %
Total	0.4 %	1.6 %	2.2 %	2.4 %	1.8 %

As of December 31, 2023, the weighted average life of the securities portfolio was 4.1 years and the modified duration was 3.6 years.

At December 31, 2023, the aggregate book value of securities issued by Fannie Mae, Freddie Mac and the U.S. Department of the Treasury exceeded 10% of stockholders' equity. Accordingly, the following table discloses the aggregate book value and market value of these securities at December 31, 2023:

Table 4 - Aggregate Book Value and Market Value of Select Securities

	Aggregate Book Value		Aggregate Market Value	
	(Dollars in thousands)			
Securities issued by:				
Fannie Mae	\$	1,215,236	\$	1,089,194
Freddie Mac		439,502		390,877
U.S. Department of the Treasury		925,309		860,637
Total	\$	2,580,047	\$	2,340,708

Residential Mortgage Loan Sales The Bank's residential mortgage loans are generally originated in compliance with terms, conditions and documentation which permit the sale of such loans to investors in the secondary market. Loan sales in the secondary market provide funds for additional lending and other banking activities. Depending on market conditions, the Bank may sell the servicing of the sold loans for a servicing released premium, simultaneous with the sale of the loan. For the remainder of the sold loans for which the Company retains the servicing, a mortgage servicing asset is recognized. Additionally, as part of its asset/liability management strategy, the Bank may opt to retain certain residential real estate loan originations for its portfolio. When a loan is sold, the Company enters into agreements that contain representations and warranties about the characteristics of the loans sold and their origination. The Company may be required to either repurchase mortgage loans or to indemnify the purchaser from losses if representations and warranties are found to be not accurate in all material respects. The Company incurred no material losses related to mortgage repurchases during the years ended December 31, 2023, 2022, and 2021.

The Company experienced a lower volume of residential real estate loan sales for the years ended December 31, 2023 and 2022, as compared to 2021, driven primarily by reduced customer demand in the rising interest rate environment. The following table shows the total residential loans that were closed and whether the amounts were held in the portfolio or sold (or held for sale) in the secondary market for the periods indicated:

Table 5 - Closed Residential Real Estate Loans

	Years Ended December 31		
	2023	2022	2021
	(Dollars in thousands)		
Held in portfolio	\$ 512,991	\$ 689,636	\$ 411,850
Sold or held for sale in the secondary market	79,665	84,059	756,025
Total closed loans	\$ 592,656	\$ 773,695	\$ 1,167,875

Additionally, during the years ended December 31, 2023 and 2022, a larger portion of new residential real estate closings were retained in the portfolio rather than sold into the secondary market as compared to prior year periods driven mainly by the current interest-rate environment.

When a loan is sold, the Company may decide to also sell the servicing of sold loans for a servicing release premium, simultaneously with the sale of the loan, or the Company may opt to sell the loan and retain the servicing. The table below reflects additional information related to loans which were sold during the periods indicated:

Table 6 - Residential Mortgage Loan Sales

	Years Ended December 31		
	2023	2022	2021
	(Dollars in thousands)		
Sold with servicing rights released	\$ 75,548	\$ 103,221	\$ 772,234
Sold with servicing rights retained (1)	649	863	11,116
Total loans sold	\$ 76,197	\$ 104,084	\$ 783,350

(1) All loans sold with servicing rights retained during the above periods were sold without recourse.

In the event of a sale with servicing rights retained, a mortgage servicing asset is established, which represents the then current estimated fair value based on market prices for comparable mortgage servicing contracts, when available, or alternatively is based on a valuation model that calculates the present value of estimated future net servicing income. The valuation model incorporates assumptions that market participants would use in estimating future net servicing income, such as the cost to service, the discount rate, an inflation rate, ancillary income, prepayment speeds and default rates and losses. Servicing rights are recorded in other assets in the Consolidated Balance Sheets, are amortized in proportion to and over the period of estimated net servicing income, and are assessed for impairment based on fair value at each reporting date. Impairment is determined by stratifying the rights based on predominant characteristics, such as interest rate, loan type and investor type. Impairment is recognized through a valuation allowance, to the extent that fair value is less than the capitalized amount. If the Company later determines that all or a portion of the impairment no longer exists, a reduction of the allowance may be recorded as an increase to income. The principal balance of loans serviced by the Bank on behalf of investors was \$298.8 million at December 31, 2023 and \$327.5 million at December 31, 2022.

The following table shows the adjusted cost of the servicing rights associated with these loans and the changes for the periods indicated:

Table 7 - Mortgage Servicing Asset

	2023	2022
	(Dollars in thousands)	
Beginning balance	\$ 2,947	\$ 2,627
Additions	5	8
Amortization	(485)	(649)
Change in valuation allowance	174	961
Ending balance	<u>\$ 2,641</u>	<u>\$ 2,947</u>

See Note 9, "Derivatives and Hedging Activities," within the Notes to Consolidated Financial Statements included in Item 8 of this Report for more information on mortgage activity and mortgage related derivatives.

Loan Portfolio The Company's loan portfolio at December 31, 2023 increased by \$349.4 million, or 2.5%, when compared to December 31, 2022. Loan growth was driven primarily by strong consumer real estate activity in 2023, with the majority of residential real estate originations retained on the balance sheet, leading to an increase of \$389.2 million, or 19.1%, within the residential portfolio. Total commercial loans decreased by \$45.8 million, or 0.4% compared to December 31, 2022, reflecting disciplined origination activity and decreased line utilizations as compared to prior year.

The following table sets forth information concerning the composition of the Bank's loan portfolio by loan type at the dates indicated:

Table 8 - Loan Portfolio Composition

	December 31			
	2023		2022	
	(Dollars in thousands)			
	Amount	Percent	Amount	Percent
Commercial and industrial	\$ 1,579,986	11.1 %	\$ 1,635,103	11.7 %
Commercial real estate	8,041,508	56.3 %	7,760,230	55.7 %
Commercial construction	849,586	6.0 %	1,154,413	8.3 %
Small business	251,956	1.8 %	219,102	1.6 %
Residential real estate	2,424,754	16.9 %	2,035,524	14.6 %
Home equity	1,097,626	7.7 %	1,088,750	7.8 %
Other consumer	32,654	0.2 %	35,553	0.3 %
Gross loans	14,278,070	100.0 %	13,928,675	100.0 %
Allowance for credit losses	(142,222)		(152,419)	
Net loans	\$ 14,135,848		\$ 13,776,256	

The following table summarizes loans by contractual maturity as of December 31, 2023, along with the indication of whether interest rates are fixed or adjustable:

Table 9 - Scheduled Contractual Loan Amortization

	December 31, 2023				
	1 Year or Less	1 - 5 Years	5 - 15 years (2)	After 15 Years	Total
(Dollars in thousands)					
Fixed rate					
Commercial and industrial	\$ 90,311	\$ 177,213	\$ 184,051	\$ 25,307	\$ 476,882
Commercial real estate	400,055	1,317,637	1,204,155	261,597	3,183,444
Commercial construction (1)	77,995	30,809	95,739	36,220	240,763
Small business	24,858	78,616	75,858	1,178	180,510
Residential real estate	49,968	252,754	788,936	767,654	1,859,312
Home equity	25,076	103,245	192,620	3,164	324,105
Other consumer	1,966	2,297	283	—	4,546
Total fixed rate loans	670,229	1,962,571	2,541,642	1,095,120	6,269,562
Adjustable rate					
Commercial and industrial	385,505	430,283	241,294	46,022	1,103,104
Commercial real estate	933,306	1,641,027	1,760,701	523,030	4,858,064
Commercial construction (1)	276,360	111,490	148,689	72,284	608,823
Small business	19,940	22,644	28,687	175	71,446
Residential real estate	12,887	78,694	225,985	247,876	565,442
Home equity	68,076	188,348	508,335	8,762	773,521
Other consumer	16,836	11,272	—	—	28,108
Total adjustable rate loans	1,712,910	2,483,758	2,913,691	898,149	8,008,508
Total loans	\$ 2,383,139	\$ 4,446,329	\$ 5,455,333	\$ 1,993,269	\$ 14,278,070

(1) Includes certain construction loans that will convert to commercial mortgages and will be reclassified to commercial real estate upon the completion of the construction phase.

(2) Loans having no schedule of repayments or no stated maturity are reported as being due in the 5-15 years category above.

Generally, the actual maturity of loans is substantially shorter than their contractual maturity due to prepayments and, in the case of real estate loans, due-on-sale clauses, which generally give the Bank the right to declare a loan immediately due and payable in the event that, among other things, the borrower sells the property subject to the mortgage and the loan is not repaid. The average life of real estate loans tends to increase when current real estate loan rates are higher than rates on mortgages in the portfolio and, conversely, tends to decrease when rates on mortgages in the portfolio are higher than current real estate loan rates. Due to the fact that the Bank may, consistent with industry practice, renew a significant portion of commercial and commercial real estate loans at or immediately prior to their maturity by renewing the loans on substantially similar or revised terms, the principal repayments actually received by the Bank are anticipated to be significantly less than the amounts contractually due in any particular period. In other circumstances, a loan, or a portion of a loan, may not be repaid due to the borrower's inability to satisfy the contractual obligations of the loan.

Asset Quality The Company continually monitors the asset quality of the loan portfolio using all available information. Based on this assessment, loans demonstrating certain payment issues or other weaknesses may be categorized as delinquent, nonperforming and/or put on nonaccrual status. Further details surrounding relevant asset quality categories are summarized below:

Delinquency The Company's philosophy toward managing its loan portfolios is predicated upon careful monitoring, which stresses early detection and response to delinquent and default situations. The Company seeks to make arrangements to resolve any delinquent or default situation over the shortest possible time frame. Generally, the Company requires that a delinquency notice be mailed to a borrower upon expiration of a grace period (typically no longer than 15 days beyond the due

date). Reminder notices may be sent and telephone calls may be made prior to the expiration of the grace period. If the delinquent status is not resolved within a reasonable time frame following the mailing of a delinquency notice, the Bank's personnel charged with managing its loan portfolios contacts the borrower to ascertain the reasons for delinquency and the prospects for payment. Any subsequent actions taken to resolve the delinquency will depend upon the nature of the loan and the length of time that the loan has been delinquent. The borrower's needs are considered as much as reasonably possible without jeopardizing the Bank's position. A late charge is usually assessed on loans upon expiration of the grace period.

Nonaccrual Loans As a general rule, loans 90 days or more past due with respect to principal or interest are classified as nonaccrual loans. However, certain loans that are 90 days or more past due may be kept on an accruing status if the loans are well secured and in the process of collection. Income accruals are suspended on all nonaccrual loans and all previously accrued and uncollected interest is reversed against current income. A loan remains on nonaccrual status until it becomes current with respect to principal and interest and remains current for a minimum period of six months, the loan is liquidated, or when the loan is determined to be uncollectible and is charged-off against the allowance for credit losses.

Loan Modifications In the course of resolving problem loans, the Company may choose to modify the contractual terms of certain loans. The Company attempts to work out an alternative payment schedule with the borrower in order to avoid or cure a default. Terms may be modified to fit the ability of the borrower to repay in line with its current financial status and may include adjustments to term extensions, interest rates, other than insignificant payment delays and/or a combination thereof. These actions are intended to minimize economic loss and avoid foreclosure or repossession of collateral. If such efforts by the Bank do not result in satisfactory performance, the loan is referred to legal counsel, at which time foreclosure proceedings are initiated. At any time prior to a sale of the property at foreclosure, the Bank may terminate foreclosure proceedings if the borrower is able to work out a satisfactory payment plan. All loan modifications are reviewed by the Company to identify if a borrower is deemed to be experiencing financial difficulty at time of the modification.

Purchased Credit Deteriorated Loans Purchased Credit Deteriorated ("PCD") loans are acquired loans which have shown a more-than-insignificant deterioration in credit quality since origination. PCD loans are recorded at amortized cost with an allowance for credit losses recorded upon purchase.

Nonperforming Assets Nonperforming assets are typically comprised of nonperforming loans and other real estate owned ("OREO"). Nonperforming loans consist of nonaccrual loans and loans that are 90 days or more past due but still accruing interest.

OREO consists of real estate properties, which have primarily served as collateral to secure loans, that are controlled or owned by the Bank. These properties are recorded at fair value less estimated costs to sell at the date control is established, resulting in a new cost basis. The amount by which the recorded investment in the loan exceeds the fair value (net of estimated costs to sell) of the foreclosed asset is charged to the allowance for credit losses. Subsequent declines in the fair value of the foreclosed asset below the new cost basis are recorded through the use of a valuation allowance. Subsequent increases in the fair value are recorded as reductions in the valuation allowance, but not below zero. All costs incurred thereafter in maintaining the property are generally charged to noninterest expense. In the event the real estate is utilized as a rental property, net rental income and expenses are recorded as incurred within noninterest expense.

The following table sets forth information regarding nonperforming assets held by the Bank at the dates indicated:

Table 10 - Nonperforming Assets

	December 31	
	2023	2022
	(Dollars in thousands)	
Loans accounted for on a nonaccrual basis		
Commercial and industrial	\$ 20,188	\$ 26,693
Commercial real estate	22,952	15,730
Small business	398	104
Residential real estate	7,634	8,479
Home equity	3,171	3,400
Other consumer	40	475
Total nonperforming loans (1)	54,383	54,881
Other real estate owned	110	—
Total nonperforming assets (1)	\$ 54,493	\$ 54,881
Nonperforming loans as a percent of gross loans	0.38 %	0.39 %
Nonperforming assets as a percent of total assets	0.28 %	0.28 %

(1) Nonaccrual balances at December 31, 2022 included \$11.5 million of nonaccruing TDRs.

The following table summarizes the changes in nonperforming assets for the periods indicated:

Table 11 - Activity in Nonperforming Assets

	2023	2022
	(Dollars in thousands)	
Nonperforming assets beginning balance	\$ 54,881	\$ 27,820
New to nonperforming	58,712	72,960
Loans charged-off	(34,782)	(2,652)
Loans paid-off	(19,719)	(35,622)
Loans transferred to other real estate owned/other assets	(110)	—
Loans restored to accrual status	(4,994)	(7,652)
New to other real estate owned	110	—
Other	395	27
Nonperforming assets ending balance	\$ 54,493	\$ 54,881

Allowance for Credit Losses The allowance for credit losses is maintained at a level that management considers appropriate to provide for the Company's current estimate of expected lifetime credit losses on loans measured at amortized cost. The allowance is increased by providing for credit losses through a charge to expense and by credits for recoveries of loans previously charged-off and is reduced by loans being charged-off.

In accordance with the CECL methodology, the Company estimates credit losses for financial assets on a collective basis for loans sharing similar risk characteristics using a quantitative model combined with an assessment of certain qualitative factors designed to address forecast risk and model risk inherent in the quantitative model output. The model estimates expected credit losses using loan level data over the contractual life of the exposure, considering the effect of prepayments. Economic forecasts are incorporated into the estimate over a reasonable and supportable forecast period of one year, beyond which is a reversion to the Company's historical long-run average for a period of six months. The Company's qualitative assessment is structured based upon nine environmental factors impacting the expected risk of loss within the loan portfolio, with an additional factor designed to capture model imprecision. Loans that do not share similar risk characteristics with any pools of assets are subject to individual assessment and are removed from the collectively assessed pools to avoid double counting. For the loans that will be individually assessed, the Company uses either a discounted cash flow ("DCF") approach

or a fair value of collateral approach. The latter approach is used for loans deemed to be collateral dependent or when foreclosure is probable.

Management’s allowance for credit loss estimate incorporates an economic forecast over a reasonable and supportable period of 12 months. As of December 31, 2023, the forecast selected by management assumes that the Federal Reserve will begin easing rates gradually in mid-2024, inflation will return to 2% target by the end of 2024, job growth will slow in 2024 with unemployment peaking at 4.1%, home prices will decline slightly in 2024, and that prices for office real estate will generally decrease as uncertainty over occupancy and operating cash flows persists. Additionally, the allowance for credit losses is qualitatively adjusted on a quarterly basis in order to ensure coverage for relationships that are deemed to be more at risk within certain industries, specific collateral types, or other specific characteristics that may be highly impacted by the current economic environment.

The following table summarizes the ratio of net charge-offs to average loans outstanding within each major loan category for the periods presented:

Table 12 - Summary Net Charge-Offs to Average Loans Outstanding

	Net Charge-Offs (Recoveries)	Average Amount Outstanding	Ratio of Net Charge-Offs/(Recoveries) to Average Loans	
	(Dollars in thousands)			
	December 31, 2023			
Commercial and industrial	\$ 23,419	\$ 1,646,939	1.42	%
Commercial real estate	7,855	7,839,476	0.10	%
Commercial construction	—	1,019,871	—	%
Small business	392	235,108	0.17	%
Residential real estate	—	2,217,971	—	%
Home equity	(15)	1,093,546	—	%
Other consumer (1)	1,796	31,202	5.76	%
Total	\$ 33,447	\$ 14,084,113	0.24	%
	December 31, 2022			
Commercial and industrial	\$ (49)	\$ 1,538,848	—	%
Commercial real estate	(271)	7,807,427	—	%
Commercial construction	—	1,191,394	—	%
Small business	47	204,982	0.02	%
Residential real estate	—	1,831,493	—	%
Home equity	1	1,061,228	—	%
Other consumer (1)	1,275	31,986	3.99	%
Total	\$ 1,003	\$ 13,667,358	0.01	%
	December 31, 2021			
Commercial and industrial	\$ 788	\$ 1,823,914	0.04	%
Commercial real estate	(57)	4,702,346	—	%
Commercial construction	—	616,037	—	%
Small business	121	180,473	0.07	%
Residential real estate	(1)	1,286,470	—	%
Home equity	(180)	1,025,809	(0.02)	%
Other consumer (1)	544	23,885	2.28	%
Total	\$ 1,215	\$ 9,658,934	0.01	%

(1) Other consumer portfolio is inclusive of deposit account overdrafts recorded as loan balances and the associated net charge-offs.

For purposes of the allowance for credit losses, management segregates the portfolio based upon loans sharing similar risk characteristics. The allocation of the allowance for credit losses is made to each loan category using the analytical techniques and estimation methods described in this Report. While these amounts represent management's best estimate of credit losses at the evaluation dates, they are not necessarily indicative of either the categories in which actual losses may occur or the extent of such actual losses that may be recognized within each category. Each of these loan categories possess unique risk characteristics that are considered when determining the appropriate level of allowance for each segment. The total allowance is available to absorb losses from any segment of the loan portfolio.

The following table sets forth the allocation of the allowance for credit losses by loan category at the dates indicated:

Table 13 - Summary of Allocation of Allowance for Credit Losses

	December 31					
	2023			2022		
	Allowance Amount	Percent of Allowance of Total Allowance	Percent of Loans In Category of Total Loans	Allowance Amount	Percent of Allowance of Total Allowance	Percent of Loans In Category of Total Loans
	(Dollars in thousands)					
Commercial and industrial	\$ 19,243	13.5 %	11.1 %	\$ 27,559	18.1 %	11.7 %
Commercial real estate	74,148	52.2 %	56.3 %	77,799	51.0 %	55.7 %
Commercial construction	7,683	5.4 %	6.0 %	10,762	7.1 %	8.3 %
Small business	3,963	2.8 %	1.8 %	2,834	1.9 %	1.6 %
Residential real estate	23,637	16.6 %	16.9 %	20,973	13.8 %	14.6 %
Home equity	12,797	9.0 %	7.7 %	11,504	7.5 %	7.8 %
Other consumer	751	0.5 %	0.2 %	988	0.6 %	0.3 %
Total	\$ 142,222	100.0 %	100.0 %	\$ 152,419	100.0 %	100.0 %

To determine if a loan should be charged-off, all possible sources of repayment are analyzed. Possible sources of repayment include the potential for future cash flows, the value of the Bank's collateral, and the strength of co-makers or guarantors. When available information confirms that specific loans or portions thereof are uncollectible, these amounts are promptly charged-off against the allowance for credit losses and any recoveries of such previously charged-off amounts are credited to the allowance.

Regardless of whether a loan is unsecured or collateralized, the Company charges off the amount of any confirmed loan loss in the period when the loans, or portions of loans, are deemed uncollectible. For troubled, collateral-dependent loans, loss-confirming events may include an appraisal or other valuation that reflects a shortfall between the value of the collateral and the carrying value of the loan or receivable, or a deficiency balance following the sale of the collateral.

For additional information regarding the Bank's allowance for credit losses, see *Note 1, "Summary of Significant Accounting Policies"* and *Note 3, "Loans, Allowance for Credit Losses and Credit Quality"* within the Notes to the Consolidated Financial Statements included in Item 8 of this Report.

Federal Home Loan Bank Stock The Federal Home Loan Bank ("FHLB") is a cooperative that provides services to its member banking institutions. The primary reason for the FHLB of Boston membership is to gain access to a reliable source of wholesale funding as a tool to manage liquidity and interest rate risk. The purchase of stock in the FHLB is a requirement for a member to gain access to funding. The Company either purchases additional FHLB stock or is subject to redemption of FHLB stock proportional to the volume of funding received. The Company views the holdings as a necessary long-term investment for the purpose of balance sheet liquidity and not for investment return. The Company's investments in FHLB of Boston stock increased to \$43.6 million at December 31, 2023 compared to \$5.2 million at December 31, 2022, reflecting a net increase in FHLB borrowings of \$1.1 billion during the year ended 2023.

Goodwill and Other Intangible Assets Goodwill and Other Intangible Assets were \$1.0 billion at both December 31, 2023 and December 31, 2022.

The Company typically performs its annual goodwill impairment testing during the third quarter of the year, unless certain indicators suggest earlier testing to be warranted, using a combined qualitative and quantitative approach. The initial qualitative approach assesses whether the existence of events or circumstances led to a determination that it is more likely than not that the fair value of the Company's single reporting unit is less than its carrying amount. If, after assessing the totality of events and circumstances, the Company determines it is more likely than not that the fair value is less than carrying value, a quantitative impairment test is performed to compare carrying value to the fair value of the reporting unit. If the carrying amount of the reporting unit exceeds its fair value, an impairment loss will be recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit.

The Company's annual impairment test was performed as of August 31, 2023 using a quantitative impairment test which leveraged a combination of income and market valuation approaches to determine the implied fair value of the reporting unit. The income valuation approach utilized a discounted cash flow analysis, while the market approach utilized a guideline public company approach whereby market multiples were derived from market prices of stocks of public companies that are engaged in the same or similar lines of business. The results of the annual assessment determined that the Company's goodwill was not impaired, however the fair value of its reporting unit was in excess of its carrying value by less than 10%, indicating that goodwill may be at risk of impairment. Events or circumstances that could negatively impact the fair value of the Company's reporting unit in the future include a sustained decrease in the Company's stock price, continued decline in industry peer multiples, and further deterioration of the Company's financial projections.

The quantitative impairment test relied upon certain key assumptions, including projected financial information deemed by management to be reasonable based on the Company's past and expected future performance, as well as a discount rate consistent with the Company's cost of capital. Additionally, management performed sensitivity analyses over various financial assumptions used in the model noting results which further corroborated the conclusions reached. Other intangible assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. There were no other events or changes during the fourth quarter of 2023 that indicated impairment of goodwill and other intangible assets. For additional information regarding the goodwill and other intangible assets, see *Note 5, "Goodwill and Other Intangible Assets"* within the Notes to Consolidated Financial Statements included in Item 8 hereof.

Cash Surrender Value of Life Insurance Policies The Bank holds life insurance policies for the purpose of offsetting its future obligations to its employees under its retirement and benefits plans. The cash surrender value of life insurance policies was \$297.4 million and \$293.3 million at December 31, 2023 and December 31, 2022, respectively.

The Company recorded tax exempt income from life insurance policies in the amounts of \$7.9 million, \$7.7 million, and \$6.4 million for the years ended December 31, 2023, 2022 and 2021, respectively. The Company also recorded gains on life insurance benefits of \$2.3 million, \$1.3 million, and \$258,000 for the years ended December 31, 2023, 2022 and 2021, respectively.

Deposits At December 31, 2023, total deposits were \$14.9 billion, representing a decrease of \$1.0 billion, or 6.4% compared to December 31, 2022, primarily reflective of industry wide dislocations occurring during the first quarter of 2023, coupled with an overall competitive rate environment and a redeployment of customer excess liquidity due to inflation and other factors. The total cost of deposits was 0.96% for the year ended December 31, 2023, representing an increase from the prior year of 81 basis points, fueled primarily by the higher rate environment driven by the Federal Reserve's rate hikes over the latter half of 2022 and 2023.

The Company's deposits are comprised primarily of core deposits (demand, savings and money market), as well as time deposits. The Company's ratio of core deposits, inclusive of reciprocal money market deposits, to total deposits represented 84.6% at December 31, 2023 compared to 91.8% at December 31, 2022, with the 2023 decrease driven primarily by core deposit outflows in conjunction with growth in higher yielding time deposits. In addition, the Company may also utilize brokered deposit sources, as needed, with balances of \$100.9 million and \$102.6 million outstanding at December 31, 2023 and December 31, 2022, respectively.

The Company's deposit accounts are insured to the maximum extent permitted by the Deposit Insurance Fund which is administered by the Federal Deposit Insurance Corporation ("FDIC"). The FDIC offers insurance coverage on deposits up to the federally insured limit of \$250,000. The Company participates in the IntraFi Network, allowing it to provide easy access to multi-million dollar FDIC deposit insurance protection on certificate of deposit and money market investments for consumers, businesses and public entities. This channel allows the Company to access a reciprocal deposit exchange that can be used to benefit customers seeking increased FDIC insurance protection, and amounted to \$959.1 million and \$653.6 million in deposits, at December 31, 2023 and December 31, 2022, respectively. The estimated balance of uninsured deposits at the Bank were \$4.6 billion and \$5.4 billion as of December 31, 2023 and December 31, 2022, respectively. Included in these amounts are \$720.5 million and \$605.0 million of collateralized deposits, which offer additional protection to the customer.

Scheduled maturities of time deposits not covered by deposit insurance at December 31, 2023, were as follows:

Table 14 - Maturities of Uninsured Time Deposits

	December 31, 2023	
	(Dollars in thousands)	
Due within 3 months or less	\$	109,595
Due after 3 months through 6 months		93,131
Due after 6 months through 12 months		85,167
Due after 12 months		65,032
Total uninsured time deposits (1)		352,925

(1) Amounts of uninsured time deposits presented in the table above are estimates determined based upon a relative proportion of customer account balances in excess of FDIC insurance limits, and in a manner consistent with the Company's regulatory reporting requirements.

Borrowings The Company's borrowings consist of both short-term and long-term borrowings and provide the Bank with one of its primary sources of funding. Maintaining available borrowing capacity provides the Bank with a contingent source of liquidity. Borrowings increased by \$1.1 billion, or 974.6%, at December 31, 2023, as compared to December 31, 2022, due primarily to deposit outflows experienced during 2023 as well as to fund stock buyback activity during the fourth quarter of 2023. See *Note 7, "Borrowings"* within the Notes to Consolidated Financial Statements included in Item 8 of this Report for more information regarding borrowings.

Liquidity and Capital Resources The Company proactively manages its liquidity and cash flow requirements with the intent to maintain stable, cost-effective funding and to promote the strength of its overall balance sheet. The liquidity position of the Company is continuously monitored by management and adjustments are made to appropriately balance sources and uses of funds, as needed. In response to the banking industry turmoil experienced during the year, management took immediate actions during the first quarter by proactively borrowing under its existing FHLB capacity to increase on balance sheet liquidity, as well as pledging additional assets to increase overall off balance sheet liquidity. For further details surrounding the Company's liquidity risks and related strategy, see the "*Risk Management – Liquidity Risk*" section below within *Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations* within this Report.

At December 31, 2023, the Company and the Bank exceeded the minimum requirements for Common Equity Tier 1 capital, Tier 1 capital, total capital, and Tier 1 leverage capital, inclusive of the capital conservation buffer. See *Note 18, "Regulatory Matters"* within the Notes to Consolidated Financial Statements included in Item 8 of this Report for more information regarding capital requirements.

Investment Management

The following table presents total assets under administrations and number of accounts held by the Rockland Trust Investment Management Group at the following dates:

Table15 - Assets Under Administration

	December 31 2023		December 31 2022		December 31 2021	
	(Dollars in thousands)					
Assets under administration	\$	6,537,905	\$	5,792,857	\$	5,726,368
Number of trust, fiduciary and agency accounts		6,550		6,459		6,379

The Company's Investment Management Group provides investment management and trust services to individuals, institutions, small businesses, and charitable institutions.

Accounts maintained by the Investment Management Group consist of managed and nonmanaged accounts. Managed accounts are those for which the Bank is responsible for administration and investment management and/or investment advice, while nonmanaged accounts are those for which the Bank acts solely as a custodian or directed trustee. The Bank receives fees dependent upon the level and type of service(s) provided. The Investment Management Group generated gross fee revenues of \$34.6 million, \$32.8 million, and \$31.6 million for the years ended December 31, 2023, 2022, and 2021, respectively. Total

assets under administration as of December 31, 2023 were \$6.5 billion, including \$622.9 million of investment solutions designed by Rockland Trust that are administered and executed through its agreement with LPL Financial ("LPL"), compared to \$5.8 billion and \$603.7 million, respectively, at December 31, 2022. The Company also has a subsidiary that is a registered investment advisor, Bright Rock Capital Management, LLC, which provides institutional quality investment management services to both institutional and high net worth clients. As of December 31, 2023 and December 31, 2022, included in the assets under administration amounts above, there were \$449.8 million and \$390.1 million, respectively, relating to the Company's registered investment advisor.

The administration of trust and fiduciary accounts is monitored by the Trust Committee of the Bank's Board of Directors. The Trust Committee has delegated administrative responsibilities to three committees, one for investments, one for administration, and one for operations, all of which are comprised of Investment Management Group officers who meet no less than quarterly.

The Bank has an agreement with LPL and its affiliates and their insurance subsidiary, LPL Insurance Associates, Inc., to offer the sale of mutual fund shares, unit investment trust shares, general securities, advisory platforms, fixed and variable annuities and life insurance. Registered representatives who are both employed by the Bank and licensed and contracted with LPL are onsite to offer these products to the Bank's customer base. These same agents are also approved and appointed with various other Broker General Agents for the purposes of processing insurance solutions for clients. The retail investments and insurance revenues were \$5.6 million, \$4.1 million, and \$3.7 million for the years ended December 31, 2023, 2022, and 2021, respectively.

Results of Operations

Table 16 - Summary of Results of Operations

	Years Ended December 31		
	2023	2022	2021
	(Dollars in thousands, except per share data)		
Net income	\$ 239,502	\$ 263,813	\$ 120,992
Diluted earnings per share	\$ 5.42	\$ 5.69	\$ 3.47
Return on average assets	1.24 %	1.33 %	0.81 %
Return on average equity	8.31 %	9.05 %	6.34 %
Stockholders' equity as % of assets	14.96 %	14.96 %	14.78 %
Net interest margin	3.54 %	3.46 %	3.02 %

Net Interest Income The amount of net interest income is affected by changes in interest rates and by the volume, mix, and interest rate sensitivity of interest-earning assets and interest-bearing liabilities.

On a fully tax-equivalent basis, net interest income was \$611.0 million for the year ended December 31, 2023, representing a 1.0% decrease from net interest income of \$617.3 million for the year ended December 31, 2022.

The following table presents the Company's average balances, net interest income, interest rate spread, and net interest margin for the years ended December 31, 2023, 2022 and 2021. Nontaxable income from loans and securities is presented on a fully tax-equivalent basis by adjusting tax-exempt income upward by an amount equivalent to the prevailing federal income taxes that would have been paid if the income had been fully taxable.

Table 17 - Average Balance, Interest Earned/Paid & Average Yields

	Years Ended December 31									
	2023			2022			2021			
	Average Balance	Interest Earned/ Paid	Average Yield	Average Balance	Interest Earned/ Paid	Average Yield	Average Balance	Interest Earned/ Paid	Average Yield	
	(Dollars in thousands)									
Interest-earning assets										
Interest-earning deposits with banks, federal funds sold, and short term investments	\$ 118,806	\$ 5,186	4.37 %	\$ 1,222,434	\$ 14,385	1.18 %	\$ 1,864,346	\$ 2,494		0.13 %
Securities										
Securities - trading	4,411	—	— %	3,764	—	— %	3,344	—		— %
Securities - taxable investments	3,027,769	60,336	1.99 %	2,948,358	50,354	1.71 %	1,795,199	30,477		1.70 %
Securities - nontaxable investments (1)	190	7	3.68 %	196	7	3.57 %	469	20		4.26 %
Total securities	3,032,370	60,343	1.99 %	2,952,318	50,361	1.71 %	1,799,012	30,497		1.70 %
Loans held for sale	3,289	190	5.78 %	4,774	172	3.60 %	34,056	856		2.51 %
Loans (2)										
Commercial and industrial	1,646,939	115,752	7.03 %	1,538,848	77,074	5.01 %	1,823,914	79,752		4.37 %
Commercial real estate (1)	7,839,476	376,586	4.80 %	7,807,427	326,593	4.18 %	4,702,346	185,908		3.95 %
Commercial construction	1,019,871	66,440	6.51 %	1,191,394	57,804	4.85 %	616,037	24,696		4.01 %
Small business	235,108	14,428	6.14 %	204,982	10,886	5.31 %	180,473	9,276		5.14 %
Total commercial	10,741,394	573,206	5.34 %	10,742,651	472,357	4.40 %	7,322,770	299,632		4.09 %
Residential real estate	2,217,971	88,210	3.98 %	1,831,493	63,443	3.46 %	1,286,470	46,279		3.60 %
Home equity	1,093,546	70,698	6.47 %	1,061,228	44,048	4.15 %	1,025,809	35,160		3.43 %
Total consumer real estate	3,311,517	158,908	4.80 %	2,892,721	107,491	3.72 %	2,312,279	81,439		3.52 %
Other consumer	31,202	2,418	7.75 %	31,986	2,114	6.61 %	23,885	1,668		6.98 %
Total loans	14,084,113	734,532	5.22 %	13,667,358	581,962	4.26 %	9,658,934	382,739		3.96 %
Total Interest-Earning Assets	17,238,578	800,251	4.64 %	17,846,884	646,880	3.62 %	13,356,348	416,586		3.12 %
Cash and Due from Banks	180,553			184,812			152,723			
Federal Home Loan Bank Stock	33,734			7,134			10,283			
Other Assets	1,853,585			1,858,210			1,335,193			
Total Assets	\$ 19,306,450			\$ 19,897,040			\$ 14,854,547			
Interest-bearing liabilities										
Deposits										
Savings and interest checking accounts	\$ 5,489,923	\$ 43,073	0.78 %	\$ 6,159,289	\$ 8,339	0.14 %	\$ 4,590,055	\$ 1,610		0.04 %
Money market	3,022,322	51,630	1.71 %	3,489,981	11,683	0.33 %	2,516,871	1,930		0.08 %
Time certificates of deposits	1,724,625	50,050	2.90 %	1,310,442	4,630	0.35 %	936,046	4,787		0.51 %
Total interest bearing deposits	10,236,870	144,753	1.41 %	10,959,712	24,652	0.22 %	8,042,972	8,327		0.10 %
Borrowings										
Federal Home Loan Bank borrowings	782,121	37,624	4.81 %	16,138	313	1.94 %	41,556	897		2.16 %
Long-term borrowings	—	—	— %	2,235	31	1.39 %	21,072	331		1.57 %

Junior subordinated debentures	62,857	4,359	6.93 %	62,854	2,125	3.38 %	62,852	1,692	2.69 %
Subordinated debt	49,933	2,470	4.95 %	49,837	2,470	4.96 %	49,741	2,470	4.97 %
Total borrowings	894,911	44,453	4.97 %	131,064	4,939	3.77 %	175,221	5,390	3.08 %
Total interest-bearing liabilities	11,131,781	189,206	1.70 %	11,090,776	29,591	0.27 %	8,218,193	13,717	0.17 %
Noninterest-bearing demand deposits	4,918,787			5,559,997			4,443,410		
Other liabilities	374,585			330,371			284,679		
Total liabilities	16,425,153			16,981,144			12,946,282		
Stockholders' equity	2,881,297			2,915,896			1,908,265		
Total liabilities and stockholders' equity	\$ 19,306,450			\$ 19,897,040			\$ 14,854,547		
Net interest income (1)		\$ 611,045			\$ 617,289			\$ 402,869	
Interest rate spread (3)			2.94 %			3.35 %			2.95 %
Net interest margin (4)			3.54 %			3.46 %			3.02 %
Supplemental Information									
Total deposits, including demand deposits	\$ 15,155,657	\$ 144,753		\$ 16,519,709	\$ 24,652		\$ 12,486,382	\$ 8,327	
Cost of total deposits			0.96 %			0.15 %			0.07 %
Total funding liabilities, including demand deposits	\$ 16,050,568	\$ 189,206		\$ 16,650,773	\$ 29,591		\$ 12,661,603	\$ 13,717	
Cost of total funding liabilities			1.18 %			0.18 %			0.11 %

(1) The total amount of adjustment to present interest income and yield on a fully tax-equivalent basis is \$4.5 million, \$4.0 million, and \$1.3 million for 2023, 2022 and 2021, respectively.

(2) Includes average nonaccruing loans.

(3) Interest rate spread represents the difference between the weighted average yield on interest-earning assets and the weighted average costs of interest-bearing liabilities.

(4) Net interest margin represents net interest income as a percentage of average interest-earning assets.

The following table presents certain information on a fully-tax equivalent basis regarding changes in the Company's interest income and interest expense for the periods indicated. For each category of interest-earning assets and interest-bearing liabilities, information is provided with respect to changes attributable to (1) changes in rate (change in rate multiplied by prior year volume), (2) changes in volume (change in volume multiplied by prior year rate) and (3) changes in volume/rate (change in rate multiplied by change in volume) which is allocated to the change due to rate column:

Table 18 - Volume Rate Analysis

	Years Ended December 31								
	2023 Compared To 2022			2022 Compared To 2021			2021 Compared To 2020		
	Change Due to Rate	Change Due to Volume	Total Change	Change Due to Rate	Change Due to Volume	Total Change	Change Due to Rate	Change Due to Volume	Total Change
(Dollars in thousands)									
Income on interest-earning assets									
Interest-earning deposits, federal funds sold and short term investments	\$ 3,788	\$ (12,987)	\$ (9,199)	\$ 12,750	\$ (859)	\$ 11,891	\$ 384	\$ 1,263	\$ 1,647
Securities									
Taxable securities	8,626	1,356	9,982	300	19,577	19,877	(15,979)	16,323	344
Nontaxable securities (1)	—	—	—	(1)	(12)	(13)	2	(26)	(24)
Total securities			9,982			19,864			320
Loans held for sale	72	(54)	18	52	(736)	(684)	(76)	(286)	(362)
Loans									
Commercial and industrial	33,264	5,414	38,678	9,787	(12,465)	(2,678)	10,743	(1,326)	9,417
Commercial real estate	48,652	1,341	49,993	17,925	122,760	140,685	(11,652)	26,547	14,895
Commercial construction	16,958	(8,322)	8,636	10,043	23,065	33,108	(486)	2,232	1,746
Small business	1,942	1,600	3,542	350	1,260	1,610	(732)	479	(253)
Total commercial			100,849			172,725			25,805
Residential real estate	11,379	13,388	24,767	(2,442)	19,606	17,164	(1,999)	(5,598)	(7,597)
Home equity	25,309	1,341	26,650	7,674	1,214	8,888	(2,523)	(3,313)	(5,836)
Total consumer real estate			51,417			26,052			(13,433)
Total other consumer	356	(52)	304	(120)	566	446	(280)	(107)	(387)
Loans (1)			152,570			199,223			11,985
Total			\$ 153,371			\$ 230,294			\$ 13,590
Expense of interest-bearing liabilities									
Deposits									
Savings and interest checking accounts	\$ 35,640	\$ (906)	\$ 34,734	\$ 6,179	\$ 550	\$ 6,729	\$ (3,882)	\$ 1,079	\$ (2,803)
Money market	41,513	(1,566)	39,947	9,007	746	9,753	(5,670)	1,434	(4,236)
Time certificates of deposits	43,957	1,463	45,420	(2,072)	1,915	(157)	(8,786)	(3,181)	(11,967)
Total interest-bearing deposits			120,101			16,325			(19,006)
Borrowings									
Federal Home Loan Bank borrowings	22,455	14,856	37,311	(35)	(549)	(584)	498	(1,165)	(667)
Line of credit	—	—	—	—	—	—	—	—	—
Long-term borrowings	—	(31)	(31)	(4)	(296)	(300)	(127)	(718)	(845)
Junior subordinated debentures	2,234	—	2,234	433	—	433	(106)	—	(106)
Subordinated debt	(5)	5	—	(5)	5	—	(5)	5	—
Total borrowings			39,514			(451)			(1,618)
Total			\$ 159,615			\$ 15,874			\$ (20,624)
Change in net interest income			\$ (6,244)			\$ 214,420			\$ 34,214

(1) The table above reflects income determined on a fully tax equivalent basis. See footnotes to Table 17 above for the related adjustments.

Provision For Credit Losses The provision for credit losses represents the charge to expense that is required to maintain an adequate level of allowance for credit losses. The Company's provision for credit losses totaled \$23.3 million, \$6.5 million and \$18.2 million for the years ended December 31, 2023, 2022, and 2021, respectively. The provision for credit losses for the years ended December 31, 2023, 2022, and 2021, respectively has been driven primarily by idiosyncratic events within the commercial portfolios.

The Company's allowance for credit losses, as a percentage of total loans, was 1.00%, 1.09% and 1.08% at December 31, 2023, 2022 and 2021, respectively. See Note 3, "Loans, Allowance for Credit Losses and Credit Quality" within the Notes to Consolidated Financial Statements included in Item 8 of this Report, for further details surrounding the primary drivers of the provision for credit losses during the period.

Noninterest Income The following table sets forth information regarding noninterest income for the periods shown:

Table 19 - Noninterest Income

	Years Ended December 31						
	2023	2022	Change				
			Amount	%			
(Dollars in thousands)							
Deposit account fees	\$	23,486	\$	23,370	\$	116	0.5 %
Interchange and ATM fees		18,108		16,249		1,859	11.4 %
Investment management		40,191		36,832		3,359	9.1 %
Mortgage banking income		2,326		3,515		(1,189)	(33.8)%
Increase in cash surrender value of life insurance policies		7,868		7,685		183	2.4 %
Gain on life insurance benefits		2,291		1,291		1,000	77.5 %
Loan level derivative income		3,327		2,932		395	13.5 %
Other noninterest income		27,012		22,793		4,219	18.5 %
Total	\$	124,609	\$	114,667	\$	9,942	8.7 %

The primary reasons for significant variances in the noninterest income categories shown in the preceding table are noted below:

- Interchange and ATM fees increased year over year due primarily to higher debit card service charges driven by increased transaction volume.
- Investment management revenue increased due in part to growth in overall assets under administration, which increased from \$5.8 billion at December 31, 2022 to \$6.5 billion at December 31, 2023, reflecting healthy new asset inflows and increased market valuations, as well as due to higher retail and insurance commission income recognized during 2023.
- Mortgage banking income decreased in comparison to the prior year, primarily attributable to overall reduced saleable volumes as a result of the rising interest rate environment in 2023.
- Gain on life insurance benefits was higher in 2023 due to elevated proceeds on life insurance policies received in comparison to the prior year.
- The changes in loan level derivative income primarily reflect customer demand during the respective periods.
- Other noninterest income increased during the year, primarily due to increases in FHLB dividend income, unrealized gains on equity securities, outsized loan fees, and discounted purchases of Massachusetts historical tax credits, partially offset by decreases in gains on sales of fixed assets, equity capital gain distributions, and income from like-kind exchanges.

Noninterest Expense The following table sets forth information regarding noninterest expense for the periods shown:

Table 20 - Noninterest Expense

	Years Ended December 31						
	2023	2022	Change				
			Amount	%			
	(Dollars in thousands)						
Salaries and employee benefits	\$	222,135	\$	204,711	\$	17,424	8.5 %
Occupancy and equipment		50,582		49,841		741	1.5 %
Data processing and facilities management		9,884		9,320		564	6.1 %
Software maintenance		13,115		10,961		2,154	19.7 %
FDIC assessment		11,953		6,951		5,002	72.0 %
Debit card expense		9,003		7,670		1,333	17.4 %
Consulting		8,954		9,617		(663)	(6.9)%
Amortization of intangible assets		6,878		7,655		(777)	(10.2)%
Merger & acquisitions		—		7,100		(7,100)	(100.0)%
Other noninterest expense		60,242		59,836		406	0.7 %
Total	\$	392,746	\$	373,662	\$	19,084	5.1 %

The primary reasons for significant variances in the noninterest expense categories shown in the preceding tables are noted below:

- The increase in salaries and employee benefits in comparison to the prior year was primarily attributable to non-recurring CEO transition expenses incurred during the first quarter of 2023, as well as increases in general salaries, equity compensation, severance and medical plan insurance, partially offset by decreases in incentive programs and payroll taxes.
- Occupancy and equipment expense increased year-over-year, primarily driven by costs associated with the Company's leased real estate, including one-time lease exit costs associated with two leased locations related to the 2021 Meridian acquisition, as well as increased utilities costs, partially offset by reduced snow removal costs as compared to the prior year.
- Data processing and facilities management expenses increased primarily due to the timing of certain initiatives and general increases associated with higher transaction volumes.
- Software maintenance increased primarily due to the Company's continued investment in its technology infrastructure.
- FDIC assessment expense increased in comparison to the prior year due an increased assessment base as well as an estimated \$1.1 million special assessment based on rules implemented by the FDIC to recover losses incurred by the Deposit Insurance Fund in 2023.
- Consulting expense decreased year-over-year due primarily to the timing of strategic initiatives.
- The Company incurred merger and acquisition costs related to the Meridian acquisition of \$7.1 million during the first quarter of 2022, primarily related to lease terminations associated with exited branch locations, along with additional integration costs and professional fees. No such costs were incurred during 2023.
- Other noninterest expenses increased year-over year due primarily to increased interest paid on cash collateral accounts, loan workout costs, sponsorships, and internet banking costs, partially offset by decreases in unrealized losses on equity securities, telecommunications costs, and mortgage operations expense.

Income Taxes The tax effect of all income and expense transactions is recognized by the Company in each year's consolidated statements of income, regardless of the year in which the transactions are reported for income tax purposes. The following table sets forth information regarding the Company's tax provision and applicable tax rates for the periods indicated:

Table 21 - Tax Provision and Applicable Tax Rates

	Years Ended December 31		
	2023	2022	2021
	(Dollars in thousands)		
Combined federal and state income tax provisions	\$ 75,632	\$ 83,941	\$ 35,683
Effective income tax rates	24.00 %	24.14 %	22.78 %
Blended Statutory tax rate	27.91 %	27.85 %	27.92 %

The Company's effective tax rate for 2023 is lower as compared to the year ago period primarily due to lower pre-tax net income, as well as the impact of discrete items, such as provision to return adjustments, changes in uncertain tax positions, and excess benefits from equity compensation, which are subject to fluctuation year over year. The effective tax rates reported in the table above are lower than the blended statutory tax rates due to the aforementioned discrete items as well as certain tax preference assets such as life insurance policies, tax exempt bonds, and federal tax credits.

Additionally, the Company invests in various low-income housing projects which are real estate limited partnerships that acquire, develop, own and operate low and moderate-income housing developments. As a limited partner in these operating partnerships, the Company receives tax credits and tax deductions for losses incurred by the underlying properties. The investments are accounted for using the proportional amortization method and will be amortized over various periods through 2040, which represents the period that the tax credits and other tax benefits will be utilized. The total committed investment in these partnerships at December 31, 2023 was \$229.0 million, of which \$170.3 million has been funded. The Company recognized a net tax benefit of approximately \$3.7 million for 2023 and anticipates additional net tax benefits of \$30.3 million over the remaining life of the investments from the combination of tax credits and operating losses.

For additional information related to the Company's income taxes see *Note 10, "Income Taxes"* and *Note 11, "Low Income Housing Project Investments"* within the Notes to the Consolidated Financial Statements included in Item 8 of this Report.

Dividends The Company declared quarterly cash dividends totaling \$2.20 per common share in 2023 and \$2.08 per common share in 2022. The 2023 and 2022 ratio of dividends paid to earnings was 40.92% and 35.53%, respectively.

Since substantially all of the funds available for the payment of dividends are derived from the Bank, future dividends of the Company will depend on the earnings of the Bank, its financial condition, its need for funds, applicable governmental policies and regulations, and other such matters as the Board of Directors deems appropriate.

Comparison of 2022 vs. 2021 For a discussion of our results for the year ended December 31, 2022 compared to the year ended December 31, 2021, please see *Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations"* in our Annual Report on Form 10-K filed with the SEC on February 28, 2023.

Risk Management

The Board of Directors has approved an Enterprise Risk Management Policy to state the Company's goals and objectives in identifying, measuring, and managing the risks associated with the Company's current and near future anticipated size and complexity. Management is responsible for comprehensive enterprise risk management, and continually strives to adopt and implement practices that strike an appropriate balance between risk and reward and permit the achievement of strategic goals in a controlled environment.

The Company has implemented the "three lines of defense" enterprise risk management model. The first line of defense are the executives in charge of business units, operational areas, and corporate functions who, sometimes assisted by management committees, teams, and working groups, own and manage risks. The second line of defense monitors and provides risk management advice across all risk domains, and is comprised of the enterprise risk department, with oversight from the Chief Risk Officer. The third line of defense is independent assurance performed by the Chief Internal Auditor, who reports to the Audit Committee of the Company's Board of Directors, and by the Company's internal audit department.

The Board of Directors, with the assistance of its Risk Committee, oversees management's enterprise risk management practices. As risks must be taken to create value, the Board of Directors has approved a Risk Appetite Statement that defines the acceptable residual risk tolerances for the Company and the nine major risk types identified as having the potential to create significant adverse impacts on the Company, such as financial losses, reputational damage, legal or regulatory actions, failure to achieve strategic objectives, diminished customer experience, and/or cultural erosion. The nine major risk categories identified by the Company and addressed in the Risk Appetite Statement are strategic and emerging risk, culture risk, credit risk, liquidity risk, interest rate risk, operational risk, reputation risk, compliance risk, and technology risk, each of which is discussed below.

Strategic and Emerging Risk Strategic and emerging risk is the risk arising from adverse strategic or business decisions, misalignment of strategic direction with the Company's mission and values, failure to execute strategies or tactics, or an inadequate adaptation or lack of responsiveness to industry and/or operating environment changes. Management seeks to mitigate strategic risk through strategic planning, frequent executive review of strategic plan progress, monitoring of competitors and technology, assessment of new products, new branches, and new business initiatives, customer advocacy, and crisis management planning.

Culture Risk Culture risk is the risk arising from failed leadership and/or ineffective colleague engagement and workplace management that causes the Company to lose sight of core values and, through acts or omissions, damage the relationship-based culture that has been one of the foundations of the Company's consistent success. Management seeks to mitigate culture risk through effective employee relations, leadership that encourages continuous improvement, cultural development and reinforcement of core values, communication of clear ethical and behavioral standards, consistent enforcement of policies and programs, discipline of misbehavior, alignment of incentives and compensation, and by promoting diversity, equity, and inclusion.

Credit Risk Credit risk is the risk arising from the failure of a borrower or a counterparty to a contract to make payments as agreed, and includes the risks arising from inadequate collateral and mismanagement of loan concentrations. While the collateral securing loans may be sufficient in some cases to recover the amount due, in other cases the Company may experience significant credit losses that could have an adverse effect on its operating results. The Company makes assumptions and judgments about the collectability of its loan portfolio, including the creditworthiness of its borrowers and counterparties and the value of collateral for the repayment of loans. For further discussion regarding the credit risk and the credit quality of the Company's loan portfolio, see Note 3, "Loans, Allowance for Credit Losses and Credit Quality" within the Notes to Consolidated Financial Statements included in Item 8 of this Report.

Liquidity Risk Liquidity risk is the risk arising from the Company being unable to meet obligations when due. Liquidity risk includes the inability to access funding sources or manage fluctuations in available funding levels. Liquidity risk also results from a failure to recognize or address market condition changes that affect the ability to liquidate assets quickly with minimal value loss.

The Company's primary sources of funds are deposits, borrowings, and the amortization, prepayment, and maturities of loans and securities. The Bank utilizes its extensive branch network to access retail customers who provide a base of in-market core deposits. These funds are principally comprised of demand deposits, interest checking accounts, savings accounts, and money market accounts. Interest rates, economic conditions, and competitive factors greatly influence deposit levels.

The Company's primary measure of short-term liquidity is the Total Basic Surplus/Deficit as a percentage of assets. This ratio, which is an analysis of the relationship between liquid assets plus available FHLB funding, less short-term liabilities relative to total assets, was within policy limits at December 31, 2023. The Total Basic Surplus/Deficit measure is affected primarily by changes in deposits, securities and short-term investments, loans, and borrowings. An increase in deposits, without a corresponding increase in nonliquid assets, will improve the Total Basic Surplus/Deficit measure, whereas, an increase in loans, with no increase in deposits, will decrease the measure. Other factors affecting the Total Basic Surplus/Deficit include FHLB collateral requirements, securities portfolio changes, and the mix of deposits.

The Company prioritizes core deposits as a primary funding source and continues to maintain a variety of available liquidity sources, including FHLB advances, and Federal Reserve borrowing capacity. These funding sources serve as a contingent source of liquidity and, when profitable lending and investment opportunities exist, the Company may access them to provide the liquidity needed to grow the balance sheet. The amount and type of assets that the Company has available to pledge affects the Company's FHLB and Federal Reserve borrowing capacity. For example, a prime one-to-four family residential loan may provide 75 cents of borrowing capacity for every \$1.00 pledged, whereas a pledged commercial loan may increase borrowing capacity in a lower amount. The Company's lending decisions, therefore, can also affect its liquidity position.

The Company may also have the ability to raise additional funds through the issuance of equity or unsecured debt privately or publicly and has done so in the past. Additionally, the Company is able to enter into repurchase agreements or acquire brokered deposits at its discretion. The availability and cost of equity or debt on an unsecured basis is dependent on many factors, including the Company's financial position, the market environment, and the Company's credit rating. The Company monitors the factors that could affect its ability to raise liquidity through these channels.

The table below shows current and unused liquidity capacity from various sources at the dates indicated:

Table 22 - Sources of Liquidity

	December 31			
	2023		2022	
	Outstanding	Additional Borrowing Capacity	Outstanding	Additional Borrowing Capacity
(Dollars in thousands)				
Federal Home Loan Bank borrowings (1)	\$ 1,105,541	\$ 1,577,746	637	1,808,729
Federal Reserve Bank of Boston (2)	—	3,078,179	—	1,210,451
Unpledged securities	—	1,187,882	—	2,144,235
Line of Credit	—	85,000	—	85,000
Junior subordinated debentures (3)	62,858	—	62,855	—
Subordinated debt (3)	49,980	—	49,885	—
Reciprocal deposits (3)	959,068	—	653,638	—
Brokered deposits (3)	100,923	—	102,643	—
	<u>\$ 2,278,370</u>	<u>\$ 5,928,807</u>	<u>\$ 869,658</u>	<u>\$ 5,248,415</u>

(1) Assets with a carrying value of \$3.9 billion and \$2.7 billion at December 31, 2023 and 2022, respectively, were pledged to the Federal Home Loan Bank of Boston.

(2) Loans with a carrying value of \$4.6 billion and \$1.7 billion at December 31, 2023 and 2022, respectively, were pledged to the Federal Reserve Bank of Boston.

(3) The additional borrowing capacity has not been assessed for these categories.

In addition to customary operational liquidity practices, the Board of Directors and management recognize the need to establish reasonable guidelines to manage a heightened liquidity risk environment. Catalysts for elevated liquidity risk can be Company-specific issues and/or systemic industry-wide events. Management is therefore responsible for instituting systems and controls designed to provide advanced detection of potentially significant funding shortages, establishing methods for assessing and monitoring risk levels, and instituting responses that may alleviate or circumvent a potential liquidity crisis. Management has established a Liquidity Contingency Plan to provide a framework to detect potential liquidity problems and appropriately address them in a timely manner. In a period of perceived heightened liquidity risk, the Liquidity Contingency Plan provides for the establishment of a Liquidity Crisis Task Force to monitor the potential for a liquidity crisis and execute an appropriate response.

In response to the banking industry turmoil experienced in 2023, the Company operated under the parameters of its Liquidity Contingency Plan, which resulted in various immediate action items taken during the first quarter. From a liquidity management perspective, the Company proactively borrowed under its existing FHLB capacity to increase current cash on hand, while also pledging additional assets to increase overall borrowing capacity. On an ongoing basis, the Company continues to monitor both on and off balance sheet liquidity sources to understand vulnerabilities through the application of various stress testing scenarios and other analyses.

Market and Interest Rate Risk Market risk refers to the risk of potential losses arising from changes in interest rates and the value of investments due to market conditions or other external factors or events. Interest rate risk is the most significant market risk to which the Company has exposure due to the nature of its operations.

Interest rate risk is the sensitivity of income to changes in interest rates. Interest rate changes, as well as fluctuations in the level and duration of assets and liabilities, affect net interest income, which is the Company's primary source of revenue. Interest rate risk arises directly from the Company's core banking activities. In addition to directly affecting net interest income, changes in the level of interest rates can also affect the amount of loans originated, the timing of cash flows on loans and securities, and the fair value of securities and derivatives, and have other effects.

Management strives to control interest rate risk within limits approved by the Board of Directors that reflect the Company's tolerance for interest rate risk over short-term and long-term horizons. The Company attempts to manage interest rate risk by identifying, quantifying, and, where appropriate, hedging exposure. If assets and liabilities do not re-price simultaneously and in equal volume, the potential for interest rate exposure exists. It is the Company's objective to maintain stability in the growth of net interest income through the maintenance of an appropriate mix of interest-earning assets and interest-bearing liabilities and, when necessary within limits management deems prudent, with hedging instruments such as interest rate swaps, floors, and caps.

The Company quantifies its interest rate exposures using net interest income simulation models, as well as simpler gap analysis, and an Economic Value of Equity analysis. Key assumptions in these analyses relate to behavior of interest rates and behavior of the Company's deposit and loan customers. The most material assumptions relate to the prepayment of mortgage assets (including mortgage loans and mortgage-backed securities) and the life and sensitivity of non-maturity deposits (e.g., demand deposit, savings, and money market accounts). In the case of prepayment of mortgage assets, assumptions are derived from published median prepayment estimates for comparable mortgage loans. The risk of prepayment tends to increase when interest rates fall. Since future prepayment behavior of loan customers is uncertain, interest rate sensitivity of loans cannot be determined with precision and actual behavior may differ from assumptions to a significant degree. Non-maturity deposits, assumptions over customer behavior, shifts in deposits categories, and magnitude of impact to the cost of deposits all may differ from what is currently anticipated by the models or analyses.

Given the volatility associated with market rates, and the uncertainty surrounding future rate movements, management has been proactive in achieving a more neutral interest rate risk position as compared to the prior year. In 2023, management continued to increase the duration of its assets by marginally increasing exposure to fixed rate loans while deposit attrition reduced the amount of rate sensitive cash on hand at the Federal Reserve Bank. The Company runs several scenarios to quantify and effectively assist in managing interest rate risk, including instantaneous parallel shifts in market rates as well as gradual (12-24 months) shifts in market rates, and may also include other alternative scenarios as management deems necessary given the interest rate environment. The results of those scenarios are summarized in the following table:

Table 23 - Interest Rate Sensitivity

	Years Ended December 31	
	2023	2022
	Year 1	Year 1
Parallel rate shocks (basis points)		
-300	(1.7)%	(10.0)%
-200	(0.9)%	(5.7)%
-100	(0.3)%	(2.5)%
+100	(0.3)%	1.5%
+200	0.8%	2.4%
+300	(1.0)%	4.0%
Gradual rate shifts (basis points)		
-200 over 12 months	(0.1)%	(2.3)%
-100 over 12 months	0.0%	(1.1)%
+200 over 12 months	(0.3)%	1.4%
+400 over 24 months	n/a	1.4%
Alternative scenarios		
Steep down 200 basis points scenario	1.2%	(0.5)%

The results depicted in the table above are dependent on material assumptions, such as prepayment rates, decay rates, pricing decisions on loans and deposits, and other factors, which management believes are reasonable. These assumptions may be impacted by customer preferences or competitive influences and therefore actual experience may differ from the assumptions in the model. Accordingly, although the tables provide an indication of the Company's interest rate risk exposure at a particular point in time, such measurements are not intended to and do not provide a precise forecast of the effect of changes in market interest rates, and actual results may differ.

The most significant market factors affecting the Company's net interest income during the twelve months ended December 31, 2023 were the shape of the U.S. Government securities and interest rate swap yield curve, the U.S. prime interest rate, the secured overnight financing rate ("SOFR"), and other interest rates offered on long-term fixed rate loans.

The Company manages the interest rate risk inherent in both its loan and borrowing portfolios by using interest rate swap agreements and interest rate caps and floors. An interest rate swap is an agreement in which one party agrees to pay a floating rate of interest on a notional principal amount in exchange for receiving a fixed rate of interest on the same notional amount for a predetermined period from the other party. Interest rate caps and floors are agreements where one party agrees to pay a floating rate of interest on a notional principal amount for a predetermined period to a second party if certain market interest rate thresholds are realized. While interest is paid or received in swap, cap, and floors agreements, the notional principal amount is not exchanged. The Company may also manage the interest rate risk inherent in its mortgage banking operations by entering into forward sales contracts under which the Company agrees to deliver whole mortgage loans to various investors. See Note 9, "Derivatives and Hedging Activities" within Notes to Consolidated Financial Statements included in Item 8 of this Report for additional information regarding the Company's derivative financial instruments.

Movements in foreign currency rates or commodity prices do not directly or materially affect the Company's earnings. Movements in equity prices may have a modest impact on earnings by affecting the volume of activity or the amount of fees from investment-related business lines. See Note 2, "Securities" within the Notes to Consolidated Financial Statements included in Item 8 of this Report.

Operational Risk Operational risk is the risk arising from human error or misconduct, transaction errors or delays, inadequate or failed internal systems or processes, data unavailability, loss, or poor quality, or adverse external events. Operational risk includes fraud risk and model risk. Potential operational risk exposure exists throughout the Company. The continued effectiveness of colleagues and operational infrastructure are integral to mitigating operational risk, and any shortcomings subject the Company to risks that vary in size, scale and scope.

Reputation Risk Reputation risk is the risk arising from negative public opinion of the Company and the Bank. Management seeks to mitigate reputational risk through actions that include a structured process of customer complaint resolution and ongoing reputational monitoring.

Regulatory and Compliance Risk Regulatory and Compliance risk is the risk arising from violations of laws or regulations, non-conformance with prescribed practices, internal bank policies and procedures, or ethical standards. Compliance risk includes consumer compliance risk, legal risk, and regulatory compliance risk. Management seeks to mitigate compliance risk through compliance training and regulatory change management processes.

Technology and Cyber Risk Technology and Cyber risk is the risk of losses or other impacts arising from the failure of technology systems to function in accordance with expectations and business requirements. Technology risks include technical failures, unlawful tampering with technical systems, cyber security, terrorist activities, ineffectiveness or exposure due to interruption in third party support. Management seeks to mitigate technology risk through appropriate security and controls over data and its technological environment. The Bank manages cybersecurity threats proactively and maintains robust controls to protect its critical systems and data by investing in secure, reliable and resilient technology infrastructure, fostering a culture of technology risk awareness and continuously improving its technology risk management practices.

Contractual Obligations, Commitments, Contingencies and Off-Balance Sheet Obligations

In the ordinary course of business the Company has entered into contractual obligations, commitments, residential loans sold with recourse and other off-balance sheet financial instruments. Refer to the accompanying notes to consolidated financial statements in this report for further information and the expected timing of the applicable payments as of December 31, 2023. These include payments related to (i) borrowings (*Note 7 - Borrowings*), (ii) lease obligations (*Note 16 - Leases*), (iii) time deposits with stated maturity dates (*Note 6 - Deposits*), (iv) commitments to extend credit (*Note 17 - Commitments and Contingencies*), (v) derivative positions (*Note 9 - Derivatives and Hedging Activities*), and (vi) unfunded commitments on low income housing project investments (*Note 11 - Low Income Housing Project Investments*). Also refer to *Table 22 - Sources of Liquidity* within Item 7 of this report for further details surrounding the Company's current and unused liquidity resources.

Impact of Inflation and Changing Prices

The consolidated financial statements and related notes thereto presented in Item 8 of this Report have been prepared in accordance with GAAP which requires the measurement of financial position and operating results in terms of historical dollars without considering changes in the relative purchasing power of money over time due to inflation.

The financial nature of the Company's consolidated financial statements is more clearly affected by changes in interest rates than by inflation. Interest rates do not necessarily fluctuate in the same direction or in the same magnitude as the prices of goods and services. However, inflation does affect the Company because, as prices increase, the money supply grows and interest rates are affected by inflationary expectations. The impact on the Company is a noted increase in the size of loan requests with resulting growth in total assets. In addition, operating expenses may increase without a corresponding increase in productivity. There is no precise method, however, to measure the effects of inflation on the Company's consolidated financial statements. Accordingly, any examination or analysis of the financial statements should take into consideration the possible effects of inflation.

Critical Accounting Estimates

Critical accounting policies are defined as those that are reflective of significant judgments and uncertainties, and could potentially result in materially different results under different assumptions and conditions. Certain estimates associated with these policies inherently have a greater reliance on the use of assumptions and judgments and, as such, have a greater possibility of producing results that could be materially different than originally reported. These critical accounting estimates are defined as estimates made in accordance with GAAP that involve a significant level of estimation uncertainty and have had, or are reasonably likely to have, a material impact on financial condition or results of operations. Management believes that the Company's most critical accounting policies and estimates upon which the Company's financial condition depends, and which involve the most complex or subjective decisions or assessments, are as follows:

Allowance for Credit Losses - Loans Held for Investment The Company estimates the allowance for credit losses in accordance with the CECL methodology for loans measured at amortized cost. The allowance for credit losses is established based upon the Company's current estimate of expected lifetime credit losses. Arriving at an appropriate amount of allowance for credit losses involves a high degree of judgment.

The Company estimates credit losses on a collective basis for loans sharing similar risk characteristics using a quantitative model combined with an assessment of certain qualitative factors designed to address forecast risk and model risk inherent in the quantitative model output. Management's judgement is required for the selection and application of these factors which are derived from historical loss experience as well as assumptions surrounding expected future losses and economic forecasts.

Loans that no longer share similar risk characteristics with any pools of assets are subject to individual assessment and are removed from the collectively assessed pools to avoid double counting. For the loans that are individually assessed, the Company uses either a discounted cash flow ("DCF") approach or a fair value of collateral approach. The latter approach is used for loans deemed to be collateral dependent or when foreclosure is probable. Changes in these judgements and assumptions could be due to a number of circumstances which may have a direct impact on the provision for loan losses and may result in changes to the amount of allowance. The allowance for credit losses is increased by the provision for credit losses and by recoveries of loans previously charged off. Loan losses are charged against the allowance when management's assessments confirm that the Company will not collect the full amortized cost basis of a loan.

Management performs periodic sensitivity and stress testing using available economic forecasts in order to evaluate the adequacy of the allowance for credit losses under varying scenarios. Given the Company's benign loss history, the analyses

performed have not resulted in a material change to the quantitative allowance but has informed management's determination of qualitative adjustments and act as corroborating evidence as to the appropriateness of the allowance as a whole. For additional discussion of the Company's methodology of assessing the appropriateness of the allowance for credit losses, see Note 3, "Loans, Allowance for Credit Losses and Credit Quality" within the Notes to Consolidated Financial Statements included in Item 8 of this Report.

Income Taxes The Company accounts for income taxes using two components of income tax expense, current and deferred. Current taxes represent the net estimated amount due to or to be received from taxing authorities in the current year. In estimating accrued taxes, management assesses the relative merits and risks of the appropriate tax treatment of transactions, taking into account statutory, judicial, and regulatory guidance in the context of the Company's tax position. Deferred tax assets and liabilities represent the future effects on income taxes that result from temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements, and carry-forwards that exist at the end of a period. Deferred tax assets and liabilities are measured using enacted tax rates and provisions of the enacted tax law and are not discounted to reflect the time-value of money. The effect of any change in enacted tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date. Deferred tax assets are assessed for recoverability and the Company may record a valuation allowance if it believes based on available evidence that it is more likely than not that the deferred tax assets recognized will not be realized before their expiration. The amount of the deferred tax asset recognized and considered realizable could be reduced if projected income is not achieved due to various factors such as unfavorable business conditions. If projected income is not expected to be achieved, the Company may record a valuation allowance to reduce its deferred tax assets to the amount that it believes can be realized in its future tax returns. Additionally, deferred tax assets and liabilities are calculated based on tax rates expected to be in effect in future periods. Previously recorded tax assets and liabilities need to be adjusted when the expected date of the future event is revised based upon current information. The Company may also record an unrecognized tax benefit related to uncertain tax positions taken by the Company on its tax returns for which there is less than a 50% likelihood of being recognized upon a tax examination. All movements in unrecognized tax benefits are recognized through the provision for income taxes. Taxes are discussed in more detail in Note 10, "Income Taxes" within the Notes to the Consolidated Financial Statements included in Item 8 of this Report.

Valuation of Goodwill/Intangible Assets and Analysis for Impairment The Company has increased its market share through the acquisition of entire financial institutions accounted for under the acquisition method of accounting, as well as from the acquisition of branches (not the entire institution) and other nonbanking entities. For all acquisitions, the Company is required to record assets acquired and liabilities assumed at their fair value, which is an estimate determined by the use of internal or other valuation techniques, which may include the use of third party specialists. Goodwill is evaluated for impairment at least annually, or more often if warranted, using a combined qualitative and quantitative impairment approach. The initial qualitative approach assesses whether the existence of events or circumstances led to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events and circumstances, the Company determines it is more likely than not that the fair value is less than carrying value, a quantitative impairment test is performed to compare carrying value to the fair value of the reporting unit. If the carrying amount of the reporting unit exceeds its fair value, an impairment loss will be recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit. The Company completed its annual impairment test as of August 31, 2023, using the quantitative impairment test, and determined that the Company's goodwill was not impaired. There were no other events or changes during the fourth quarter of 2023 that indicated impairment of goodwill and other intangible assets.

The Company's goodwill relates to acquisitions that are fully integrated into the retail banking operations, which management does not consider to be at risk of failing step one in the near future. The Company's other intangible assets are subject to amortization and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When applicable, the Company tests each of the other intangibles by comparing the carrying value of the intangible to the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. There were no other events or changes during the fourth quarter of 2023 that indicated impairment of goodwill and other intangible assets.

Valuation of Investment Securities Securities that the Company has the ability and intent to hold until maturity are classified as securities held-to-maturity and are accounted for using historical cost, adjusted for amortization of premium and accretion of discount. Trading and equity securities are carried at fair value, with unrealized gains and losses recorded in other noninterest income. All other securities are classified as securities available-for-sale and are carried at fair market value. The fair values of securities is based on either quoted market price or third party pricing services. In general, the third-party pricing services employ various methodologies, including but not limited to, broker quotes and proprietary models. Management does not typically adjust the prices received from third-party pricing services. Depending upon the type of security, management employs various techniques to analyze the pricing it receives from third-parties, such as reviewing model inputs, reviewing

comparable trades, analyzing changes in market yields and, in certain instances, reviewing the underlying collateral of the security. Management reviews changes in fair values from period to period and performs testing to ensure that the prices received from the third parties are consistent with their expectation of the market.

Management determines if the market for a security is active primarily based upon the frequency of which the security, or similar securities, are traded. For securities which are determined to have an inactive market, fair value models are calibrated and to the extent possible, significant inputs are back tested on a quarterly basis. The third-party service provider performs calibration and testing of the models by comparing anticipated inputs to actual results, on a quarterly basis. Unrealized gains and losses on securities available-for-sale are reported, on an after-tax basis, as a separate component of stockholders' equity in accumulated other comprehensive income.

Recent Accounting Developments

See *Note 1, "Summary of Significant Accounting Policies"* within the Notes to Consolidated Financial Statements included in Item 8 of this Report.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Risk Management" in Item 7 of this Report.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Independent Bank Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Independent Bank Corp. (the Company) as of December 31, 2023 and 2022, and the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2023 and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 28, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Allowance for credit losses

Description of the matter	<p>The Company's loan portfolio totaled \$14.3 billion as of December 31, 2023, and the associated allowance for credit losses ("allowance") was \$142 million. As discussed in Notes 1 and 3 to the consolidated financial statements, the Company estimates the allowance on a collective basis for loans sharing similar risk characteristics using a quantitative model based on probability of default, loss given default and exposure at default estimates, which are derived from internal historical default and loss experience, adjusted for economic forecasts. The output is then combined with an assessment of qualitative factors, including economic and business conditions, changes to collateral values and other external factors, which factors are designed to address forecast risk and model risk inherent in the quantitative model output. Loans that do not share similar risk characteristics are individually evaluated and an allowance is determined based on a discounted cash flow or the fair value of collateral.</p> <p>Auditing the Company's allowance for credit losses was complex due to the quantitative modeling used and involved subjective judgment to evaluate management's determination of the qualitative risk factor adjustments and the allowance on individually evaluated loans described above.</p>
How we addressed the matter in our audit	<p>We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Company's allowance process, which included, among others, controls over the appropriateness of the methodology, the development, operation and monitoring of the quantitative model, the reliability and accuracy of data used in developing the estimate, and management's review and approval process over the economic forecasts, qualitative adjustments, individually evaluated loans, and overall allowance result.</p> <p>With the assistance of EY Specialists we tested management's quantitative model including evaluating the conceptual soundness of model methodology, assessing model performance and governance, and testing key modeling assumptions, including the reasonable and supportable forecast period.</p> <p>To test the qualitative factors, among other procedures, we assessed management's methodology and considered whether relevant risks were reflected in the models and whether adjustments to the model output were appropriate. We tested the completeness, accuracy and relevance of the underlying data used to estimate the qualitative adjustments. We evaluated whether qualitative adjustments were reasonable based on changes in economic conditions, the loan portfolio, management's policies and procedures, and lending personnel. For example, we evaluated the reasonableness of qualitative adjustments for economic and business conditions, changes to collateral values and other external factors. We also assessed whether qualitative adjustments were consistent with publicly available information. Further, we performed an independent search for the existence of new or contrary information relating to risks impacting the qualitative adjustments to validate that management's considerations were appropriate. Additionally, we evaluated whether the overall allowance, inclusive of qualitative adjustments, appropriately reflected losses expected in the loan portfolio by comparing to peer bank data.</p> <p>For the allowance on individually evaluated loans, we assessed management's use of either a discounted cash flow or fair value of collateral approach based on the nature of the loan. We evaluated the methodologies and the assumptions used by management in determining the likelihood of recoverability and valuation of the underlying collateral. Procedures performed included testing the completeness and accuracy of management's population and testing the calculation of the allowance on individually evaluated loans.</p>

	Annual Goodwill Impairment Analysis
Description of the Matter	<p>As described in Note 1 and Note 5 to the consolidated financial statements, the Company's goodwill balance totaled \$985 million as of December 31, 2023. The Company evaluates goodwill for impairment at least annually, or more often if warranted, using either a qualitative or quantitative impairment approach. The quantitative impairment test compares the book value of equity to the fair value of the Company's single reporting unit and if the book value exceeds the fair value, an impairment is charged to net income. The Company's annual analysis as of August 31, 2023 used a quantitative impairment approach which included a comparison of the reporting unit's book value to the implied fair value using both a comparable analysis of relevant price multiples in recent market transactions and a discounted cash flow analysis. As a result of the annual analysis, management determined that goodwill for the reporting unit was not impaired.</p> <p>Auditing the Company's goodwill impairment analysis for the reporting unit was complex due to the estimation involved in determining the fair value. In particular, the fair value was highly sensitive to certain key assumptions including projected financial information developed by management and the discount rate.</p>
How we addressed the matter in our audit	<p>We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Company's goodwill impairment analysis process, which included, among others, controls over the appropriateness of the methodology, management's evaluation and oversight of external specialists, and management's identification and review of key assumptions utilized in the quantitative impairment test.</p> <p>With the assistance of EY Specialists, we tested management's quantitative impairment analysis including evaluating the impairment methodology and testing the key assumptions and the underlying data used by the Company in its analysis. We compared the key assumptions used by management to recent financial performance, the company's peer group and economic trends. We assessed the historical accuracy of management's estimates and performed sensitivity analyses for key assumptions to evaluate the changes in the fair value of the reporting unit that would result from changes in the assumptions. In addition, we tested management's reconciliation of the fair value of the reporting unit to the market capitalization of the Company.</p>
	<p>/s/ Ernst & Young LLP</p> <p>We have served as the Company's auditor since 2009</p> <p>Boston, Massachusetts</p> <p>February 28, 2024</p>

INDEPENDENT BANK CORP.
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)

	December 31	
	2023	2022
Assets		
Cash and due from banks	\$ 178,861	\$ 175,843
Interest-earning deposits with banks	45,469	177,090
Securities		
Trading	4,987	3,888
Equities	22,510	21,119
Available for sale (amortized cost \$ 1,459,862 and \$ 1,566,779)	1,334,256	1,399,154
Held to maturity (fair value \$ 1,417,608 and \$ 1,524,710)	1,569,107	1,705,120
Total securities	2,930,860	3,129,281
Loans held for sale (at fair value)	6,368	2,803
Loans		
Commercial and industrial	1,579,986	1,635,103
Commercial real estate	8,041,508	7,760,230
Commercial construction	849,586	1,154,413
Small business	251,956	219,102
Residential real estate	2,424,754	2,035,524
Home equity - first position	518,706	566,166
Home equity - subordinate positions	578,920	522,584
Other consumer	32,654	35,553
Total loans	14,278,070	13,928,675
Less: allowance for credit losses	(142,222)	(152,419)
Net loans	14,135,848	13,776,256
Federal Home Loan Bank stock	43,557	5,218
Bank premises and equipment, net	193,049	196,504
Goodwill	985,072	985,072
Other intangible assets	18,190	25,068
Cash surrender value of life insurance policies	297,387	293,323
Other assets	512,712	527,716
Total assets	\$ 19,347,373	\$ 19,294,174
Liabilities and Stockholders' Equity		
Deposits		
Noninterest-bearing demand deposits	\$ 4,567,083	\$ 5,441,584
Savings and interest checking accounts	5,298,913	5,898,009
Money market	2,818,072	3,343,673
Time certificates of deposit	2,181,479	1,195,741
Total deposits	14,865,547	15,879,007
Borrowings		
Federal Home Loan Bank borrowings	1,105,541	637
Junior subordinated debentures (less unamortized debt issuance costs of \$ 30 and \$ 33)	62,858	62,855
Subordinated debentures (less unamortized debt issuance costs of \$ 20 and \$ 115)	49,980	49,885
Total borrowings	1,218,379	113,377
Other liabilities	368,196	415,089
Total liabilities	16,452,122	16,407,473
Commitments and contingencies	—	—
Stockholders' Equity		
Preferred stock, \$ 0.01 par value; authorized: 1,000,000 shares, outstanding: none	—	—
Common stock, \$ 0.01 par value; authorized: 75,000,000 shares, issued and outstanding: 42,873,187 shares at December 31, 2023 and 45,641,238 shares at December 31, 2022 (includes 162,812 and 135,712 shares of unvested participating restricted stock awards, respectively)	427	455
Value of shares held in rabbi trust at cost: 80,222 shares at December 31, 2023 and 80,965 shares at December 31, 2022	(3,298)	(3,227)
Deferred compensation obligation	3,298	3,227
Additional paid in capital	1,932,163	2,114,888
Retained earnings	1,077,488	934,442
Accumulated other comprehensive loss, net of tax	(114,827)	(163,084)
Total stockholders' equity	2,895,251	2,886,701
Total liabilities and stockholders' equity	\$ 19,347,373	\$ 19,294,174

The accompanying notes are an integral part of these consolidated financial statements.

INDEPENDENT BANK CORP.
CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31		
	2023	2022	2021
(Dollars in thousands, except per share data)			
Interest income			
Interest and fees on loans	\$ 730,008	\$ 577,923	\$ 381,433
Taxable interest and dividends on securities	60,336	50,354	30,477
Nontaxable interest and dividends on securities	6	6	16
Interest on loans held for sale	190	172	856
Interest on federal funds sold and short-term investments	5,186	14,385	2,494
Total interest and dividend income	795,726	642,840	415,276
Interest expense			
Interest on deposits	144,752	24,652	8,327
Interest on borrowings	44,453	4,939	5,390
Total interest expense	189,205	29,591	13,717
Net interest income	606,521	613,249	401,559
Provision for credit losses	23,250	6,500	18,205
Net interest income after provision for credit losses	583,271	606,749	383,354
Noninterest income			
Deposit account fees	23,486	23,370	16,745
Interchange and ATM fees	18,108	16,249	12,987
Investment management	40,191	36,832	35,308
Mortgage banking income	2,326	3,515	13,280
Increase in cash surrender value of life insurance policies	7,868	7,685	6,431
Gain on life insurance benefits	2,291	1,291	258
Loan level derivative income	3,327	2,932	3,257
Other noninterest income	27,012	22,793	17,584
Total noninterest income	124,609	114,667	105,850
Noninterest expenses			
Salaries and employee benefits	222,135	204,711	172,586
Occupancy and equipment expenses	50,582	49,841	36,265
Data processing & facilities management	9,884	9,320	6,899
Software maintenance	13,115	10,961	8,149
FDIC assessment	11,953	6,951	3,980
Debit card expense	9,003	7,670	5,144
Consulting expense	8,954	9,617	8,271
Amortization of intangible assets	6,878	7,655	5,715
Merger and acquisition expense	—	7,100	40,840
Other noninterest expenses	60,242	59,836	44,680
Total noninterest expenses	392,746	373,662	332,529
Income before income taxes	315,134	347,754	156,675
Provision for income taxes	75,632	83,941	35,683
Net Income	\$ 239,502	\$ 263,813	\$ 120,992
Basic earnings per share	\$ 5.42	\$ 5.69	\$ 3.47
Diluted earnings per share	\$ 5.42	\$ 5.69	\$ 3.47
Weighted average common shares (basic)	44,181,540	46,372,051	34,872,034
Common share equivalents	12,007	17,938	16,484
Weighted average common shares (diluted)	44,193,547	46,389,989	34,888,518
Cash dividends declared per common share	\$ 2.20	\$ 2.08	\$ 1.92

The accompanying notes are an integral part of these consolidated financial statements.

INDEPENDENT BANK CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2023	2022	2021
	(Dollars in thousands)		
Net income	\$ 239,502	\$ 263,813	\$ 120,992
Other comprehensive income (loss), net of tax			
Net change in fair value of securities available for sale	32,426	(118,990)	(22,922)
Net change in fair value of cash flow hedges	16,055	(50,767)	(19,139)
Net change in other comprehensive income for defined benefit postretirement plans	(224)	4,490	3,549
Total other comprehensive income (loss)	48,257	(165,267)	(38,512)
Total comprehensive income	\$ 287,759	\$ 98,546	\$ 82,480

The accompanying notes are an integral part of these consolidated financial statements.

INDEPENDENT BANK CORP.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock Outstanding	Common Stock	Value of Shares Held in Rabbi Trust at Cost	Deferred Compensation Obligation	Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
(Dollars in thousands, except per share data)								
Balance December 31, 2020	32,965,692	\$ 328	\$ (3,066)	\$ 3,066	\$ 945,638	\$ 716,024	\$ 40,695	\$ 1,702,685
Net income	—	—	—	—	—	120,992	—	120,992
Other comprehensive loss	—	—	—	—	—	—	(38,512)	(38,512)
Common dividend declared (\$ 1.92 per share)	—	—	—	—	—	(70,300)	—	(70,300)
Common stock issued for acquisition	14,299,720	143	—	—	1,298,415	—	—	1,298,558
Proceeds from exercise of stock options, net of cash paid	4,744	—	—	—	(57)	—	—	(57)
Stock based compensation	—	—	—	—	4,309	—	—	4,309
Restricted stock awards issued, net of awards surrendered	53,768	1	—	—	(1,250)	—	—	(1,249)
Shares issued under direct stock purchase plan	25,854	—	—	—	2,023	—	—	2,023
Deferred compensation and other retirement benefit obligations	—	—	(80)	80	—	—	—	—
Balance December 31, 2021	47,349,778	\$ 472	\$ (3,146)	\$ 3,146	\$ 2,249,078	\$ 766,716	\$ 2,183	\$ 3,018,449
Net income	—	—	—	—	—	263,813	—	263,813
Other comprehensive loss	—	—	—	—	—	—	(165,267)	(165,267)
Common dividend declared (\$ 2.08 per share)	—	—	—	—	—	(96,087)	—	(96,087)
Stock based compensation	—	—	—	—	4,464	—	—	4,464
Restricted stock awards issued, net of awards surrendered	49,016	1	—	—	(1,085)	—	—	(1,084)
Shares issued under direct stock purchase plan	29,409	—	—	—	2,359	—	—	2,359
Shares repurchased under share repurchase program	(1,786,965)	(18)	—	—	(139,928)	—	—	(139,946)
Deferred compensation and other retirement benefit obligations	—	—	(81)	81	—	—	—	—
Balance December 31, 2022	45,641,238	\$ 455	\$ (3,227)	\$ 3,227	\$ 2,114,888	\$ 934,442	\$ (163,084)	\$ 2,886,701
Net income	—	—	—	—	—	239,502	—	239,502
Other comprehensive income	—	—	—	—	—	—	48,257	48,257
Common dividend declared (\$ 2.20 per share)	—	—	—	—	—	(96,456)	—	(96,456)
Proceeds from exercise of stock options, net of cash paid	3,238	—	—	—	81	—	—	81
Stock based compensation	—	—	—	—	6,377	—	—	6,377
Restricted stock awards issued, net of awards surrendered	82,181	1	—	—	(1,136)	—	—	(1,135)
Shares issued under direct stock purchase plan	46,963	—	—	—	2,682	—	—	2,682
Shares repurchased under share repurchase program (1)	(2,900,433)	(29)	—	—	(190,729)	—	—	(190,758)
Deferred compensation and other retirement benefit obligations	—	—	(71)	71	—	—	—	—
Balance December 31, 2023	42,873,187	\$ 427	\$ (3,298)	\$ 3,298	\$ 1,932,163	\$ 1,077,488	\$ (114,827)	\$ 2,895,251

(1) Inclusive of \$ 1.8 million impact of excise tax attributable to shares repurchased under the share repurchase program during the year ended December 31, 2023.

The accompanying notes are an integral part of these consolidated financial statements.

**INDEPENDENT BANK CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Years Ended December 31		
	2023	2022	2021
	(Dollars in thousands)		
Cash flow from operating activities			
Net income	\$ 239,502	\$ 263,813	\$ 120,992
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	36,102	38,799	32,824
Change in unamortized net loan costs and fees	(1,856)	(7,119)	(24,785)
(Accretion) amortization of acquired loans	(2,251)	175	(6,882)
Provision for credit losses	23,250	6,500	18,205
Deferred income tax expense (benefit)	2,738	(1,254)	3,090
Net (gain) loss on equity securities	(1,180)	3,061	(554)
Net loss (gain) on bank premises and equipment	310	(584)	139
Realized gain on sale leaseback transaction	(193)	(578)	(578)
Stock based compensation	6,377	4,464	4,309
Increase in cash surrender value of life insurance policies	(7,877)	(7,685)	(6,431)
Gain on life insurance benefits	(2,291)	(1,291)	(258)
Operating lease payments	(13,863)	(19,296)	(17,456)
Change in fair value on loans held for sale	(97)	452	1,679
Net change in:			
Trading assets	(1,099)	(168)	(882)
Loans held for sale	(3,468)	21,424	31,746
Other assets	23,504	65,263	93,565
Other liabilities	(20,614)	55,224	(58,503)
Total adjustments	37,492	157,387	69,228
Net cash provided by operating activities	276,994	421,200	190,220
Cash flows used in investing activities			
Proceeds from sales of equity securities	—	31	1,164
Purchases of equity securities	(742)	(1,524)	(2,171)
Proceeds from maturities and principal repayments of securities available for sale	106,713	139,923	95,981
Purchases of securities available for sale	—	(123,289)	(1,284,867)
Proceeds from maturities and principal repayments of securities held to maturity	140,888	166,712	263,106
Purchases of securities held to maturity	—	(804,105)	(606,543)
Net (purchases) redemption of Federal Home Loan Bank stock	(38,339)	6,189	25,027
Investments in low income housing projects	(31,073)	(33,232)	(22,496)
Purchases of life insurance policies	(162)	(163)	(40,164)
Proceeds from life insurance policies	5,531	3,160	576
Net (increase) decrease in loans	(378,735)	(335,448)	744,981
Net cash acquired in business combinations	—	—	787,301
Purchases of bank premises and equipment	(15,844)	(22,072)	(25,200)
Proceeds from the sale of bank premises and equipment	113	3,344	169
Net cash used in investing activities	(211,650)	(1,000,474)	(63,136)
Cash flows (used in) provided by financing activities			
Net increase (decrease) in time deposits	985,567	(334,381)	(235,577)
Net (decrease) increase in other deposits	(1,999,198)	(702,628)	1,719,398
Net advances from (repayments of) short-term Federal Home Loan Bank borrowings	1,105,000	(25,000)	—
Repayments of long-term Federal Home Loan Bank borrowings	—	—	(586,088)
Repayments of long-term debt, net of issuance costs	—	(14,063)	(18,750)
Net proceeds from exercise of stock options	80	—	(57)
Restricted stock awards issued, net of awards surrendered	(1,142)	(1,084)	(1,249)
Proceeds from shares issued under direct stock purchase plan	2,662	2,359	2,023
Payments for shares repurchased under share repurchase program	(188,910)	(139,946)	—
Common dividends paid	(98,006)	(93,734)	(62,736)
Net cash (used in) provided by financing activities	(193,947)	(1,308,477)	816,964
Net (decrease) increase in cash and cash equivalents	(128,603)	(1,887,751)	944,048

Cash and cash equivalents at beginning of year	352,933	2,240,684	1,296,636
Cash and cash equivalents at end of period	\$ 224,330	\$ 352,933	\$ 2,240,684
Cash paid during the year for			
Interest on deposits and borrowings	\$ 183,068	\$ 26,424	\$ 14,004
Income taxes	\$ 43,706	\$ 44,274	\$ 23,353
Supplemental schedule of noncash investing and financing activities			
Net increase in capital commitments relating to low income housing project investments	\$ 31,891	\$ 17,643	\$ 33,691
Recognition of operating lease at commencement and/or extension	\$ 7,916	\$ 14,789	\$ 7,768
In conjunction with the Company's acquisitions, assets were acquired and liabilities were assumed as follows			
Common stock issued for acquisition	\$ —	\$ —	\$ 1,298,558
Fair value of assets acquired, net of cash acquired	\$ —	\$ —	\$ 5,574,209
Fair value of liabilities assumed	\$ —	\$ —	\$ 5,062,952

The accompanying notes are an integral part of these consolidated financial statements.

INDEPENDENT BANK CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***Nature of Operations***

Independent Bank Corp. (the "Company") is a bank holding company, the principal subsidiary of which is Rockland Trust Company ("Rockland Trust" or the "Bank"). Rockland Trust is a state-chartered commercial bank which provides a variety of banking, investment and financial services through its retail branches, commercial banking centers, investment management offices and mortgage lending centers located throughout Eastern Massachusetts as well as in Worcester County and Rhode Island. Rockland Trust deposits are insured by the Federal Deposit Insurance Corporation, subject to regulatory limits. The Company's primary source of income is from providing loans to individuals and small-to-medium sized businesses in its market area. Rockland Trust is a community-oriented commercial bank, and the community banking business is the Company's only reportable operating segment.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company, the Bank and other wholly-owned subsidiaries, except subsidiaries that are not deemed necessary to be consolidated. All significant intercompany balances and transactions have been eliminated in consolidation.

The Company determines whether it has a controlling financial interest in an entity by first evaluating whether the entity is a voting interest entity or a variable interest entity under GAAP. Voting interest entities are entities in which the total equity investment at risk is sufficient to enable the entity to finance itself independently and provides the equity holders with the obligation to absorb losses, the right to receive residual returns and the right to make decisions about the entity's activities. The Company would consolidate voting interest entities in which it has all, or at least a majority of, the voting interest. As defined in applicable accounting standards, variable interest entities ("VIEs") are entities that lack one or more of the characteristics of a voting interest entity. A controlling financial interest in a VIE is present when the Company has both the power and ability to direct the activities of the VIE that most significantly impact the VIE's economic performance and an obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE.

The Company also owns the common stock of various trusts which have issued trust preferred securities. These trusts are VIEs in which the Company is not the primary beneficiary and, therefore, are not consolidated. The trust's only assets are junior subordinated debentures issued by the Company, which were acquired by the trust using the proceeds from the issuance of the trust preferred securities and common stock. The junior subordinated debentures are included in long-term debt and the Company's equity interest in the trust is included in other assets in the accompanying Consolidated Balance Sheets. Interest expense on the junior subordinated debentures is reported in interest expense on long-term debt in the accompanying Consolidated Statements of Income.

Reclassification

Certain previously reported amounts have been reclassified to conform to the current year's presentation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could vary from these estimates. Material estimates that are particularly susceptible to significant changes in the near-term relate to the determination of the allowance for expected credit losses on loans held for investment, income taxes, valuation and allowance for expected credit losses on investment securities, and the valuation of goodwill and other intangible assets and their respective analyses of impairment.

Concentrations of Credit Risk

The vast majority of the Bank's lending activities are conducted in New England. The Bank originates commercial and industrial loans, commercial and residential real estate loans, including construction loans, small business loans, home equity loans, and other consumer loans for its portfolio. The Bank tracks concentrations of credit across numerous categories and segments based on aggregate credit exposure, which includes direct, indirect or contingent obligations to a borrower or group of borrowers engaged in one industry and by property type. The Bank considers a concentration to exist when aggregate credit exposure of a category or segment exceeds 25% of the Bank's total risk-based capital (inclusive of Tier 2 capital instruments).

Business Combinations

In accordance with applicable accounting guidance, the Company recognizes assets acquired and liabilities assumed at their respective fair values as of the date of acquisition, with the related transaction costs expensed in the period incurred. The Company may use third party valuation specialists to assist in the determination of fair value of certain assets and liabilities at the acquisition date, including loans, core deposit intangibles and time deposits. While the Company uses its best estimates and assumptions to accurately value assets acquired and liabilities assumed on the acquisition date, the estimates are inherently uncertain. The allowance for credit losses on purchased credit deteriorated ("PCD") loans is recognized within business combination accounting. The allowance for credit losses on non-PCD loans is recognized as a provision expense in the same period as the business combination.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents may include cash on hand, amounts due from banks, inclusive of interest-earning deposits held at banks, and federal funds sold. Generally, federal funds are sold for up to two week periods.

Securities

Investment securities are classified at the time of purchase as available for sale, held to maturity, trading, or equity. Classification is constantly re-evaluated for consistency with corporate goals and objectives. Trading and equity securities are recorded at fair value with subsequent changes in fair value recorded in earnings. Debt securities that management has the positive intent and ability to hold to maturity are classified as held to maturity and recorded at amortized cost. Securities not classified as held to maturity or trading are classified as available for sale and recorded at fair value, with changes in fair value excluded from earnings and reported in other comprehensive income, net of related tax. Purchase premiums and discounts are recognized in interest income, using the interest method, to arrive at periodic interest income at a constant effective yield, thereby reflecting the securities market yield. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method. Such gains and losses are recognized within non-interest income or non-interest expense within the consolidated statements of income.

Accrued interest receivable balances are excluded from the amortized cost of held to maturity securities and the fair value of available for sale securities and are included within other assets on the Consolidated Balance Sheets. Management has elected not to measure an allowance for credit losses on these balances as the Company employs a timely write-off policy. It is the Company's policy that a security is placed on nonaccrual status at the time any principal or interest payments become 90 days delinquent, and interest earned but not collected for a security placed on non-accrual is reversed against interest income.

Allowance for Credit Losses - Available for Sale Securities

The Company's available for sale securities are carried at fair value and assessed for estimated credit losses in accordance with the current expected credit loss ("CECL") methodology. For available for sale securities in an unrealized loss position, management will first evaluate whether there is intent to sell, or if it is more likely than not that the Company will be required to sell a security prior to anticipated recovery of its amortized cost basis. If either of these criteria are met, the Company will record a write-down of the security's amortized cost basis to fair value through income. For those available for sale securities which do not meet the intent or requirement to sell criteria, management will evaluate whether the decline in fair value is a result of credit related matters or other factors. In performing this assessment, management considers the

creditworthiness of the issuer including whether the security is guaranteed by the U.S. Federal Government or other government agency, the extent to which fair value is less than amortized cost, and changes in credit rating during the period, among other factors. If this assessment indicates the existence of credit losses, the security will be written down to fair value, as determined by a discounted cash flow analysis. To the extent the estimated cash flows do not support the amortized cost, the deficiency is considered to be due to credit loss and is recognized in earnings.

Changes in the allowance for credit losses are recorded as a provision for (or reversal of) credit loss expense. Losses are charged against the allowance when the uncollectibility of a security is confirmed, or when either of the aforementioned criteria surrounding intent or requirement to sell have been met.

Allowance for Credit Losses - Held to Maturity Securities

The Company measures expected credit losses on held to maturity securities on a collective basis by major security type in accordance with the CECL methodology. Management classifies the held to maturity portfolio into the following major security types: U.S. Government Agency, U.S. Treasury, Agency Mortgage-Backed Securities, Agency Collateralized Mortgage Obligations, Small Business Administration Pooled Securities, and Single Issuer Trust Preferred Securities. Securities in the Company's held to maturity portfolio are primarily guaranteed by either the U.S. Federal Government or other government sponsored agencies with a long history of no credit losses. As a result, management has determined these securities to have a zero loss expectation and therefore does not estimate an allowance for credit losses on these securities.

Loans Held for Sale

The Bank may choose to classify new residential real estate mortgage loans as held for sale based on intent, which is determined when loans are underwritten. Residential real estate mortgage loans not designated as held for sale are retained based upon available liquidity, for interest rate risk management and other business purposes.

The Company has elected the fair value option to account for originated closed loans intended for sale. Accordingly, changes in fair value relating to loans intended for sale are recorded in earnings and are offset by changes in fair value relating to interest rate lock commitments and forward sales commitments. Gains and losses on residential loan sales (sales proceeds minus carrying amount) are recorded in mortgage banking income. Upfront costs and fees related to items for which the fair value option is elected are recognized in earnings as incurred and are not deferred.

Loans Held for Investment

Loans that the Company has the intent and ability to hold until maturity or payoff are carried at amortized cost (net of the allowance for credit losses). Amortized cost is the principal amount outstanding, adjusted by partial charge-offs and net of deferred loan costs or fees. For originated loans, loan fees and certain direct origination costs are deferred and amortized into interest income over the expected term of the loan using the level-yield method. When a loan is paid off, the unamortized portion is recognized in interest income. Interest income on loans is accrued based upon the daily principal amount outstanding except for loans on nonaccrual status.

As a general rule, loans 90 days or more past due with respect to principal or interest are classified as nonaccrual loans, or sooner if management considers such action to be prudent. However, loans that are 90 days or more past due may be kept on an accruing status if the loan is well secured and in the process of collection. Income accruals are suspended on all nonaccrual loans in a timely manner and all previously accrued and uncollected interest is reversed against current income. A loan remains on nonaccrual status until it becomes current with respect to principal and interest and remains current for a minimum period of six months, the loan is liquidated, or when the loan is determined to be uncollectible and is charged-off against the allowance for credit losses. When doubt exists as to the collectability of a loan, any payments received are applied to reduce the amortized cost of the loan to the extent necessary to eliminate such doubt. For all loan portfolios, a charge-off occurs when the Company determines that a specific loan, or portion thereof, is uncollectible. This determination is made based on management's review of specific facts and circumstances of the individual loan, including assessing the viability of the customer's business or project as a going concern, the expected cash flows to repay the loan, the value of the collateral and the ability and willingness of any guarantors to perform.

In the course of resolving problem loans, the Company may choose to modify the contractual terms of certain loans. The Company attempts to work out an alternative payment schedule with the borrower in order to avoid or cure a default. Terms may be modified to fit the ability of the borrower to repay in line with its current financial status and may include adjustments to term extensions, interest rates, other than insignificant payment delays and/or a combination thereof. These actions are intended to minimize economic loss and avoid foreclosure or repossession of collateral. If such efforts by the Bank

do not result in satisfactory performance, the loan is referred to legal counsel, at which time foreclosure proceedings are initiated. At any time prior to a sale of the property at foreclosure, the Bank may terminate foreclosure proceedings if the borrower is able to work out a satisfactory payment plan. Any loans that are modified are reviewed by the Company to determine whether the modification is the direct result of a borrower experiencing financial difficulty, as the Company adopted the accounting and disclosure requirements for loan modifications made to borrowers experiencing financial difficulty and ceased to recognize troubled debt restructurings ("TDRs") effective January 1, 2023. Prior to this adoption, the Company would classify loans as TDRs in cases where a borrower was experiencing financial difficulty and where the Company made certain concessionary modifications to contractual terms. Modifications included adjustments to interest rates, extensions of maturity, consumer loans where the borrower's obligations had been effectively discharged through Chapter 7 Bankruptcy and the borrower had not reaffirmed the debt to the Bank, and other actions intended to minimize economic loss and avoid foreclosure or repossession of collateral. Under the previously applicable guidance, loans classified as TDRs would have remained classified as such for the life of the loan, except in limited circumstances, when it was determined that the borrower was performing under the modified terms and the restructuring agreement specified an interest rate greater than or equal to an acceptable market rate for a comparable new loan at the time of the restructuring.

Allowance for Credit Losses - Loans Held for Investment

The allowance for credit losses is established based upon the Company's current estimate of expected lifetime credit losses on loans measured at amortized cost, also referred to as the CECL methodology. Credit losses are charged against the allowance when management's assessments confirm that the Company will not collect the full amortized cost basis of a loan. Subsequent recoveries, if any, are credited to the allowance.

Under the CECL methodology, the Company estimates credit losses for financial assets on a collective basis for loans sharing similar risk characteristics using a quantitative model combined with an assessment of certain qualitative factors designed to address forecast risk and model risk inherent in the quantitative model output. The quantitative model utilizes a factor based approach to estimate expected credit losses using Probability of Default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD"), which are derived from internal historical default and loss experience. The model estimates expected credit losses using loan level data over the estimated life of the exposure, considering the effect of prepayments. Economic forecasts are incorporated into the estimate over a reasonable and supportable forecast period, beyond which is a reversion to the Company's historical long-run average. Management has determined a reasonable and supportable period of 12 months, and a straight line reversion period of 6 months, to be appropriate for purposes of estimating expected credit losses. The qualitative risk factors impacting the expected risk of loss within the portfolio include the following:

- Lending policies and procedures
- Economic and business conditions
- Nature and volume of loans
- Changes in management
- Changes in credit quality
- Changes in loan review system
- Changes to underlying collateral values
- Concentrations of credit risk
- Model imprecision
- Other external factors

Loans that do not share similar risk characteristics with any pools of assets are subject to individual evaluation and are removed from the collectively assessed pools to avoid double counting. For the loans that are individually evaluated, the Company uses either a discounted cash flow ("DCF") approach or a fair value of collateral approach. The latter approach is used for loans deemed to be collateral dependent or when foreclosure is probable.

Loan modifications made to borrowers experiencing financial difficulty are evaluated on a collective basis with loans sharing similar risk characteristics in accordance with the CECL methodology. Under previously applicable accounting guidance, the Company determined the amount of allowance for credit losses on TDRs using a discounted cash flow analysis or a fair value of collateral approach if the loan was determined to be individually evaluated. This change in methodology did not have a material impact on the Company's allowance for credit loss estimate.

Accrued interest receivable amounts are excluded from balances of loans held at amortized cost and are included within other assets on the consolidated balance sheets. Management has elected not to measure an allowance for credit losses on these amounts as the Company employs a timely write-off policy. Consistent with the Company's policy for nonaccrual loans, accrued interest receivable is typically written off when loans reach 90 days past due and are placed on nonaccrual status.

In the ordinary course of business, the Company enters into commitments to extend credit, commercial letters of credit, and standby letters of credit. Such financial instruments are recorded in the financial statements when they become payable. The credit risk associated with these commitments is evaluated in a manner similar to the allowance for credit losses. The reserve for unfunded lending commitments is included in other liabilities on the Consolidated Balance Sheets.

Acquired Loans

Loans acquired through purchase or a business combination are recorded at their fair value at the acquisition date. The Company performs an assessment of acquired loans to first determine if such loans have experienced a more than insignificant deterioration in credit quality since their origination and thus should be classified and accounted for as PCD loan. For loans that have not experienced a more than insignificant deterioration in credit quality since origination, referred to as non-PCD loans, the Company records such loans at fair value, with any resulting discount or premium accreted or amortized into interest income over the remaining life of the loan using the interest method. Additionally, upon the purchase or acquisition of non-PCD loans, the Company measures and records a reserve for credit losses based on the Company's methodology for determining the allowance under CECL. The allowance for non-PCD loans is recorded through a charge to provision for credit losses in the period in which the loans were purchased or acquired.

Acquired loans that are classified as PCD are acquired at fair value, including any resulting discounts or premiums. Discounts and premiums are accreted or amortized into interest income over the remaining life of the loan using the interest method. In contrast to non-PCD loans, the initial allowance for credit losses on PCD loans is established through an adjustment to the acquired loan balance, rather than through a charge to provision for credit losses, in the period in which the loans were acquired. The allowance for PCD loans is determined based upon the Company's methodology for estimating the allowance under CECL, and is recorded as an adjustment to the acquired loan balance on the date of acquisition. The Company evaluates acquired loans for deterioration in credit quality based on a variety of characteristics, including, but not limited to non-accrual and delinquency status, downgrades in credit quality since origination, loans that have been modified, along with any other factors identified by the Company through its initial analysis of acquired loans which may indicate there has been a more than insignificant deterioration in credit quality since origination. At the acquisition date, an estimate of expected credit losses is made for groups of PCD loans with similar risk characteristics and individual PCD loans without similar risk characteristics, if applicable.

Subsequent to acquisition, the allowance for credit losses for both non-PCD and PCD loans are determined with the use of the Company's allowance methodology under CECL, in the same manner as all other loans.

Transfers and Servicing of Financial Assets

Transfers of financial assets are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Company, (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and (3) the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Loans held for sale are generally sold with servicing rights released, however if rights are retained, servicing assets are recognized as separate assets. Servicing rights are originally recorded at fair value within other assets, but subsequently are amortized in proportion to and over the period of estimated net servicing income, and are assessed for impairment at each reporting date. Fair value is based on market prices for comparable mortgage servicing contracts, when available, or alternatively, is based on a valuation model that calculates the present value of estimated future net servicing income. The valuation model incorporates assumptions that market participants would use in estimating future net servicing income, such as the cost to service, the discount rate, the custodial earnings rate, an inflation rate, ancillary income, prepayment speeds, default rates and losses. Impairment is determined by stratifying the rights based on predominant characteristics, such as interest rate, loan type and investor type. Impairment is recognized through a valuation allowance, to the extent that fair value is less than the capitalized amount. If the Company later determines that all or a portion of the impairment no longer exists, a reduction of the allowance may be recorded as an increase to income.

Servicing fee income is recorded for fees earned for servicing loans for investors. The fees are based on a contractual percentage of the outstanding principal or a fixed amount per loan, and are recorded as income when earned. The amortization of mortgage servicing rights is recorded as a reduction of loan servicing fee income.

The Company is also a party to certain instruments with off-balance-sheet risk including certain residential loans sold to investors with recourse. The Company's policy is to record such instruments when funded.

Federal Home Loan Bank Stock

The Company, as a member of the Federal Home Loan Bank ("FHLB") of Boston, is required to maintain an investment in capital stock of the FHLB. Based on redemption provisions, the stock has no quoted market value and is carried at cost. The Company continually reviews its investment to determine if impairment exists. The Company reviews recent public filings, rating agency analysis and other factors when making its determination.

Bank Premises and Equipment

Land is carried at cost. Bank premises and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line convention method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the lease terms or the estimated useful lives of the improvements. Expected terms include lease option periods to the extent that the exercise of such options is reasonably assured, not to exceed fifteen years .

Leases

The Company leases office space, space for ATM and parking locations, and certain branch locations under noncancelable operating leases, several of which have renewal options to extend lease terms. Upon commencement of a new lease, the Company will recognize a right of use ("ROU") asset and corresponding lease liability. The Company makes the decision on whether to renew an option to extend a lease by considering various factors. The Company will recognize an adjustment to its ROU asset and lease liability when lease agreements are amended and executed, or in an event where the Company is reasonably certain that a renewal option will be exercised. The discount rate used in determining the present value of lease payments is based on the Company's incremental borrowing rate for borrowings with terms similar to each lease at commencement date. The Company has lease agreements with lease and non-lease components, which are generally accounted for separately. For real estate leases, non-lease components and other non-components, such as common area maintenance charges, real estate taxes, and insurance, are not included in the measurement of the lease liability since they are generally able to be segregated. The Company has elected the short-term lease recognition exemption for all leases that qualify. The Company may also assume lease obligations in connection with its acquisition activities, which may result in a market-based favorable or unfavorable lease position, resulting in an intangible lease asset. These intangible lease assets are amortized over the estimated remaining lease term.

The Company is a party to certain equipment lease transactions where it has assumed the role of lessor for purchased assets. These lease transactions are classified by the Company as either operating leases or direct financing leases for accounting purposes, depending upon the nature of the underlying lease agreements. Under operating lease arrangements, the leased asset value is recorded within fixed assets and the Company recognizes rental income over the life of the lease. Under direct financing lease arrangements, the leased asset value is de-recognized and offset with the recognition of a lease receivable that is evaluated for impairment in a manner similar to loans.

Goodwill and Other Intangible Assets

Goodwill represents the excess of the purchase price over the net fair value of acquired businesses. Goodwill is not amortized and is assigned to one reporting unit. Goodwill is evaluated for impairment at least annually, or more often if warranted. In assessing for impairment, the Company has the option to first perform a qualitative analysis to determine whether the existence of events or circumstances leads to a determination that it is more-likely-than-not that the fair value of the reporting unit is less than its carrying amount. If, after assessing the totality of such events and circumstances, the Company determines it is more-likely-than-not that the fair value is less than carrying value, a quantitative impairment test is performed to compare carrying value to the fair value of the reporting unit. The Company also has an unconditional option to bypass the assessment of qualitative factors for any period and proceed directly to the quantitative goodwill impairment test. If the carrying amount of the reporting unit exceeds its fair value, an impairment loss will be recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit.

Other intangible assets subject to amortization consist of core deposit intangibles, customer lists, and non-compete agreements that are amortized over the estimated lives of the intangibles using a method that approximates the amount of economic benefits that are realized by the Company. Other intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable.

Impairment of Long-Lived Assets Other Than Goodwill

The Company reviews long-lived assets, including premises and equipment, for impairment whenever events or changes in business circumstances indicate that the remaining useful life may warrant revision or that the carrying amount of the long-lived asset may not be fully recoverable. The Company performs an undiscounted cash flow analysis to determine if impairment exists. When impairment is determined to exist, the related impairment loss is calculated based on fair value. Impairment losses on assets to be disposed of are based on the estimated proceeds to be received, less costs of disposal.

Cash Surrender Value of Life Insurance Policies

Increases in the cash surrender value ("CSV") of life insurance policies, as well as benefits received net of any CSV, are recorded in other noninterest income, and are generally not subject to income taxes. The CSV of the policies is recorded as an asset of the Bank, with liabilities recognized for any split dollar arrangements associated with the policies. The Company reviews the financial strength of the insurance carriers prior to the purchase of life insurance policies and no less than annually thereafter. Regulatory requirements limit the total amount of CSV to be held with any individual carrier to 15% of Tier 1 capital (as defined for regulatory purposes) and the total CSV of all life insurance policies is limited to 25% of Tier 1 capital.

Other Real Estate Owned and Other Foreclosed Assets

Real estate properties and other assets, which have served as collateral to secure loans, are held for sale and are initially recorded at fair value less estimated costs to sell at the date control is established, resulting in a new cost basis. The amount by which the recorded investment in the loan exceeds the fair value (net of estimated costs to sell) of the foreclosed asset is charged to the allowance for credit losses. Subsequent declines in the fair value of the foreclosed asset below the new cost basis are recorded through the use of a valuation allowance. Subsequent increases in the fair value are recorded as reductions in the valuation allowance, but not below zero. Upon a sale of a foreclosed asset, any excess of the carrying value over the sale proceeds is recognized as a loss on sale. Any excess of sale proceeds over the carrying value of the foreclosed asset is first applied as a recovery to the valuation allowance, if any, with the remainder being recognized as a gain on sale. Operating expenses and changes in the valuation allowance relating to foreclosed assets are recorded in other noninterest expense.

Derivatives

Derivative instruments are carried at fair value in the Company's financial statements. The accounting for changes in the fair value of a derivative instrument is determined by whether it has been designated and qualifies as part of a hedging relationship, and further, by the type of hedging relationship. At the inception of a hedge, the Company documents certain items, including but not limited to the following: the relationship between hedging instruments and hedged items, the Company's risk management objectives, hedging strategies, and the evaluation of hedge transaction effectiveness. Documentation includes linking all derivatives designated as fair value or cash flow hedges to specific assets and liabilities on the balance sheet or to specific forecasted transactions.

For those derivative instruments that are designated and qualify for special hedge accounting, the Company designates the hedging instrument, based upon the exposure being hedged, as either a fair value hedge or a cash flow hedge. For derivative instruments that are designated and qualify as a cash flow hedge (i.e., hedging the exposure to variability in expected future cash flows that is attributable to a particular risk), the effective portion of the gain or loss on the derivative instrument is reported as a component of other comprehensive income, net of related tax. The Company considers any economic mismatch between the hedging instrument and the hedged transaction in its ongoing assessment of hedge effectiveness. If the hedging instrument is not highly effective at achieving offsetting cash flows attributable to the revised contractually specified interest rate(s), hedge accounting will be discontinued. At that time, accumulated other comprehensive income would be frozen and amortized, as long as the forecasted transactions are still probable of occurring. For derivative instruments designated and qualifying as a fair value hedge (i.e., hedging the exposure to changes in the fair value of an asset or liability or an identified portion thereof that is attributable to the hedged risk), the gain or loss on the derivative instrument, as well as the offsetting gain or loss on the hedged item attributable to the hedged risk, are recognized in current earnings during the period of the change in fair values. Hedge accounting is discontinued prospectively when (1) a derivative is no longer highly effective in offsetting changes in the fair value or cash flow of a hedged item, (2) a derivative expires or is settled, (3) it is no longer likely that a forecasted transaction associated with the hedge will occur, or (4) it is determined that designation of a derivative as a hedge is no longer appropriate.

To the extent the Company enters into new or re-designates existing hedging relationships, it is the Company's policy to include the Overnight Index Swap Rate based on the Fed Funds Effective Rate and the Overnight Index Swap Rate based on the Secured Overnight Financing Rate in the spectrum of available benchmark interest rates for hedge accounting.

For derivative instruments not designated as hedging instruments, such as loan level derivatives, foreign exchange contracts, risk participation agreements and mortgage derivatives, changes in fair value are recognized in other noninterest income during the period of change and are included in changes in other assets or other liabilities on the Company's consolidated statement of cash flows.

Retirement Plans

The Company has various retirement plans in place for current and former employees, including postretirement benefit plans, supplemental executive retirement plans, frozen multiemployer pension plans, deferred compensation plans, as well as other benefits.

The postretirement benefit plans and the supplemental executive retirement plans are unfunded and therefore have no plan assets. The actuarial cost method used to compute the benefit liabilities and related expense is the projected unit credit method. The projected benefit obligation is principally determined based on the present value of the projected benefit distributions at an assumed discount rate. The discount rate which is utilized is based on the investment yield of high quality corporate bonds available in the market place with maturities approximately equal to projected cash flows of future benefit payments as of the measurement date. Periodic benefit expense (or income) includes service costs and interest costs based on the assumed discount rate, amortization of prior service costs due to plan amendments and amortization of actuarial gains and losses. Service costs are included in salaries and employee benefits and all other costs are included in other noninterest expense. The amortization of actuarial gains and losses is determined using the 10% corridor minimum amortization approach and is taken over the average remaining future working lifetime of the plan participants. The underfunded status of the plans is recorded as a liability on the balance sheet.

The multiemployer pension plans' assets are determined based on fair value, generally representing observable market prices. The actuarial cost method used to compute the pension liabilities and related expense is the unit credit method. The pension expense is equal to the plan contribution requirement of the Company for the plan year.

In conjunction with the acquisition of Blue Hills Bancorp, Inc., parent of Blue Hills Bank (collectively "BHB") the Company acquired BHB's defined benefit pension plan, which is administered by the Savings Banks Employees Retirement Association. The Company accounts for the plan using an actuarial model that allocates pension costs over the service period of employees in the plan. The Company accounts for the over-funded or under-funded status of the plan as an asset or liability on its consolidated balance sheets and recognizes changes in the funded status that are not reflected in net periodic pension cost as other comprehensive income or loss. BHB amended its defined benefit pension plan in 2013 freezing the plan to new participants and subsequently amended the plan and froze it for all participants effective October 31, 2014.

The Director Deferred Compensation Plan allows directors to invest their funds into a diversified investment portfolio and the 401(k) Restoration Plan allows employees to invest their funds in both Company stock and other investment alternatives offered by the Plan. All funds under both of these plans are held in a rabbi trust. The plans do not permit

diversification after initial election and therefore elections made to defer into Company stock result in both the investment and obligation recognized within Stockholders' Equity. Alternatively, investments not in Company stock are included in trading securities, with the correlating obligation classified as a liability.

The Company has obligations with various individuals related to certain post-retirement benefits. The obligations are based on the individual's service through retirement, with the associated cost recognized over the requisite service period. The accrual methodology results in an accrued amount at the full eligibility date equal to the then present value of all of the future benefits expected to be paid.

Stock-Based Compensation

The Company recognizes stock-based compensation based on the grant-date fair value of the award, with no adjustment for estimated forfeitures, as forfeitures are recognized when they occur. For restricted stock awards and units, the Company recognizes compensation expense ratably over the vesting period for the fair value of the award, measured at the grant date. For stock option awards, the Company values awards granted using the Black-Scholes option-pricing model. The Company recognizes compensation expense for these awards on a straight-line basis over the requisite service period for the entire award (straight-line attribution method), ensuring that the amount of compensation cost recognized at any date at least equals the portion of the grant-date fair value of the award that is vested at that time. The Company recognizes excess tax benefits on certain stock compensation transactions. The excess tax benefits are recorded through earnings as a discrete item within the Company's effective tax rate during the period of the transaction.

Income Taxes

Deferred income tax assets and liabilities are determined using the asset and liability (or balance sheet) method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. If current available information raises doubt as to the realization of the deferred tax assets, a valuation allowance is established. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in enacted tax rates is recognized in income in the period that includes the enactment date. Income taxes are allocated to each entity in the consolidated group based on its share of taxable income. Management exercises significant judgment in evaluating the amount and timing of recognition of the resulting tax liabilities and assets, including projections of future taxable income. Additionally, a liability for unrecognized tax benefits is recorded for uncertain tax positions taken by the Company on its tax returns for which there is less than a 50% likelihood of being recognized upon a tax examination.

Low Income Housing Tax Credits

The Company accounts for its investments in qualified affordable housing projects using the proportional amortization method. Under the proportional amortization method the Company amortizes the initial cost of the investment in proportion to the tax credits and other tax benefits received, and recognizes the net investment benefit as a component of income tax expense (benefit).

Assets Under Administration

Assets held in a fiduciary or agency capacity for customers are not included in the accompanying consolidated balance sheet, as such assets are not assets of the Company. Revenue from administrative and management activities associated with these assets is recorded on an accrual basis.

Extinguishment of Debt

Upon extinguishment of an outstanding debt, the Company records the difference between the exit price and the net carrying amount of the debt as a gain or loss on the extinguishment. The gain or loss is recorded as a component of other noninterest income or other noninterest expense, respectively.

Earnings Per Share

Basic earnings per share is calculated using the two-class method. The two-class method is an earnings allocation formula under which earnings per share is calculated from common stock and participating securities according to dividends

declared and participation rights in undistributed earnings. Under this method, all earnings, distributed and undistributed, are allocated to participating securities and common shares based on their respective rights to receive dividends. Unvested share-based payment awards that contain nonforfeitable rights to dividends are considered participating securities, not subject to performance based measures (i.e. unvested time-vested restricted stock). Basic earnings per share is calculated by dividing net income by the weighted average number of common shares outstanding (inclusive of participating securities). Diluted earnings per share have been calculated in a manner similar to that of basic earnings per share except that the weighted average number of common shares outstanding is increased to include the number of additional common shares that would have been outstanding if all potentially dilutive common shares (such as those resulting from the exercise of stock options or the attainment of performance measures) were issued during the period, computed using the treasury stock method.

Comprehensive Income

Comprehensive income consists of net income and other comprehensive income. Other comprehensive income includes unrealized gains and losses on securities available for sale, unrealized losses related to factors other than credit on debt securities, if applicable, unrealized gains and losses on cash flow hedges, deferred gains on hedge accounting transactions, and changes in the funded status of the Company's postretirement and supplemental retirement plans.

Fair Value Measurements

In general, fair values of financial instruments are based upon quoted market prices, where available. If such quoted market prices are not available, fair value is based upon developed models that primarily use, as inputs, observable market-based parameters. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. These adjustments may include amounts to reflect counterparty credit quality and the Company's creditworthiness, among other things, as well as unobservable parameters.

Recent Accounting Standards

FASB ASC Topic 740 "Income Taxes" Update No. 2023-09. Update No. 2023-09 was issued in December 2023 and aims to enhance the transparency and decision usefulness of income tax disclosures by requiring disaggregated information related to the effective tax rate reconciliation as well as information on income taxes paid. This standard is effective for annual periods beginning after December 15, 2024 and requires prospective application with the option to apply retrospectively. The adoption of this standard will not have an impact on the Company's financial statements.

NOTE 2 SECURITIES

Trading Securities

The Company had trading securities of \$ 5.0 million and \$ 3.9 million at December 31, 2023 and 2022, respectively. These securities are held in a rabbi trust and will be used for future payments associated with the Company's non-qualified 401(k) Restoration Plan and Non-qualified Deferred Compensation Plan.

Equity Securities

The Company had equity securities of \$ 22.5 million and \$ 21.1 million at December 31, 2023 and 2022, respectively. These securities consist primarily of mutual funds held in a rabbi trust and will be used for future payments associated with the Company's supplemental executive retirement plans.

The following table represents a summary of the gains and losses recognized within non-interest income and non-interest expense within the consolidated statements of income that relate to equity securities for the periods indicated:

	Years Ended December 31		
	2023	2022	2021
	(Dollars in thousands)		
Net gains (losses) recognized during the period on equity securities	\$ 1,180	\$ (3,061)	\$ 554
Less: net gains recognized during the period on equity securities sold during the period	197	—	192
Unrealized gains (losses) recognized during the reporting period on equity securities still held at the reporting date	<u>\$ 983</u>	<u>\$ (3,061)</u>	<u>\$ 362</u>

Available for Sale Securities

The following table summarizes the amortized cost, allowance for credit losses, and fair value of available for sale securities and the corresponding amounts of gross unrealized gains and losses recognized in accumulated other comprehensive income (loss) at the dates indicated:

	December 31, 2023					December 31, 2022				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for credit losses	Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for credit losses	Fair Value
	(Dollars in thousands)									
U.S. government agency securities	\$ 230,198	\$ —	\$ (23,060)	\$ —	\$ 207,138	\$ 230,936	\$ —	\$ (28,636)	\$ —	\$ 202,300
U.S. treasury securities	824,597	—	(55,495)	—	769,102	874,035	—	(82,694)	—	791,341
Agency mortgage-backed securities	314,269	24	(37,246)	—	277,047	359,068	54	(45,434)	—	313,688
Agency collateralized mortgage obligations	35,713	6	(2,530)	—	33,189	41,874	—	(3,031)	—	38,843
State, county, and municipal securities	195	—	(5)	—	190	193	—	(2)	—	191
Pooled trust preferred securities issued by banks and insurers	1,188	—	(170)	—	1,018	1,203	—	(169)	—	1,034
Small business administration pooled securities	53,702	—	(7,130)	—	46,572	59,470	—	(7,713)	—	51,757
Total available for sale securities	<u>\$ 1,459,862</u>	<u>\$ 30</u>	<u>\$ (125,636)</u>	<u>\$ —</u>	<u>\$ 1,334,256</u>	<u>\$ 1,566,779</u>	<u>\$ 54</u>	<u>\$ (167,679)</u>	<u>\$ —</u>	<u>\$ 1,399,154</u>

Excluded from the table above is accrued interest on available for sale securities of \$ 3.4 million and \$ 3.6 million at December 31, 2023 and 2022, respectively, which is included within other assets on the consolidated balance sheets. Additionally, the Company did not record any write-offs of accrued interest income on available for sale securities for the years ended December 31, 2023 and 2022. Furthermore, no securities held by the Company were delinquent on contractual payments nor were any securities placed on non-accrual status at December 31, 2023 and 2022.

When securities are sold, the adjusted cost of the specific security sold is used to compute the gain or loss on the sale. The Company had no sales of securities available for sale for the years ended December 31, 2023 and 2022, and therefore no gains or losses were realized during the periods presented.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following tables show the gross unrealized losses and fair value of the Company's available for sale securities in an unrealized loss position as of the dates indicated. These available for sale securities are aggregated by major security type and length of time that individual securities have been in a continuous unrealized loss position:

# of holdings		December 31, 2023					
		Less than 12 months		12 months or longer		Total	
		Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
(Dollars in thousands)							
U.S. government agency securities	9	\$ —	\$ —	\$ 207,138	\$ (23,060)	\$ 207,138	\$ (23,060)
U.S. treasury securities	17	—	—	769,102	(55,495)	769,102	(55,495)
Agency mortgage-backed securities	115	1,091	(11)	273,447	(37,235)	274,538	(37,246)
Agency collateralized mortgage obligations	12	339	(2)	31,682	(2,528)	32,021	(2,530)
State, county, and municipal securities	1	190	(5)	—	—	190	(5)
Pooled trust preferred securities issued by banks and insurers	1	—	—	1,018	(170)	1,018	(170)
Small business administration pooled securities	8	—	—	46,572	(7,130)	46,572	(7,130)
Total impaired available for sale securities	163	\$ 1,620	\$ (18)	\$ 1,328,959	\$ (125,618)	\$ 1,330,579	\$ (125,636)

# of holdings		December 31, 2022					
		Less than 12 months		12 months or longer		Total	
		Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. government agency securities	9	\$ 60,575	\$ (7,292)	\$ 141,725	\$ (21,344)	\$ 202,300	\$ (28,636)
U.S. treasury securities	18	43,035	(6,350)	748,306	(76,344)	791,341	(82,694)
Agency mortgage-backed securities	123	155,944	(15,186)	154,653	(30,248)	310,597	(45,434)
Agency collateralized mortgage obligations	13	38,843	(3,031)	—	—	38,843	(3,031)
State, county, and municipal securities	1	191	(2)	—	—	191	(2)
Pooled trust preferred securities issued by banks and insurers	1	—	—	1,034	(169)	1,034	(169)
Small business administration pooled securities	8	34,511	(3,550)	17,246	(4,163)	51,757	(7,713)
Total impaired available for sale securities	173	\$ 333,099	\$ (35,411)	\$ 1,062,964	\$ (132,268)	\$ 1,396,063	\$ (167,679)

The Company does not intend to sell these investments and has determined, based upon available evidence, that it is more likely than not that the Company will not be required to sell each security before the recovery of its amortized cost basis. In addition, management does not believe that any of the securities are impaired due to reasons of credit quality. As a result, the Company did not recognize a provision for credit losses on these investments for the years ended December 31, 2023 and 2022. The Company made this determination by reviewing various qualitative and quantitative factors regarding each investment category, such as current market conditions, extent and nature of changes in fair value, issuer rating changes and trends, volatility of earnings, and current analysts' evaluations.

As a result of the Company's review of these qualitative and quantitative factors, the causes of the impairments listed in the table above by category were as follows at December 31, 2023:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

- *U.S. Government Agency Securities, U.S. Treasury Securities, Agency Mortgage-Backed Securities, Agency Collateralized Mortgage Obligations and Small Business Administration Pooled Securities:* These portfolios have contractual terms that generally do not permit the issuer to settle the securities at a price less than the current par value of the investment. The decline in market value of these securities is attributable to changes in interest rates and not credit quality. Additionally, these securities are implicitly guaranteed by the U.S. Government or one of its agencies.
- *State, County and Municipal Securities:* This portfolio has contractual terms that generally do not permit the issuer to settle the securities at a price less than the current par value of the investment. The decline in market value of these securities is attributable to changes in interest rates and not credit quality.
- *Pooled Trust Preferred Securities:* This portfolio consists of one security which is performing. The unrealized loss on this security is attributable to the illiquid nature of the trust preferred market in the current economic and regulatory environment. Management evaluates collateral credit and instrument structure, including current and expected deferral and default rates and timing. In addition, discount rates are determined by evaluating comparable spreads observed currently in the market for similar instruments.

Held to Maturity Securities

The following table summarizes the amortized cost, fair value and allowance for credit losses of held to maturity securities and the corresponding amounts of gross unrealized gains and losses at the dates indicated:

	December 31, 2023					December 31, 2022				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for credit losses	Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for credit losses	Fair Value
(Dollars in thousands)										
U.S. government agency securities	\$ 29,521	\$ —	\$ (1,113)	\$ —	\$ 28,408	\$ 31,258	\$ —	\$ (2,222)	\$ —	\$ 29,036
U.S. treasury securities	100,712	—	(9,177)	—	91,535	100,634	—	(11,755)	—	88,879
Agency mortgage-backed securities	829,431	175	(65,878)	—	763,728	898,927	408	(83,383)	—	815,952
Agency collateralized mortgage obligations	477,517	—	(69,606)	—	407,911	535,971	—	(77,554)	—	458,417
Single issuer trust preferred securities issued by banks	1,500	—	(127)	—	1,373	1,500	8	—	—	1,508
Small business administration pooled securities	130,426	384	(6,157)	—	124,653	136,830	313	(6,225)	—	130,918
Total held to maturity securities	\$ 1,569,107	\$ 559	\$ (152,058)	\$ —	\$ 1,417,608	\$ 1,705,120	\$ 729	\$ (181,139)	\$ —	\$ 1,524,710

Substantially all held to maturity securities held by the Company are guaranteed by the U.S. federal government or other government sponsored agencies and have a long history of no credit losses. As a result, management has determined these securities to have a zero loss expectation and therefore the Company did not record a provision for estimated credit losses on any held to maturity securities for the years ended December 31, 2023 and 2022. Excluded from the table above is accrued interest on held to maturity securities of \$ 4.3 million and \$ 4.4 million at December 31, 2023 and 2022, respectively, which is included within other assets on the consolidated balance sheets. Additionally, the Company did not record any write-offs of accrued interest income on held to maturity securities for the years ended December 31, 2023 and 2022. Furthermore, no securities held by the Company were delinquent on contractual payments nor were any securities placed on non-accrual status at December 31, 2023 and 2022.

When securities are sold, the adjusted cost of the specific security sold is used to compute the gain or loss on the sale. The Company had no sales of held to maturity securities for the years ended December 31, 2023 and 2022, and therefore no gains or losses were realized during the periods presented.

The Company monitors the credit quality of held to maturity securities through the use of credit ratings. Credit ratings are monitored by the Company on at least a quarterly basis. At December 31, 2023 and 2022, all held to maturity securities held by the Company were rated investment grade or higher.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The actual maturities of certain available for sale or held to maturity securities may differ from the contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. A schedule of the contractual maturities of securities available for sale and securities held to maturity at December 31, 2023 is presented below:

	Due in one year or less		Due after one year to five years		Due after five to ten years		Due after ten years		Total	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
(Dollars in thousands)										
Available for sale securities										
U.S. government agency securities	\$ —	\$ —	\$ 199,371	\$ 179,973	\$ 30,827	\$ 27,165	\$ —	\$ —	\$ 230,198	\$ 207,138
U.S. treasury securities	197,553	193,192	627,044	575,910	—	—	—	—	824,597	769,102
Agency mortgage-backed securities	3	3	141,212	126,484	40,183	34,939	132,871	115,621	314,269	277,047
Agency collateralized mortgage obligations	—	—	—	—	2,923	2,680	32,790	30,509	35,713	33,189
State, county, and municipal securities	—	—	195	190	—	—	—	—	195	190
Pooled trust preferred securities issued by banks and insurers	—	—	—	—	—	—	1,188	1,018	1,188	1,018
Small business administration pooled securities	—	—	—	—	—	—	53,702	46,572	53,702	46,572
Total available for sale securities	\$ 197,556	\$ 193,195	\$ 967,822	\$ 882,557	\$ 73,933	\$ 64,784	\$ 220,551	\$ 193,720	\$ 1,459,862	\$ 1,334,256
Held to maturity securities										
U.S. government agency securities	\$ 29,521	\$ 28,408	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 29,521	\$ 28,408
U.S. Treasury securities	—	—	99,720	90,703	992	832	—	—	100,712	91,535
Agency mortgage-backed securities	—	—	411,746	383,514	222,825	198,122	194,860	182,092	829,431	763,728
Agency collateralized mortgage obligations	—	—	63,596	58,934	20,210	17,864	393,711	331,113	477,517	407,911
Single issuer trust preferred securities issued by banks	—	—	1,500	1,373	—	—	—	—	1,500	1,373
Small business administration pooled securities	—	—	—	—	5,742	5,272	124,684	119,381	130,426	124,653
Total held to maturity securities	\$ 29,521	\$ 28,408	\$ 576,562	\$ 534,524	\$ 249,769	\$ 222,090	\$ 713,255	\$ 632,586	\$ 1,569,107	\$ 1,417,608
Total	\$ 227,077	\$ 221,603	\$ 1,544,384	\$ 1,417,081	\$ 323,702	\$ 286,874	\$ 933,806	\$ 826,306	\$ 3,028,969	\$ 2,751,864

Included in the table above is \$ 25.4 million of callable securities at December 31, 2023.

The carrying value of securities pledged to secure public funds, trust deposits, and for other purposes, as required or permitted by law, was \$ 1.7 billion and \$ 959.8 million at December 31, 2023 and 2022, respectively. The elevated balance at December 31, 2023 was primarily attributable to additional securities pledged during the year as part of the Company's strategy to bolster off-balance sheet liquidity.

At December 31, 2023 and 2022, the Company had no investments in obligations of individual states, counties, or municipalities which exceeded 10% of stockholders' equity.

NOTE 3 LOANS, ALLOWANCE FOR CREDIT LOSSES AND CREDIT QUALITY
Loans Held for Investment and Allowance for Credit Losses

The following table summarizes the change in allowance for credit losses by loan category, and bifurcates the amount of loans allocated to each loan category for the periods indicated:

Years Ended December 31, 2023								
(Dollars in thousands)								
	Commercial and Industrial	Commercial Real Estate	Commercial Construction	Small Business	Residential Real Estate	Home Equity	Other Consumer	Total
Allowance for credit losses								
Beginning balance	\$ 27,559	\$ 77,799	\$ 10,762	\$ 2,834	\$ 20,973	\$ 11,504	\$ 988	\$ 152,419
Charge-offs	(23,564)	(7,855)	—	(484)	—	(47)	(2,832)	(34,782)
Recoveries	145	—	—	92	—	62	1,036	1,335
Provision for credit losses	15,103	4,204	(3,079)	1,521	2,664	1,278	1,559	23,250
Ending balance (1)	\$ 19,243	\$ 74,148	\$ 7,683	\$ 3,963	\$ 23,637	\$ 12,797	\$ 751	\$ 142,222
Years Ended December 31, 2022								
(Dollars in thousands)								
	Commercial and Industrial	Commercial Real Estate	Commercial Construction	Small Business	Residential Real Estate	Home Equity	Other Consumer	Total
Allowance for credit losses								
Beginning balance	\$ 14,402	\$ 83,486	\$ 12,316	\$ 3,508	\$ 14,484	\$ 17,986	\$ 740	\$ 146,922
Charge-offs	—	(62)	—	(196)	—	(122)	(2,272)	(2,652)
Recoveries	49	333	—	149	—	121	997	1,649
Provision for credit losses	13,108	(5,958)	(1,554)	(627)	6,489	(6,481)	1,523	6,500
Ending balance (1)	\$ 27,559	\$ 77,799	\$ 10,762	\$ 2,834	\$ 20,973	\$ 11,504	\$ 988	\$ 152,419
Year Ended December 31, 2021								
(Dollars in thousands)								
	Commercial and Industrial	Commercial Real Estate	Commercial Construction	Small Business	Residential Real Estate	Home Equity	Other Consumer	Total
Allowance for credit losses								
Beginning balance	\$ 21,086	\$ 45,009	\$ 5,397	\$ 5,095	\$ 14,275	\$ 22,060	\$ 470	\$ 113,392
Charge-offs	(3,474)	—	—	(219)	—	(69)	(1,182)	(4,944)
Recoveries	2,686	57	—	98	1	249	638	3,729
Initial reserve on PCD loans	166	14,397	1,019	—	429	163	366	16,540
Provision for credit losses	(6,062)	24,023	5,900	(1,466)	(221)	(4,417)	448	18,205
Ending balance (1)	\$ 14,402	\$ 83,486	\$ 12,316	\$ 3,508	\$ 14,484	\$ 17,986	\$ 740	\$ 146,922

(1) Balances of accrued interest receivable excluded from amortized cost and the calculation of allowance for credit losses amounted to \$ 60.2 million, \$ 50.8 million, and \$ 43.7 million at December 31, 2023, 2022, and 2021, respectively.

The balance of allowance for credit losses of \$ 142.2 million at December 31, 2023 decreased by \$ 10.2 million, or 6.7 % from the prior year driven primarily by isolated charge-offs within the commercial portfolios, partially offset by general provisioning during the year.

For the purpose of estimating the allowance for credit losses, management segregated the loan portfolio into the portfolio segments detailed in the above tables. Each of these loan categories possesses unique risk characteristics that are considered when determining the appropriate level of allowance for each segment. Some of the characteristics unique to each loan category include:

Commercial Portfolio

- *Commercial and Industrial:* Consists of revolving, non-revolving, and term loan obligations extended to business and corporate enterprises for the purpose of financing working capital and/or capital investment. Collateral generally consists of accounts receivable, inventory, plant and equipment, real estate, or other business assets. The primary source of repayment is operating cash flow and, secondarily, liquidation of assets.
- *Commercial Real Estate:* Consists of mortgage loans to finance investment in real property such as multi-family residential, commercial/retail, office, industrial, hotels, educational and healthcare facilities, as well as other specific use properties and is inclusive of owner-occupied commercial properties. Loans are typically written with amortizing payment structures. Collateral values are determined based upon third party appraisals and evaluations. Permissible loan to value ratios at origination are governed by Company policy and regulatory guidelines. The primary source of repayment is cash flow from operating leases and rents and, secondarily, liquidation of assets.
- *Commercial Construction:* Consists of short-term construction loans, revolving and nonrevolving credit lines and construction/permanent loans to finance the acquisition, development and construction or rehabilitation of real property. Project types include residential land development, one-to-four family, condominium, and multi-family home construction, commercial/retail, office, industrial, hotels, educational and healthcare facilities as well as other specific use properties. Loans may be written with nonamortizing or hybrid payment structures depending upon the type of project. Collateral values are determined based upon third party appraisals and evaluations. Permissible loan to value ratios at origination are governed by Company policy and regulatory guidelines. Repayment sources vary depending upon the type of project and may consist of proceeds from the sale or lease of units, operating cash flows or liquidation of other assets.
- *Small Business:* Consists of revolving, term loan and mortgage obligations extended to sole proprietors and small businesses for purposes of financing working capital and/or capital investment. Collateral generally consists of pledges of business assets including, but not limited to, accounts receivable, inventory, plant and equipment, or real estate if applicable. The primary source of repayment is operating cash flows and, secondarily, liquidation of assets.

For the commercial portfolio the Company typically obtains personal guarantees for payment from individuals holding material ownership interests in the borrowing entities.

Consumer Portfolio

- *Residential Real Estate:* Residential mortgage loans held in the Company's portfolio are made to borrowers who demonstrate the ability to make scheduled payments with full consideration to underwriting factors such as current and expected income, employment status, current assets, other financial resources, credit history and the value of the collateral. Collateral consists of mortgage liens on one-to-four family residential properties. Residential mortgage loans also include loans to construct owner-occupied one-to-four family residential properties.
- *Home Equity:* Home equity loans and credit lines are made to qualified individuals and are primarily secured by senior or junior mortgage liens on one-to-four family homes, condominiums or vacation homes. Each home equity loan has a fixed rate and is billed in equal payments comprised of principal and interest. The majority of home equity lines of credit have a variable rate and are billed in interest-only payments during the draw period. At the end of the draw period, the home equity line of credit is billed as a percentage of the then outstanding principal balance plus all accrued interest over a predetermined repayment period, as set forth in the note. Additionally, the Company has the option of renewing each line of credit for additional draw periods. Borrower qualifications include favorable credit history combined with supportive income requirements and combined loan to value ratios within established policy guidelines.
- *Other Consumer:* Other consumer loan products include personal lines of credit and amortizing loans made to qualified individuals for various purposes such as debt consolidation, personal expenses or overdraft protection. Borrower qualifications include favorable credit history combined with supportive income and collateral requirements within established policy guidelines. These loans may be secured or unsecured.

Credit Quality

The Company continually monitors the asset quality of the loan portfolio using all available information. Based on this information, loans demonstrating certain payment issues or other weaknesses may be categorized as adversely risk-rated, delinquent, nonperforming and/or put on nonaccrual status. Additionally, in the course of resolving such loans, the Company may choose to modify the contractual terms of certain loans to match the borrower's ability to repay the loan based on their current financial condition.

The Company reviews numerous credit quality indicators when assessing the risk in its loan portfolio. For the commercial portfolio, the Company utilizes a 10-point credit risk-rating system, which assigns a risk-grade to each loan obligation based on a number of quantitative and qualitative factors associated with a commercial or small business loan transaction. Factors considered include industry and market conditions, position within the industry, earnings trends, operating cash flow, asset/liability values, debt capacity, guarantor strength, management and controls, financial reporting, collateral, and other considerations. The risk-rating categories for the commercial portfolio are defined as follows:

- *Pass:* Risk-rating "1" through "6" comprises loans ranging from 'Substantially Risk Free' which indicates borrowers are of unquestioned credit standing and the pinnacle of credit quality, well established companies with a very strong financial condition, and loans fully secured by cash collateral, through 'Acceptable Risk,' which indicates borrowers may exhibit declining earnings, strained cash flow, increasing or above average leverage and/or weakening market fundamentals that indicate below average asset quality, margins and market share. Collateral coverage is protective.
- *Special Mention:* Borrowers exhibit potential credit weaknesses or downward trends deserving management's close attention. If not checked or corrected, these trends will weaken the Company's asset and position. While potentially weak, currently these borrowers are marginally acceptable; no loss of principal or interest is envisioned.
- *Substandard:* Borrowers exhibit well defined weaknesses that jeopardize the orderly liquidation of debt. Loans may be inadequately protected by the current net worth and paying capacity of the obligor or by the collateral pledged, if any. Normal repayment from the borrower is in jeopardy, although no loss of principal is envisioned. However, there is a distinct possibility that a partial loss of interest and/or principal will occur if the deficiencies are not corrected. Collateral coverage may be inadequate to cover the principal obligation.
- *Doubtful:* Borrowers exhibit well defined weaknesses that jeopardize the orderly liquidation of debt with the added provision that the weaknesses make collection of the debt in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable. Serious problems exist to the point where partial loss of principal is likely.
- *Loss:* Borrowers deemed incapable of repayment. Loans to such borrowers are considered uncollectible and of such little value that continuation as active assets of the Company is not warranted.

The Company utilizes a comprehensive, continuous strategy for evaluating and monitoring commercial credit quality. Initially, credit quality is determined at loan origination and is re-evaluated when subsequent actions, such as renewals, modifications or reviews, occur. Actively managed commercial borrowers are required to provide updated financial information at least annually which is carefully evaluated for any changes in credit quality. Larger loan relationships are subject to a full annual credit review by experienced credit professionals, while continuous portfolio monitoring techniques are employed to evaluate changes in credit quality for smaller loan relationships. Any changes in credit quality are reflected in risk-rating changes. Additionally, the Company retains an independent loan review firm to evaluate the credit quality of the commercial loan portfolio. The independent loan review process achieves significant penetration into the commercial loan portfolio and reports the results of these reviews to the Audit Committee of the Board of Directors on a quarterly basis.

For the Company's consumer portfolio, the quality of the loan is best indicated by the repayment performance of an individual borrower. As a result, for this portfolio the Company utilizes a pass/default risk-rating system, based on an age analysis (i.e., days past due) associated with each consumer loan. Under this structure, consumer loans less than 90 days past due are assigned a "pass" rating, while any consumer loans 90 days or more past due are assigned a "default" rating.

The following table details the amortized cost balances of the Company's loan portfolios, presented by credit quality indicator and origination year as of the dates indicated below:

December 31, 2023										
	2023	2022	2021	2020	2019	Prior	Revolving Loans	Revolving converted to Term	Total (1)	
	(Dollars in thousands)									
Commercial and industrial										
Pass					45,867		692,918			1,495
	\$ 329,892	\$ 165,003	\$ 86,982	\$ 64,483	\$	\$ 110,135	\$	\$ 90	\$	
Special Mention	4,188	668	528	9,358	22	121	28,218	—		43,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Substandard	1,867	1,329	902	110	917	3,660	32,728	—	41,1
Doubtful	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—
Total commercial and industrial	\$ 335,947	\$ 167,000	\$ 88,412	\$ 73,951	\$ 46,806	\$ 113,916	\$ 753,864	\$ 90	\$ 1,579,1
Current-period gross write-offs	\$ —	\$ 91	\$ —	\$ —	\$ —	\$ 34	\$ 23,439	\$ —	\$ 23,1
Commercial real estate									
Pass	1,116,730	1,197,017	1,300,140	1,276,967	592,058	2,078,644	—	3,359	7,644,1
Special Mention	62,337	37,510	51,555	13,269	1,859	118,526	—	—	285,0
Substandard	37,302	18,321	22,844	4,556	7,881	12,923	—	—	103,0
Doubtful	—	—	—	—	8,350	—	—	—	8,3
Loss	—	—	—	—	—	—	—	—	—
Total commercial real estate	\$ 1,216,369	\$ 1,252,848	\$ 1,374,539	\$ 1,294,792	\$ 610,148	\$ 2,210,093	\$ 79,360	\$ 3,359	\$ 8,041,1
Current-period gross write-offs	\$ —	\$ 5,072	\$ —	\$ —	\$ 2,783	\$ —	\$ —	\$ —	\$ 7,1
Commercial construction									
Pass	\$ 180,045	\$ 381,352	\$ 127,431	\$ 44,953	\$ 23,823	\$ 1,561	\$ 17,503	\$ —	\$ 776,0
Special Mention	12,106	—	5,292	—	—	—	—	—	17,0
Substandard	10,955	26,146	18,419	—	—	—	—	—	55,0
Doubtful	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—
Total commercial construction	\$ 203,106	\$ 407,498	\$ 151,142	\$ 44,953	\$ 23,823	\$ 1,561	\$ 17,503	\$ —	\$ 849,1
Current-period gross write-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Small business									
Pass	\$ 50,734	\$ 51,157	\$ 39,435	\$ 25,643	\$ 12,944	\$ 22,412	\$ 46,130	\$ —	\$ 248,0
Special Mention	—	—	—	154	—	184	314	—	—
Substandard	530	282	90	475	—	669	803	—	2,0
Doubtful	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—
Total small business	\$ 51,264	\$ 51,439	\$ 39,525	\$ 26,272	\$ 12,944	\$ 23,265	\$ 47,247	\$ —	\$ 251,1
Current-period gross write-offs	\$ —	\$ —	\$ 54	\$ 40	\$ —	\$ —	\$ 390	\$ —	\$ —
Residential real estate									
Pass	\$ 505,517	\$ 638,223	\$ 405,386	\$ 184,833	\$ 88,473	\$ 598,562	\$ —	\$ —	\$ 2,420,0
Default	—	—	—	—	854	2,906	—	—	3,0
Total residential real estate	\$ 505,517	\$ 638,223	\$ 405,386	\$ 184,833	\$ 89,327	\$ 601,468	\$ —	\$ —	\$ 2,424,0
Current-period gross write-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Home equity									
Pass	\$ 28,903	\$ 38,401	\$ 54,944	\$ 49,803	\$ 29,103	\$ 121,286	\$ 770,074	\$ 4,583	\$ 1,097,0
Default	—	—	—	—	—	63	324	142	—
Total home equity	\$ 28,903	\$ 38,401	\$ 54,944	\$ 49,803	\$ 29,103	\$ 121,349	\$ 770,398	\$ 4,725	\$ 1,097,0
Current-period gross write-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 47	\$ —	\$ —
Other consumer									
(2) Pass	\$ 639	\$ 263	\$ 1,178	\$ 706	\$ 256	\$ 1,835	\$ 27,769	\$ —	\$ 32,0
Default	—	—	—	—	1	—	7	—	—
Total other consumer	\$ 639	\$ 263	\$ 1,178	\$ 706	\$ 257	\$ 1,835	\$ 27,776	\$ —	\$ 32,0
Current-period gross write-offs	\$ 2,766	\$ —	\$ —	\$ —	\$ —	\$ 49	\$ 17	\$ —	\$ 2,1
Total	2,341,745	2,555,672	2,115,126	1,675,310	812,408	3,073,487	1,696,148	8,174	14,278
	\$	\$	\$	\$	\$	\$	\$	\$	\$

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Total current-period gross write-offs	\$ 2,766	\$ 5,163	\$ 54	\$ 40	\$ 2,783	\$ 83	\$ 23,893	\$ —	\$ 34
December 31, 2022									
	2022	2021	2020	2019	2018	Prior	Revolving Loans	Revolving converted to Term	Total (1)
(Dollars in thousands)									
Commercial and industrial									
Pass	\$ 350,036	\$ 137,832	\$ 113,020	\$ 59,936	\$ 79,391	\$ 18,197	\$ 815,128	\$ 3,165	\$ 1,576,705
Special Mention	4,836	925	1,023	1,744	467	623	17,122	—	26,740
Substandard	2,389	1,681	180	618	—	—	3,623	—	8,491
Doubtful	—	—	—	—	—	—	23,167	—	23,167
Loss	—	—	—	—	—	—	—	—	—
Total commercial and industrial	\$ 357,261	\$ 140,438	\$ 114,223	\$ 62,298	\$ 79,858	\$ 18,820	\$ 859,040	\$ 3,165	\$ 1,635,103
Commercial real estate									
Pass	\$ 1,277,333	\$ 1,487,333	\$ 1,213,984	\$ 723,794	\$ 696,166	\$ 1,833,099	\$ 44,477	\$ 669	\$ 7,276,855
Special Mention	42,005	65,603	39,740	14,167	58,190	183,468	—	—	403,173
Substandard	42,629	3,843	4,774	4,066	3,553	21,162	—	—	80,027
Doubtful	—	—	—	—	—	175	—	—	175
Loss	—	—	—	—	—	—	—	—	—
Total commercial real estate	\$ 1,361,967	\$ 1,556,779	\$ 1,258,498	\$ 742,027	\$ 757,909	\$ 2,037,904	\$ 44,477	\$ 669	\$ 7,760,230
Commercial construction									
Pass	\$ 504,932	\$ 327,194	\$ 169,838	\$ 56,693	\$ 3,135	\$ 1,588	\$ 23,122	\$ 951	\$ 1,087,453
Special Mention	33,000	1,775	3,347	—	—	—	—	—	38,122
Substandard	18,980	9,858	—	—	—	—	—	—	28,838
Doubtful	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—
Total commercial construction	\$ 556,912	\$ 338,827	\$ 173,185	\$ 56,693	\$ 3,135	\$ 1,588	\$ 23,122	\$ 951	\$ 1,154,413
Small business									
Pass	\$ 54,876	\$ 44,811	\$ 31,051	\$ 16,588	\$ 9,882	\$ 18,891	\$ 39,434	\$ —	\$ 215,533
Special Mention	—	152	373	366	191	117	686	—	1,885
Substandard	139	98	417	—	—	401	629	—	1,684
Doubtful	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—
Total small business	\$ 55,015	\$ 45,061	\$ 31,841	\$ 16,954	\$ 10,073	\$ 19,409	\$ 40,749	\$ —	\$ 219,102
Residential real estate									
Pass	\$ 665,407	\$ 419,665	\$ 193,886	\$ 94,065	\$ 94,425	\$ 565,246	\$ —	\$ —	\$ 2,032,694
Default	—	—	729	158	—	1,943	—	—	2,830
Total residential real estate	\$ 665,407	\$ 419,665	\$ 194,615	\$ 94,223	\$ 94,425	\$ 567,189	\$ —	\$ —	\$ 2,035,524
Home equity									
Pass	\$ 43,917	\$ 60,103	\$ 54,802	\$ 32,014	\$ 26,414	\$ 118,367	\$ 748,294	\$ 3,874	\$ 1,087,785
Default	—	—	—	122	—	83	760	—	965
Total home equity	\$ 43,917	\$ 60,103	\$ 54,802	\$ 32,136	\$ 26,414	\$ 118,450	\$ 749,054	\$ 3,874	\$ 1,088,750
Other consumer (2)									
Pass	\$ 677	\$ 2,013	\$ 1,619	\$ 1,022	\$ 231	\$ 3,023	\$ 26,939	\$ —	\$ 35,524
Default	—	—	—	18	—	11	—	—	29
Total other consumer	\$ 677	\$ 2,013	\$ 1,619	\$ 1,040	\$ 231	\$ 3,034	\$ 26,939	\$ —	\$ 35,553
Total	\$ 3,041,156	\$ 2,562,886	\$ 1,828,783	\$ 1,005,371	\$ 972,045	\$ 2,766,394	\$ 1,743,381	\$ 8,659	\$ 13,928,675

(1) Loans origination dates in the tables above reflect the original date, or the date of a material modification of a previously originated loan, for both organic originations and acquired loans.

(2) Other consumer portfolio is inclusive of deposit account overdrafts recorded as loan balances and the associated gross write-offs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

For the Company's consumer portfolio, the quality of the loan is best indicated by the repayment performance of an individual borrower. However, the Company does supplement performance data with current Fair Isaac Corporation ("FICO") scores and Loan to Value ("LTV") estimates. Current FICO data is purchased and appended to all consumer loans on a regular basis. In addition, automated valuation services and broker opinions of value are used to supplement original value data for the residential real estate and home equity portfolios, periodically. The following table shows the weighted average FICO scores and the weighted average combined LTV ratios at the dates indicated below:

	December 31 2023	December 31 2022
Residential portfolio		
FICO score (re-scored)(1)	754	753
LTV (re-valued)(2)	59.8 %	57.0 %
Home equity portfolio		
FICO score (re-scored)(1)	770	771
LTV (re-valued)(2)(3)	43.3 %	41.3 %

- (1) The average FICO scores at December 31, 2023 are based upon rescues from December 2023, as available for previously originated loans, or origination score data for loans booked in December 2023. The average FICO scores at December 31, 2022 were based upon rescues from December 2022, as available for previously originated loans, or origination score data for loans booked in December 2022.
- (2) The combined LTV ratios for December 31, 2023 are based upon updated automated valuations as of November 2023, when available, and/or the most current valuation data available. The combined LTV ratios for December 31, 2022 were based upon updated automated valuations as of November 2022, when available, and/or the most current valuation data available as of such date. The updated automated valuations provide new information on loans that may be available since the previous valuation was obtained. If no new information is available, the valuation will default to the previously obtained data or most recent appraisal.
- (3) For home equity loans and lines in a subordinate lien, the LTV data represents a combined LTV, taking into account the senior lien data for loans and lines.

Unfunded Commitments

Management evaluates the need for a reserve on unfunded lending commitments in a manner consistent with loans held for investment. At December 31, 2023 and 2022, the Company's estimated reserve for unfunded commitments amounted to \$ 1.5 million and \$ 1.3 million, respectively.

Asset Quality

The Company's philosophy toward managing its loan portfolios is predicated upon careful monitoring, which stresses early detection and response to delinquent and default situations. Delinquent loans are managed by a team of collection specialists and the Company seeks to make arrangements to resolve any delinquent or default situation over the shortest possible time frame. As a general rule, loans 90 days or more past due with respect to principal or interest are classified as nonaccrual loans. The Company also may use discretion regarding other loans 90 days or more delinquent if the loan is well secured and/or in process of collection.

The following table shows information regarding nonaccrual loans at the dates indicated:

	Nonaccrual Balances					
	December 31, 2023			December 31, 2022		
	With Allowance for Credit	Without Allowance for Credit	Total	With Allowance for Credit	Without Allowance for Credit	Total (1)
	Losses	Losses (2)		Losses	Losses (2)	
	(Dollars in thousands)					
Commercial and industrial	\$ 19,890	\$ 298	\$ 20,188	\$ 26,395	\$ 298	\$ 26,693
Commercial real estate	11,911	11,041	22,952	12,961	2,769	15,730
Small business	394	4	398	99	5	104
Residential real estate	7,634	—	7,634	8,479	—	8,479
Home equity	3,171	—	3,171	3,400	—	3,400
Other consumer	40	—	40	475	—	475
Total nonaccrual loans	\$ 43,040	\$ 11,343	\$ 54,383	\$ 51,809	\$ 3,072	\$ 54,881

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

- (1) Nonaccrual balances at December 31, 2022 included \$ 11.5 million of nonaccruing TDRs.
- (2) Nonaccrual balances reported above without an allowance for credit losses are attributable to loans evaluated on an individual basis where it was determined that there was no risk of loss due to sufficient underlying collateral values.

It is the Company's policy to reverse any accrued interest when a loan is put on nonaccrual status, and, as such, the Company did not record any interest income on nonaccrual loans for the years ended December 31, 2023, 2022, and 2021, except for instances where nonaccrual loans were paid off in excess of the recorded book balance. Total accrued interest reversed against interest income amounted to \$ 1.0 million, \$ 1.4 million, and \$ 180,000 for the years ended December 31, 2023, 2022, and 2021, respectively.

The following table shows information regarding foreclosed residential real estate property at the dates indicated:

	December 31, 2023		December 31, 2022	
	(Dollars in thousands)			
Foreclosed residential real estate property held by the creditor	\$	110	\$	—
Recorded investment in mortgage loans collateralized by residential real estate property that are in the process of foreclosure	\$	1,697	\$	1,615

The following tables show the age analysis of past due financing receivables at the dates indicated:

December 31, 2023											
30-59 days			60-89 days		90 days or more		Total Past Due			Current	Total Financing Receivables (2)
Number of Loans	Principal Balance		Number of Loans	Principal Balance	Number of Loans	Principal Balance	Number of Loans	Principal Balance			
(Dollars in thousands)											
Commercial and industrial	6	\$ 398	1	\$ 17,538	2	\$ 673	9	\$ 18,609	\$ 1,561,377	\$ 1,579,986	
Commercial real estate	8	14,674	2	8,419	3	7,279	13	30,372	8,011,136	8,041,508	
Commercial construction	—	—	—	—	—	—	—	—	849,586	849,586	
Small business	6	400	1	20	6	243	13	663	251,293	251,956	
Residential real estate	24	6,216	7	2,187	13	1,573	44	9,976	2,414,778	2,424,754	
Home equity	23	1,640	4	1,238	10	529	37	3,407	1,094,219	1,097,626	
Other consumer (1)	413	288	14	31	6	8	433	327	32,327	32,654	
Total	480	\$ 23,616	29	\$ 29,433	40	\$ 10,305	549	\$ 63,354	\$ 14,214,716	\$ 14,278,070	
December 31, 2022											
30-59 days			60-89 days		90 days or more		Total Past Due			Current	Total Financing Receivables (2)
Number of Loans	Principal Balance		Number of Loans	Principal Balance	Number of Loans	Principal Balance	Number of Loans	Principal Balance			
(Dollars in thousands)											
Commercial and industrial	3	\$ 49	1	\$ 175	3	\$ 23,726	7	\$ 23,950	\$ 1,611,153	\$ 1,635,103	
Commercial real estate	7	2,052	5	4,971	3	2,977	15	10,000	7,750,230	7,760,230	
Commercial construction	—	—	—	—	—	—	—	—	1,154,413	1,154,413	
Small business	12	111	3	25	3	5	18	141	218,961	219,102	
Residential real estate	8	1,654	8	1,105	16	1,725	32	4,484	2,031,040	2,035,524	
Home equity	19	1,647	3	201	17	965	39	2,813	1,085,937	1,088,750	
Other consumer (1)	432	421	15	83	4	28	451	532	35,021	35,553	
Total	481	\$ 5,934	35	\$ 6,560	46	\$ 29,426	562	\$ 41,920	\$ 13,886,755	\$ 13,928,675	

- (1) Other consumer portfolio is inclusive of deposit account overdrafts recorded as loan balances.
- (2) The amount of net deferred costs on originated loans included in the ending balance was \$ 6.4 million at December 31, 2023, compared to net deferred fees of \$ 5.0 million at December 31, 2022. Net unamortized discounts on acquired loans included in the ending balance was \$8.6 million and \$10.4 million at December 31, 2023 and 2022, respectively.

Loan Modifications

The following tables present the amortized cost basis as of December 31, 2023 of loans modified to borrowers experiencing financial difficulty during the twelve months then ended, disaggregated by class of financing receivable and type of modification granted :

Year Ended December 31, 2023		
Term Extension		
	Amortized Cost Basis	% of Total Class of Financing Receivable
	(Dollars in thousands)	
Commercial and industrial	\$ 11,010	0.70 %
Commercial real estate	17,530	0.22 %
Small business	208	0.08 %
Total	<u>\$ 28,748</u>	
Combination - Interest Rate Reduction and Term Extension		
	Amortized Cost Basis	% of Total Class of Financing Receivable
	(Dollars in thousands)	
Commercial and industrial	\$ 85	0.01 %
Small business	\$ 38	0.02 %
Total	<u>\$ 123</u>	
Combination - Term Extension and Other-Than-Insignificant Payment Delay		
	Amortized Cost Basis	% of Total Class of Financing Receivable
	(Dollars in thousands)	
Commercial and industrial	\$ 1,865	0.12 %
Commercial real estate	6,505	0.08 %
Total	<u>\$ 8,370</u>	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table describes the financial effect of the modifications made to borrowers experiencing financial difficulty for the year ended December 31, 2023:

Term Extension	
	Financial Effect
Commercial and industrial	Added a weighted-average contractual term of 2 months to the life of the loans
Commercial real estate	Added a weighted-average contractual term of 1.9 years to the life of the loans
Small business	Added a weighted-average contractual term of 4.7 years to the life of the loans
Interest Rate Reduction	
	Financial Effect
Commercial and industrial	Reduced contractual rate on one loan from 10.00 % to 7.00 %
Small business	Reduced contractual rate on one loan from 10.00 % to 6.50 %

The Company closely monitors the performance of loans that are modified to borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts. The following table depicts the amortized cost and payment status of loans that have been modified in the last 12 months as of December 31, 2023:

	Current (1)	30-89 Days Past Due	90+ Days Past Due	Total
	(Dollars in thousands)			
Commercial and industrial	\$ 12,585	\$ —	\$ 375	\$ 12,960
Commercial real estate	23,899	—	136	24,035
Small business	246	—	—	246
Total	<u>\$ 36,730</u>	<u>\$ —</u>	<u>\$ 511</u>	<u>\$ 37,241</u>

(1) Current category is inclusive of \$8.4 million in nonaccrual loans which have yet to reach the six consecutive months of performance required to return to accruing status in accordance with the Company's accounting policy for nonaccrual loans

The Company considers a loan to have defaulted when it reaches 90 days past due. The table below shows the amortized cost basis of financing receivables modified during the twelve months ended December 31, 2023 that subsequently defaulted:

	Term Extension	Combination - Term Extension and Other Than Insignificant Payment Delay	Total
	(Dollars in thousands)		
Commercial and industrial	\$ 374	\$ —	\$ 374
Commercial real estate	136	6,505	6,641
Total	<u>\$ 510</u>	<u>\$ 6,505</u>	<u>\$ 7,015</u>

At December 31, 2023, the Company did not have any additional commitments to lend to borrowers experiencing financial difficulty who were party to a loan modification.

The Company adopted the accounting and disclosure requirements for loan modifications made to borrowers experiencing financial difficulty and ceased to recognize TDRs effective January 1, 2023. As such, there are no current year TDRs and the prior period amounts are shown in the tables below.

The following table shows the Company's total TDRs and other pertinent TDR information as of December 31, 2022:

	(Dollars in thousands)
TDRs on accrual status	\$ 11,278
TDRs on nonaccrual	11,520
Total TDRs	<u>\$ 22,798</u>
Additional commitments to lend to a borrower who has been a party to a TDR	\$ 64

The following table shows the troubled debt restructurings which occurred for the periods indicated and the change in the recorded investment subsequent to the modifications occurring:

	Year Ended December 31, 2022			Post-Modification
	Number of Contracts	Pre-Modification Outstanding	Recorded Investment	Outstanding Recorded Investment
		(Dollars in thousands)		
Commercial and industrial	4	\$ 3,466	\$ 3,465	
Commercial real estate	1	7,850	7,850	
Total (1)	5	\$ 11,316	\$ 11,315	

	Year Ended December 31, 2021			Post-Modification
	Number of Contracts	Pre-Modification Outstanding	Recorded Investment	Outstanding Recorded Investment
		(Dollars in thousands)		
Commercial and industrial	1	\$ 14,148	\$ 14,148	
Commercial real estate	5	3,964	3,964	
Small business	2	189	189	
Total (1)	8	\$ 18,301	\$ 18,301	

(1) The pre-modification and post-modification balances represent the legal principal balance of the loan. Activity presented in the tables above includes \$14.3 million of modifications on existing TDRs during the year ended December 31, 2021.

The following table shows the Company's post-modification balance of TDR's listed by type of modification for the periods indicated:

	Year Ended December 31	
	2022	2021
	(Dollars in thousands)	
Extended maturity	\$ 11,315	\$ 4,153
Combination rate and maturity	—	14,148
Total	<u>\$ 11,315</u>	<u>\$ 18,301</u>

During the twelve months ended December 31, 2022 and 2021, respectively, there were no loans modified during the prior twelve months that subsequently defaulted during the respective periods.

NOTE 4 BANK PREMISES AND EQUIPMENT

Bank premises and equipment at December 31, were as follows:

	2023	2022	Estimated Useful Life
	(Dollars in thousands)		(In years)
Cost			
Land	\$ 52,844	\$ 52,844	n/a
Bank premises	99,973	97,760	5 - 40
Leasehold improvements	50,682	47,098	1 - 15
Furniture and equipment	102,251	93,450	1 - 10
Leased equipment	32,654	32,792	5
Total cost	338,404	323,944	
Accumulated depreciation	(145,355)	(127,440)	
Net bank premises and equipment	\$ 193,049	\$ 196,504	

Depreciation expense related to bank premises and equipment was \$ 18.9 million, \$ 18.4 million, and \$ 12.5 million for the years ended December 31, 2023, 2022 and 2021, respectively, and is primarily reflected in occupancy and equipment expenses.

Leased equipment held by the Company totaled \$ 32.7 million and \$ 32.8 million at December 31, 2023 and 2022, respectively. The leased equipment is subject to a master lease agreement entered into during 2021 with a third party lessee and the Company assumes the role of lessor in the transaction, which is deemed an operating lease for accounting purposes. The Company recognized rental income of \$ 6.4 million, \$ 6.1 million and \$ 890,000 for the years ended December 31, 2023, 2022 and 2021, respectively .

NOTE 5 GOODWILL AND OTHER INTANGIBLE ASSETS

The following table sets forth the carrying value of goodwill and other intangible assets, net of accumulated amortization, at December 31:

	2023	2022
	(Dollars in thousands)	
Balances not subject to amortization		
Goodwill	\$ 985,072	\$ 985,072
Balances subject to amortization		
Core deposit intangibles	15,237	20,757
Other intangible assets	2,953	4,311
Total other intangible assets	18,190	25,068
Total goodwill and other intangible assets	\$ 1,003,262	\$ 1,010,140

The changes in the carrying value of goodwill for the periods indicated were as follows:

	2023	2022	2021
	(Dollars in thousands)		
Balance at beginning of year	\$ 985,072	\$ 985,072	\$ 506,206
Acquisitions	—	—	478,866
Balance at end of year	\$ 985,072	\$ 985,072	985,072

The gross carrying amount and accumulated amortization of other intangible assets were as follows at the dates indicated:

	December 31					
	2023			2022		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(Dollars in thousands)					
Core deposit intangibles	\$ 46,770	\$ (31,533)	\$ 15,237	\$ 46,770	\$ (26,013)	\$ 20,757
Other intangible assets	6,100	(3,147)	2,953	6,100	(1,789)	4,311
Total	\$ 52,870	\$ (34,680)	\$ 18,190	\$ 52,870	\$ (27,802)	\$ 25,068

The following table sets forth the estimated annual amortization expense of intangible assets for each of the next five years:

Year	Amount
	(Dollars in thousands)
2024	\$ 5,905
2025	\$ 4,716
2026	\$ 2,820
2027	\$ 2,077
2028	\$ 1,377

The original weighted average amortization period for intangible assets is 9.5 years.

NOTE 6 DEPOSITS

The following is a summary of the scheduled maturities of time deposits at December 31:

	2023		2022	
	(Dollars in thousands)			
1 year or less	\$	2,056,543	94.3 %	\$ 953,214 79.7 %
Over 1 year to 2 years		97,055	4.4 %	150,102 12.5 %
Over 2 years to 3 years		15,594	0.7 %	66,995 5.6 %
Over 3 years to 4 years		8,585	0.4 %	15,172 1.3 %
Over 4 years to 5 years		3,702	0.2 %	10,258 0.9 %
Total (1)	\$	2,181,479	100.0 %	\$ 1,195,741 100.0 %

(1) The total amount of time deposit accounts with balances equal to or greater than \$250,000 at December 31, 2023 and 2022 was \$ 571.2 million and \$ 251.1 million, respectively.

The Company had pledged assets as collateral covering certain deposits in the amount of \$ 900.2 million and \$ 952.7 million at December 31, 2023 and 2022, respectively.

The Bank's deposit accounts are insured to the maximum extent permitted by law by the Deposit Insurance Fund which is administered by the FDIC. The FDIC offers insurance coverage on deposits up to the federally insured limit of \$250,000.

NOTE 7 BORROWINGS

Federal Home Loan Bank Borrowings

During the twelve months ended December 31, 2023, the Company utilized FHLB advances for certain short-term and long-term borrowing needs, as deemed necessary. To manage the interest rate risk of these advances, the Company may enter into interest rate swap agreements which effectively fixes the rate of the borrowings. The table below shows the outstanding borrowings December 31, 2023, as well as the contractual rates and effective rates, net of any swap impact:

	Total Outstanding	Weighted Average Contractual Rate	Effective Rate, Net of Swap Impact
	(Dollars in thousands)		
Overnight Borrowings	\$ 705,000	5.54 %	n/a
1-Month Term	400,000	5.50 %	3.83 %
Amortizing	541	1.40 %	n/a
Total	\$ 1,105,541		

At December 31, 2022, the Company had no outstanding short-term borrowings with the FHLB and \$ 637,000 of longer term amortizing advances bearing a weighted average contractual rate of 1.65 %.

At December 31, 2023 and 2022, the Company had sufficient collateral at the FHLB to support its obligations and was in compliance with the FHLB's collateral pledging program. The Company's FHLB advances are collateralized by a blanket pledge agreement on the Bank's FHLB stock, certain qualified investment securities, deposits at the FHLB, residential mortgages, and by certain commercial real estate loans held in the Bank's portfolio. The carrying value of loans pledged as collateral for these borrowings totaled \$ 3.9 billion and \$ 2.7 billion at December 31, 2023 and 2022, respectively, resulting in total borrowing capacity with the FHLB of \$ 2.7 billion and \$ 1.8 billion, of which \$ 1.6 billion and \$ 1.8 billion remained available as of December 31, 2023, and 2022, respectively.

Long-Term Debt

The following table summarizes long-term debt, net of debt issuances costs, at the dates indicated:

	December 31	
	2023	2022
(Dollars in thousands)		
Junior subordinated debentures		
Capital Trust V	51,517	51,514
Central Trust I	5,258	5,258
Central Trust II	6,083	6,083
Subordinated debentures	49,960	49,885
Total long-term debt	<u>\$ 112,838</u>	<u>\$ 112,740</u>

The interest expense on long-term debt was \$ 6.8 million, \$ 4.6 million, and \$ 4.5 million for the years ended December 31, 2023, 2022, and 2021, respectively.

Junior Subordinated Debentures: The junior subordinated debentures are issued to various trust subsidiaries of the Company. These trusts were formed for the purpose of issuing trust preferred securities, which were then sold in a private placement offering. The proceeds from the sale of the securities and the issuance of common stock by these trusts were invested in these Junior Subordinated Debentures issued by the Company. These trust preferred securities bear interest at a rate of three-month Secured Overnight Financing Rate ("SOFR") plus the London Interbank Offered Rate ("LIBOR") credit spread (combined 5.65 % at December 31, 2023), plus an applicable credit spread.

Information relating to these trust preferred securities at December 31, 2023 is as follows:

Trust	Principal Amount	Maturity Date	Credit Spread	All-in Rate
(Dollars in thousands)				
Capital Trust V	\$ 50,000	3/15/2037	1.48 %	7.13 %
Central Trust I (1)	\$ 5,100	9/16/2034	2.44 %	8.09 %
Central Trust II (1)	\$ 5,900	3/15/2037	1.65 %	7.30 %

(1) These securities noted above are callable quarterly until maturity.

Subordinated Debentures: On March 14, 2019 the Company issued subordinated debentures with an aggregate principal amount of \$ 50.0 million in a private placement transaction to institutional accredited investors, which remained outstanding at both December 31, 2023 and 2022. The subordinated debentures mature on March 15, 2029. However, with regulatory approval, the Company may redeem the subordinated debentures without penalty at any scheduled payment date on or after March 15, 2024 with 30 days' notice. The subordinated debentures carry a fixed rate of interest of 4.75 % through March 15, 2024, after which interest converts to a variable rate of the then current three-month SOFR rate plus 219 basis points.

At December 31, 2023, the Company held no long-term debt scheduled to mature within the next 5 years.

NOTE 8 STOCK BASED COMPENSATION

The Company's stock based plans include the 2018 Non-Employee Director Stock Plan (the "2018 Plan") and the 2023 Omnibus Incentive Plan (the "2023 Plan"), which have been approved by the Company's Board of Directors and shareholders. Shares from the 2018 Plan may be awarded in the form of stock options or restricted stock, and shares from the 2023 Plan may be awarded in the form of stock options, stock appreciation rights, restricted stock, restricted stock units, or other stock-based awards from its pool of authorized but unissued shares. Upon adoption of the 2023 Plan on May 18, 2023, the Second Amended and Restated 2005 Employee Stock Plan (the "2005 Plan") was terminated in its entirety and the Company will no longer grant awards under the 2005 Plan, however awards outstanding under the 2005 Plan will continue to remain outstanding in accordance with their terms.

The following table presents the amount of cumulatively granted stock option awards and restricted stock awards, net of forfeitures and expirations, granted through December 31, 2023:

	Cumulatively Granted, Net of Forfeitures and Expirations			Total	Authorized but Unissued
	Authorized Awards	Stock Option Awards	Restricted Stock Awards		
2005 Plan	1,650,000	387,258	1,060,821	1,448,079	n/a
2018 Plan	300,000	—	50,767	50,767	249,233
2023 Plan	1,126,886	—	9,640	9,640	1,117,246

The following table presents the pre-tax expense associated with stock option and restricted stock awards and the related tax benefits recognized for the periods presented:

	Years Ended December 31		
	2023	2022	2021
	(Dollars in thousands)		
Stock based compensation expense			
Restricted stock awards (1)	\$ 5,777	\$ 3,791	\$ 3,580
Directors' fee expense (2)			
Restricted stock awards	600	673	729
Total stock based award expense	\$ 6,377	\$ 4,464	\$ 4,309
Related tax benefits recognized in earnings	\$ 1,793	\$ 1,255	\$ 1,212

(1) Inclusive of compensation expense associated with time-vested and performance-based restricted stock awards.

(2) Expense related to awards issued to directors is recognized as directors' fees within other noninterest expense.

The Company has standard form agreements used for stock option and restricted stock awards. The standard form agreements used for the Chief Executive Officer and all other Executive Officers have previously been disclosed in Securities and Exchange Commission filings and generally provide that: (1) any unvested options or unvested restricted stock vest upon a Change of Control; and, that (2) any stock options which vest pursuant to a Change of Control, which is an event described in Section 280G of the Internal Revenue Code of 1986, will be cashed out at the difference between the acquisition price and the exercise price of the stock option.

Stock Options

The fair value of each stock option grant is estimated on the date of the grant using the Black-Scholes option-pricing model with the following assumptions used for grants under the identified plans:

- Expected volatility is based on the standard deviation of the historical volatility of the weekly adjusted closing price of the Company's shares for a period equivalent to the expected life of the option.
- Expected life represents the period of time that the option is expected to be outstanding, taking into account the contractual term, historical exercise/forfeiture behavior, and the vesting period, if any.
- Expected dividend yield is an annualized rate calculated using the most recent dividend payment at time of grant and the Company's average trailing twelve-month daily closing stock price.
- The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant for a period equivalent to the expected life of the option.
- Forfeitures on stock compensation are recognized when they occur.

For the years ended December 31, 2023, 2022 and 2021, there were no awards granted by the Company of nonqualified options to purchase shares of common stock.

Under all of the Company's stock based plans, the option exercise price is based upon the average of the high and low trading value of the stock on the date of grant. Stock option awards granted to date under all plans expire at various dates through 2028.

The following table presents relevant information relating to the Company's stock options for the periods presented:

	Years Ended December 31		
	2023	2022	2021
	(Dollars in thousands, except per share data)		
Fair value of stock options vested based on grant date fair value	\$ —	\$ —	\$ —
Intrinsic value of stock options exercised	\$ 139	\$ —	\$ 414
Cash received from stock option exercises	\$ 257	\$ —	\$ 233
Tax benefit realized on stock option exercises	\$ 39	\$ —	\$ 116

The following table presents a summary of stock option award activity for the year ended December 31, 2023:

	Outstanding		
	Stock Option Awards	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years) Aggregate Intrinsic Value (1)
	(Dollars in thousands, except per share data)		
Balance at January 1, 2023	20,000	\$ 56.18	
Granted	—	—	
Exercised	(6,666)	38.63	
Balance of options outstanding, vested and exercisable at December 31, 2023	13,334 (2)	\$ 64.94	3.40 years \$ 62

(1) The aggregate intrinsic value represents the total pre-tax intrinsic value, based on the average of the high price and low price at which the Company's common stock traded on December 31, 2023 of \$ 66.57 , which would have been received by in-the-money option holders had they all exercised their options as of that date.

(2) Represents vested stock options outstanding to Directors.

For the year ended December 31, 2023, all outstanding stock option awards are vested and there is no unrecognized compensation expense related to those options.

Restricted Stock

The Company grants both time-vested restricted stock awards as well as performance-based restricted stock awards. The fair value of the restricted stock awards are based upon the average of the high and low prices at which the Company's common stock traded on the date of grant. The holders of time-vested restricted stock awards participate fully in the rewards of stock ownership of the Company, including voting and dividend rights. The holders of performance-based restricted stock awards do not participate in the rewards of stock ownership of the Company until vested. The holders of all restricted stock awards are not required to pay any consideration to the Company for the awards.

During the years ended December 31, 2023, 2022, and 2021 the Company made the following restricted stock award grants:

	Shares Granted	Plan	Fair Value	Vesting Period
Time-vested				
2023				
2/16/2023	77,525	2005	\$ 80.65	Ratably over 3 years from grant date
2/16/2023	12,309	2005	\$ 80.65	Ratably over 5 years beginning on February 6, 2023
5/15/2023	1,080	2005	\$ 46.21	Ratably over 3 years from grant date
5/23/2023	12,410	2018	\$ 48.35	Immediately upon grant date
5/30/2023	890	2023	\$ 45.09	Ratably over 3 years from grant date
9/15/2023	5,270	2023	\$ 51.44	Ratably over 5 years from grant date
9/15/2023	3,020	2023	\$ 51.44	Ratably over 3 years from grant date
12/15/2023	460	2023	\$ 66.24	Ratably over 3 years from grant date
2022				
2/17/2022	52,100	2005	\$ 84.70	Ratably over 5 years from grant date
5/24/2022	8,099	2018	\$ 80.39	Immediately upon grant date
9/15/2022	646	2005	\$ 77.44	Ratably over 5 years from grant date
2021				
2/18/2021	49,550	2005	\$ 81.84	Ratably over 5 years from grant date
5/25/2021	7,680	2018	\$ 78.18	Immediately upon grant date
9/1/2021	640	2018	\$ 76.78	Immediately upon grant date
Performance-based				
2/16/2023	32,200	2005	\$ 80.65	The earlier of: the date on which it is determined if the performance goal has been achieved; or, March 31, 2026.
2/17/2022	20,700	2005	\$ 84.70	The earlier of: the date on which it is determined if the performance goal has been achieved; or, March 31, 2025.
2/18/2021	18,900	2005	\$ 81.84	The earlier of: the date on which it is determined if the performance goal has been achieved; or, March 31, 2024.

The following table presents the fair value of restricted stock awards that vested during the periods presented:

	Years Ended December 31		
	2023	2022	2021
	(Dollars in thousands)		
Fair value of restricted stock awards upon vesting	\$ 5,003	\$ 5,148	\$ 5,754

The following table presents a summary of restricted stock award activity for the year ended December 31, 2023:

	Outstanding Restricted Stock Awards	Weighted Average Grant Price (\$)
Balance at January 1, 2023	191,412	\$ 80.15
Granted	145,164	75.70
Vested/released	(70,194)	71.94
Forfeited (1)	(49,175)	80.93
Balance at December 31, 2023	217,207 (2)	\$ 79.65
Unrecognized compensation cost (in thousands) (2)		\$ 10,222
Weighted average remaining recognition period (years)		2.48 years

(1) Forfeited amounts are inclusive of 3,220 performance-based shares that were not vested based on performance objective criteria results, and 17,405 performance-based shares that were cancelled based on the departure of certain executives of the Company.

(2) There are no unvested restricted stock awards outstanding to Directors and therefore no related unrecognized compensation cost for Directors.

NOTE 9 DERIVATIVES AND HEDGING ACTIVITIES

The Company's derivative financial instruments are used to manage differences in the amount, timing, and duration of the Company's known or expected cash receipts and its known or expected cash payments principally to manage the Company's interest rate risk. Additionally, the Company enters into interest rate derivatives, foreign exchange contracts and risk participation agreements to accommodate the business requirements of its customers ("customer related positions"). The Company minimizes the market and liquidity risks of customer related positions by entering into similar offsetting positions with broker-dealers. Derivative instruments are carried at fair value in the Company's financial statements. The accounting for changes in the fair value of a derivative instrument is dependent upon whether or not it qualifies as a hedge for accounting purposes, and further, by the type of hedging relationship.

The Company does not enter into proprietary trading positions for any derivatives.

The Company is subject to over-the-counter derivative clearing requirements which require certain derivatives to be cleared through central clearing houses. Accordingly, the Company clears certain derivative transactions through the Chicago Mercantile Exchange Clearing House ("CME"). This clearing house requires the Company to post initial and variation margin to mitigate the risk of non-payment, the latter of which is received or paid daily based on the net asset or liability position of the contracts.

Interest Rate Positions

The Company may utilize various interest rate derivatives as hedging instruments against interest rate risk associated with the Company's borrowings and loan portfolios. An interest rate derivative is an agreement whereby one party agrees to pay a floating rate of interest on a notional principal amount in exchange for receiving a fixed rate of interest on the same notional amount, for a predetermined period of time, from a second party. The amounts relating to the notional principal amount are not actually exchanged.

The following tables reflect information about the Company's derivative positions at the dates indicated below for interest rate swaps which qualify as cash flow hedges for accounting purposes:

December 31, 2023					
	Notional Amount (in thousands)	Weighted Average Maturity (in years)	Weighted Average Rate		Fair Value (in thousands)
			Current Rate Received	Pay Fixed Swap Rate	
Interest rate swaps on borrowings	\$ 400,000	2.58	5.34 %	3.67 %	\$ 1,901
				Receive Fixed Swap Rate	
Interest rate swaps on loans	\$ 850,000	2.50	5.36 %	2.72 %	\$ (27,350)
				Receive Fixed Swap Rate Cap - Floor	
Interest rate collars on loans	350,000	1.48	5.45 %	3.09 % - 2.12 %	(4,714)
Total	<u>\$ 1,600,000</u>				<u>\$ (30,163)</u>
December 31, 2022					
	Notional Amount (in thousands)	Average Maturity (in years)	Weighted Average Rate		Fair Value (in thousands)
			Current Rate Received	Pay Fixed Swap Rate	
Interest rate swaps on loans	1,050,000	2.97	4.24 %	2.66 %	(42,005)
				Receive Fixed Swap Rate Cap - Floor	
Interest rate collars on loans	400,000	2.27	4.22 %	3.09 % - 2.19 %	(10,239)
Total	<u>\$ 1,450,000</u>				<u>\$ (52,244)</u>

The maximum length of time over which the Company is currently hedging its exposure to the variability in future cash flows for forecasted transactions related to the payment of variable interest on existing financial instruments is 5.2 years.

For derivative instruments that are designated and qualify as cash flow hedging instruments, the effective portion of the gains or losses is reported as a component of other comprehensive income and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. The Company expects approximately \$ 3.9 million (pre-tax) to be reclassified as an increase to interest income and \$ 19.9 million (pre-tax) to be reclassified as an increase to interest expense, from OCI related to the Company's cash flow hedges in the twelve months following December 31, 2023. This reclassification is due to anticipated payments that will be made and/or received on the swaps based upon the forward curve at December 31, 2023.

The Company had no fair value hedges for the years ended December 31, 2023 and 2022.

Customer Related Positions

Loan level derivatives, primarily interest rate swaps, offered to commercial borrowers through the Company's loan level derivative program do not qualify as hedges for accounting purposes. The Company believes that its exposure to commercial customer derivatives is limited because these contracts are simultaneously matched at inception with an offsetting dealer transaction. Derivatives with dealer counterparties are then either cleared through a clearinghouse or settled directly with a single counterparty. The commercial customer derivative program allows the Company to retain variable-rate commercial loans while allowing the customer to synthetically fix the loan rate by entering into a variable-to-fixed interest rate swap. The amounts relating to the notional principal amount are not actually exchanged.

Foreign exchange contracts offered to commercial borrowers through the Company's derivative program do not qualify as hedges for accounting purposes. The Company acts as a seller and buyer of foreign exchange contracts to accommodate its customers. To mitigate the market and liquidity risk associated with these derivatives, the Company enters into similar offsetting positions. The amounts relating to the notional principal amount are exchanged.

The Company has entered into risk participation agreements with other dealer banks in commercial loan agreements. Participating banks guarantee the performance on borrower-related interest rate swap contracts. These derivatives are not designated as hedges and, therefore, changes in fair value are recognized in earnings. Under a risk participation-out agreement, a derivative asset, the Company participates out a portion of the credit risk associated with the interest rate swap position executed with the commercial borrower for a fee paid to the participating bank. Under a risk participation-in agreement, a derivative liability, the Company assumes, or participates in, a portion of the credit risk associated with the interest rate swap position with the commercial borrower for a fee received from the other bank.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following tables reflect the Company's customer related derivative positions at the dates indicated below for those derivatives not designated as hedging:

	Number of Positions (1)	Notional Amount Maturing							Fair Value
		Less than 1 year	Less than 2 years	Less than 3 years	Less than 4 years	Thereafter	Total		
		December 31, 2023							
		(Dollars in thousands)							
		Loan level swaps							
Receive fixed, pay variable	281	\$ 80,682	\$ 252,260	\$ 223,928	\$ 230,513	\$ 997,108	\$ 1,784,491	\$ (88,415)	
Pay fixed, receive variable	281	80,682	252,260	223,928	230,513	997,108	1,784,491	88,280	
Foreign exchange contracts									
Buys foreign currency, sells U.S. currency	22	65,586	12,957	—	—	—	78,543	2,197	
Buys U.S. currency, sells foreign currency	22	65,586	12,957	—	—	—	78,543	(2,160)	
Risk participation agreements									
Participation out	17	—	24,193	—	13,119	114,027	151,339	200	
Participation in	8	—	—	13,016	18,989	15,725	47,730	(44)	

	Number of Positions (1)	Notional Amount Maturing							Fair Value
		Less than 1 year	Less than 2 years	Less than 3 years	Less than 4 years	Thereafter	Total		
		December 31, 2022							
		(Dollars in thousands)							
		Loan level swaps							
Receive fixed, pay variable	283	\$ 80,531	\$ 96,613	\$ 256,924	\$ 193,096	\$ 1,016,312	\$ 1,643,476	\$ (118,930)	
Pay fixed, receive variable	283	80,531	96,613	256,924	193,096	1,016,312	1,643,476	118,928	
Foreign exchange contracts									
Buys foreign currency, sells U.S. currency	49	124,982	13,363	—	—	—	138,345	306	
Buys U.S. currency, sells foreign currency	49	124,982	13,363	—	—	—	138,345	(232)	
Risk participation agreements									
Participation out	13	2,595	—	24,538	—	95,514	122,647	161	
Participation in	6	27,365	—	—	—	25,849	53,214	(15)	

(1) The Company may enter into one dealer swap agreement which offsets multiple commercial borrower swap agreements.

Mortgage Derivatives

The Company enters into commitments to fund residential mortgage loans at specified rates and times in the future, with the intention that loans may be sold subsequently in the secondary market. Mortgage loan commitments are referred to as derivative loan commitments if the loan that will result from exercise of the commitment will be held for sale upon funding. These commitments are recognized at fair value on the consolidated balance sheet in other assets and other liabilities with changes in their fair values recorded within mortgage banking income. In addition, the Company has elected the fair value option to carry loans held for sale at fair value. The change in fair value of loans held for sale is recorded in current period earnings as a component of mortgage banking income in accordance with the Company's fair value election. The fair value of loans held for sale increased by \$ 97,000 for the year ended December 31, 2023 and decreased by \$ 452,000 and \$ 1.7 million for the years ended December 31, 2022 and 2021, respectively. These amounts were offset in earnings by the change in the fair value of mortgage derivatives.

Outstanding loan commitments expose the Company to the risk that the price of the loans arising from exercise of the loan commitment might change from inception of the rate lock to funding of the loan due to changes in mortgage interest rates. If interest rates increase, the value of these loan commitments decreases. Conversely, if interest rates decrease, the value of these loan commitments increases. To protect against the price risk inherent in derivative loan commitments, the Company utilizes both "mandatory delivery" and "best efforts" forward loan sale commitments to mitigate the risk of potential decreases in the values of loans that would result from the exercise of the derivative loan commitments. Mandatory delivery contracts are accounted for as derivative instruments. Included in the mandatory delivery forward commitments are To Be Announced securities ("TBAs"). Certain assumptions, including pull through rates and rate lock periods, are used in managing the existing and future hedges. The accuracy of underlying assumptions will impact the ultimate effectiveness of any hedging strategies.

With mandatory delivery contracts, the Company commits to deliver a certain principal amount of mortgage loans to an investor at a specified price on or before a specified date. If the Company fails to deliver the amount of mortgages necessary to fulfill the commitment by the specified date, it is obligated to pay a "pair-off" fee, based on then-current market prices, to the investor/counterparty to compensate the investor for the shortfall. Generally, the Company makes this type of commitment once mortgage loans have been funded and are held for sale, in order to minimize the risk of failure to deliver the requisite volume of loans to the investor and paying pair-off fees as a result. The Company also sells TBA securities to offset potential changes in the fair value of derivative loan commitments. Generally the Company sells TBA securities by entering into derivative loan commitments for settlement in 30 to 90 days. The Company expects that mandatory delivery contracts, including TBA securities, will experience changes in fair value opposite to the changes in the fair value of derivative loan commitments.

With best effort contracts, the Company commits to deliver an individual mortgage loan of a specified principal amount and quality to an investor if the loan to the underlying borrower closes. Generally, best efforts cash contracts have no pair off risk regardless of market movement. The price the investor will pay the seller for an individual loan is specified prior to the loan being funded (e.g., on the same day the lender commits to lend funds to a potential borrower). The Company expects that these best efforts forward loan sale commitments will experience a net neutral shift in fair value with related derivative loan commitments.

The aggregate amount of net realized gains on sales of mortgage loans included within mortgage banking income was \$ 1.0 million, \$ 562,000 and \$ 19.9 million for the years ended December 31, 2023, 2022 and 2021, respectively.

Balance Sheet Offsetting

The Company does not offset fair value amounts recognized for derivative instruments. The Company does net the amount recognized for the right to reclaim cash collateral against the obligation to return cash collateral arising from derivative instruments executed with the same counterparty under a master netting arrangement. Collateral legally required to be maintained at dealer banks by the Company is monitored and adjusted as necessary.

A daily settlement occurs through the CME for changes in the fair value of centrally cleared derivatives. Not all of the derivatives are required to be cleared through the daily clearing agent. As a result, the total fair values of loan level derivative assets and liabilities recognized on the Company's financial statements are not equal and offsetting.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The table below presents the fair value of the Company's derivative financial instruments, as well as their classification on the balance sheet at the dates indicated:

	Asset Derivatives (1)				Liability Derivatives (2)							
	Fair Value at		Fair Value at		Fair Value at		Fair Value at					
	December 31, 2023		December 31, 2022		December 31, 2023		December 31, 2022					
(Dollars in thousands)												
Derivatives designated as hedges												
Interest rate derivatives	\$	1,927	(3)	\$	—	(3)	\$	32,090	(4)	\$	52,244	(4)
Derivatives not designated as hedges												
Customer Related Positions:												
Loan level derivatives		99,416	(3)		123,372	(3)		99,551	(4)		123,374	(4)
Foreign exchange contracts		2,220			4,352			2,183			4,278	
Risk participation agreements		200			161			44			15	
Mortgage Derivatives												
Interest rate lock commitments		168			43			—			—	
Forward sale loan commitments		17			30			—			—	
Total derivatives not designated as hedges		102,021			127,958			101,778			127,667	
Total		103,948			127,958			133,868			179,911	
Netting Adjustments (5)		(48,253)			(57,784)			25,360			33,245	
Net Derivatives on the Balance Sheet		55,695			70,174			108,508			146,666	
Financial instruments (6)		12,018			20,019			12,018			20,019	
Cash collateral pledged (received)		(17,076)			(17,720)			—			—	
Net Derivative Amounts	\$	26,601		\$	32,435		\$	96,490		\$	126,647	

(1) All asset derivatives are located in other assets on the balance sheet .

(2) All liability derivatives are located in other liabilities on the balance sheet .

(3) As of December 31, 2023, approximately \$ 316,000 and \$ 3.0 million of accrued interest receivable is included in the fair value of interest rate and loan level derivative assets, respectively. Accrued interest receivable of approximately \$ 2.2 million is included in the fair value of loan level derivative assets at December 31, 2022.

(4) Approximately \$ 1.9 million and \$ 3.0 million of accrued interest payable is included in the fair value of interest rate and loan level derivative liabilities, respectively, at December 31, 2023, in comparison to accrued interest payable of approximately \$ 1.3 million and \$ 2.2 million, respectively, at December 31, 2022.

(5) Netting adjustments represent the amounts recorded to convert derivative assets and liabilities cleared through CME from a gross basis to a net basis, inclusive of the variation margin payments, in accordance with applicable accounting guidance.

(6) Reflects offsetting derivative positions with the same counterparty that are not netted on the balance sheet.

The table below presents the effect of the Company's derivative financial instruments included in OCI and current earnings for the periods indicated:

	Years Ended December 31		
	2023	2022	2021
(Dollars in thousands)			
Derivatives designated as hedges			
Gain (loss) in OCI on derivatives (effective portion), net of tax	\$ 16,055	\$ (50,767)	\$ (19,139)
(Loss) gain reclassified from OCI into interest income or interest expense (effective portion)	\$ (27,414)	\$ 5,054	\$ 18,691
Derivatives not designated as hedges			
Changes in fair value of customer related positions			
Other income	\$ 517	\$ 260	\$ 217
Other expenses	(679)	(268)	(405)
Changes in fair value of mortgage derivatives			
Mortgage banking income	112	(679)	(4,725)
Total	\$ (50)	\$ (687)	\$ (4,913)

The Company's derivative agreements with institutional counterparties contain various credit-risk related contingent provisions, such as requiring the Company to maintain a well-capitalized capital position. If the Company fails to meet these conditions, the counterparties could request the Company make immediate payment or demand that the Company provide immediate and ongoing full collateralization on derivative positions in net liability positions. All derivative instruments with credit-risk related contingent features were in a net asset position at December 31, 2023 and December 31, 2022.

By using derivatives, the Company is exposed to credit risk to the extent that counterparties to the derivative contracts do not perform as required. Should a counterparty fail to perform under the terms of a derivative contract, the Company's credit exposure on interest rate swaps is limited to the net positive fair value and accrued interest of all swaps with each counterparty. The Company seeks to minimize counterparty credit risk through credit approvals, limits, monitoring procedures, and obtaining collateral, where appropriate. Institutional counterparties must have an investment grade credit rating and be approved by the Company's Board of Directors. In addition, certain derivative contracts executed bilaterally with a dealer counterparty in the over-the-counter market are cleared through a clearinghouse, whereby the clearinghouse becomes the counterparty to the transaction. As such, management believes the risk of incurring credit losses on derivative contracts with those counterparties is remote. The Company's exposure relating to institutional counterparties was \$95.8 million and \$121.2 million at December 31, 2023 and 2022, respectively. The Company's exposure relating to customer counterparties was approximately \$5.6 million and \$2.2 million at December 31, 2023 and 2022, respectively. Credit exposure may be reduced by the value of collateral pledged by the counterparty.

NOTE 10 INCOME TAXES

The provision for income taxes is comprised of the following components:

	Years Ended December 31		
	2023	2022	2021
	(Dollars in thousands)		
Current expense			
Federal	\$ 51,771	\$ 60,216	\$ 21,539
State	21,123	24,979	11,054
Total current expense	72,894	85,195	32,593
Deferred expense (benefit)			
Federal	1,336	(970)	3,032
State	1,402	(284)	58
Total deferred expense (benefit)	2,738	(1,254)	3,090
Total expense	\$ 75,632	\$ 83,941	\$ 35,683

The difference between the statutory federal income tax rate and the effective income tax rate reported for the last three years is detailed below:

	Years Ended December 31								
	2023		2022		2021				
	(Dollars in thousands)								
Computed statutory federal income tax provision	\$	66,178	21.00 %	\$	73,028	21.00 %	\$	32,902	21.00 %
State taxes, net of federal tax benefit		17,992	5.71 %		19,728	5.67 %		8,754	5.59 %
Low Income Housing Project Investments		(3,740)	(1.19)%		(3,364)	(0.97)%		(2,308)	(1.47)%
Nontaxable interest, net		(3,508)	(1.11)%		(3,191)	(0.92)%		(1,022)	(0.65)%
Increase in cash surrender value of life insurance		(2,133)	(0.68)%		(1,885)	(0.54)%		(1,405)	(0.90)%
Increase (decrease) in uncertain positions		(655)	(0.21)%		(1,035)	(0.30)%		50	0.03 %
Revaluation of net deferred tax assets		255	0.08 %		—	— %		—	— %
Stock-based compensation		(127)	(0.04)%		(202)	(0.06)%		(372)	(0.24)%
Change in valuation allowance		109	0.03 %		52	0.01 %		26	0.02 %
Other tax credits		(76)	(0.02)%		—	— %		—	— %
Merger and other related costs (non-deductible)		—	— %		—	— %		630	0.40 %
Other, net		1,337	0.43 %		810	0.25 %		(1,572)	(1.00)%
Total expense	\$	75,632	24.00 %	\$	83,941	24.14 %	\$	35,683	22.78 %

The tax-effected components of the net deferred tax asset at December 31 of the years presented were as follows:

	2023	2022
	(Dollars in thousands)	
Deferred tax assets		
Accrued expenses not deducted for tax purposes	\$ 14,646	\$ 16,162
Allowance for credit losses	38,774	42,748
Derivatives fair value adjustment	7,825	14,328
Employee and director equity compensation	1,660	1,388
Foreign Tax Credit Carryforward	89	89
Loan basis difference fair value adjustment	1,811	2,273
Net operating loss carry-forward	633	606
Net unrealized loss on securities available for sale	29,536	38,968
Operating lease liability	15,387	17,069
Other	587	791
Gross deferred tax assets	\$ 110,948	\$ 134,422
Valuation allowance	(467)	(358)
Total deferred tax assets net of valuation allowance	\$ 110,481	\$ 134,064
Deferred tax liabilities		
Core deposit and other intangibles	\$ 2,865	\$ 4,137
Deferred loan fees, net	8,160	8,281
Derivatives fair value adjustment	—	—
Fixed assets	16,606	18,132
Goodwill	11,291	11,432
Prepaid pension	3,482	3,469
Right of use asset	14,781	16,565
Other	1,884	2,112
Gross deferred tax liabilities	\$ 59,069	\$ 64,128
Total net deferred tax asset	\$ 51,412	\$ 69,936

Deferred tax assets are to be reduced by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The realization of the tax benefit depends upon the existence of sufficient taxable income in future periods.

Uncertainty in Income Taxes

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction as well as in various states. The Company is subject to U.S. federal, state and local income tax examinations by tax authorities for the 2020 through 2022 tax years including any related income tax filings from its recent acquisitions. The Company believes that its income tax returns have been filed based upon applicable statutes, regulations and case law in effect at the time of filing, however, the Internal Revenue Service ("IRS") and /or state jurisdictions could disagree with the Company's interpretation upon examination. The Company accounts for uncertainties in income taxes by providing a tax reserve for certain positions. The following is a reconciliation of the beginning and ending amount of unrecognized tax benefits:

	(Dollars in thousands)	
Balance at December 31, 2020	\$	474
Reduction of tax positions for prior years	\$	(29)
Increase for current year tax positions	\$	2,433
Balance at December 31, 2021	\$	2,878
Reduction of tax positions for prior years		(1,047)
Increase for prior year tax position		128
Increase for current year tax positions		761
Balance at December 31, 2022		2,720
Reduction of tax positions for prior years		(959)
Balance at December 31, 2023	\$	1,761

Increases to the Company's unrealized tax positions occur as a result of accruing for any unrecognized tax benefit, as well as the accrual of interest and penalties related to prior year positions. Decreases in the Company's unrealized tax positions occur as a result of the statute of limitation lapsing on prior year positions and/or settlements relating to outstanding positions. Additionally, the balances noted in the table above do not include the indirect federal benefit of state tax positions of approximately \$ 343,000 , \$ 544,000 , and \$ 604,000 at December 31, 2023, 2022, and 2021, respectively.

The following table summarizes the changes in accrued interest and penalties related to uncertain tax positions for the periods presented:

	As of December 31					
	2023		2022		2021	
	(Dollars in thousands)					
Beginning Balance	\$	585	\$	920	\$	95
Expense (benefit) recognized in provision for income taxes		104		(335)		69
Acquired obligation for interest and penalties (1)		—		—		756
Ending Balance	\$	689	\$	585	\$	920

NOTE 11 LOW INCOME HOUSING PROJECT INVESTMENTS

The Company has invested in low income housing projects that generate Low Income Housing Tax Credits ("LIHTC") which provide the Company with tax credits and operating loss tax benefits over a minimum of 15 years. None of the original investment is expected to be repaid.

The following table presents certain information related to the Company's investments in low income housing projects as of December 31 of the years presented:

	2023	2022	2021
	(Dollars in thousands)		
Original investment value	\$ 229,015	\$ 197,124	\$ 179,481
Current recorded investment	156,984	139,454	135,497
Unfunded liability obligation	58,731	57,913	73,336
Tax credits and benefits earned during the year	18,101	17,011	14,198
Amortization of investments during the year	14,360	13,647	11,892
Net income tax benefit recognized during the year	3,740	3,364	2,306

NOTE 12 EMPLOYEE BENEFIT PLANS
Pension Plans

The Company maintains a multiemployer defined benefit pension plan (the "Pension Plan") administered by Pentegra Retirement Services (the "Fund" or "Pentegra Defined Benefit Plan for Financial Institutions"). The Fund does not segregate the assets or liabilities of all participating employers and accordingly, disclosure of plan assets, accumulated vested and nonvested benefits is not possible. Effective July 1, 2006, the Company froze the defined benefit plan by eliminating all future benefit accruals.

In conjunction with the acquisition of Peoples Federal Bancshares, Inc., the parent of Peoples Federal Savings Bank ("Peoples") in 2015, the Company acquired the Peoples Federal Defined Benefit Pension Plan ("Peoples Plan"). The Peoples Plan was frozen at the date of acquisition and will be maintained in the same manner as the Pension Plan. The Peoples Plan is also administered by Pentegra Retirement Services under the same Fund as the Pension Plan.

The Company's participation in the Pension Plan and the Peoples Plan (the "Pension Plans") for the annual period ended December 31, 2023, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employer Identification Number ("EIN") and the three-digit plan number. The funding status of the Pension Plans is determined on the basis of the financial statements provided by the Fund using total plan assets and accumulated benefit obligation. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented. The "Expiration Date of Collective-Bargaining Agreement" column lists the expiration dates of any collective-bargaining agreement(s) to which the Pension Plans are subject. Financial information for the Fund is made available through the public Form 5500 which is available by April 15th of the year following the plan year end.

	EIN/Pension Plan Number	Funding Status of Pension Plan		FIP/RP Status Pending/Implemented	Surcharge Imposed	Expiration Date of Collective-Bargaining Agreement	Minimum Contributions Required for Future Periods
		2023	2022				
Pentegra defined benefit plan for financial institutions	13-5645888/333	At least 80 percent	At least 80 percent	No	No	N/A	\$ —

Contributions to the Fund are based on each individual employer's experience. The Company bears the market risk relating to the Pension Plan and will continue to fund the Pension Plan as required. The Pension Plan year is July 1 through June 30. The Company's total contributions to the Pension Plan did not represent more than 5 % of the total contributions to the Pension Plan as indicated in the Pension Plan's most recently available annual report dated June 30, 2023. The comparability

of employer contributions is impacted by asset performance, discount rates and the reduction in the number of covered employees year over year.

The Company's contributions to the Pension Plans were as follows for the periods indicated:

	Contribution	Required Contributions - Plan Year Allocation			
		2023-2024	2022-2023	2021-2022	
		(Dollars in thousands)			
2023	\$ 476	\$ 476	\$ —	\$ —	
2022	\$ 499	\$ —	\$ 499	\$ —	
2021	\$ 626	\$ —	\$ —	\$ 626	

In conjunction with the acquisition of Blue Hills Bancorp, Inc., parent of Blue Hills Bank (collectively, "BHB") in 2019, the Company acquired the Savings Banks Employees Retirement Association Pension Plan as adopted by BHB (the "BHB Plan"). The BHB Plan is administered by Savings Banks Employees Retirement Association ("SBERA") and was frozen on October 31, 2014. Accumulated benefits for participants earned through the end of October 2014 remain secured by the BHB Plan assets as of December 31, 2023 and 2022. Information pertaining to the BHB Plan is as follows:

	Years Ended December 31		
	2023	2022	2021
(Dollars in thousands)			
Change in plan assets:			
Fair value of plan assets at beginning of year	\$ 9,889	\$ 14,099	\$ 12,225
Actual return on plan assets	509	(2,126)	1,480
Employer contribution	—	—	950
Benefits paid	(766)	(2,084)	(556)
Fair value of plan assets at end of year	\$ 9,632	\$ 9,889	\$ 14,099
Change in benefit obligation:			
Benefit obligation at beginning of year	8,716	13,939	15,052
Interest cost	420	366	344
Actuarial loss (gain)	15	(3,505)	(901)
Benefits paid	(766)	(2,084)	(556)
Benefit obligation at end of year	\$ 8,385	\$ 8,716	\$ 13,939
Funded status at end of year	\$ 1,247	\$ 1,173	\$ 160

At December 31, 2023 and 2022, the discount rate used to determine the benefit obligation was 4.77 % and 4.97 %, respectively.

The components of net period pension expense (benefit) are as follows:

	Years Ended December 31		
	2023	2022	2021
(Dollars in thousands)			
Interest cost	\$ 420	\$ 366	\$ 344
Expected return on plan assets	(144)	(966)	(891)
Amortization of net actuarial (gain) loss	(17)	28	208
Settlement gain	(25)	(31)	—
Net period pension expense (benefit)	\$ 234	\$ (603)	\$ (339)

The key assumptions used to determine net periodic pension expense (benefit) are as follows:

	Years Ended December 31		
	2023	2022	2021
Discount rate	4.97 %	2.68 %	2.35 %
Expected long-term rate of return on plan assets	1.50 %	7.00 %	7.00 %

Assumptions with respect to the expected long-term rate of return are based on prevailing yields on high-quality, fixed-income investments increased by a premium for equity return expectations. During the year ended December 31, 2022, the Company's Board of Directors voted to terminate the BHB Plan. As a result, the assets of the BHB plan were transferred to a money market account until the termination is approved by all regulatory bodies, which resulted in a lower long term rate of return on plan assets.

Presented in the table below are the e stimated future benefit payments for the BHB Plan. These payments were calculated prior to the approval of the BHB Plan's termination.

	Amount (Dollars in thousands)	
2024	\$	509
2025	\$	461
2026	\$	462
2027	\$	490
2028	\$	483
2029-2033	\$	2,600

The Company's total defined benefit plan expense was \$ 487,000 , \$ 562,000 , and \$ 1.2 million, for the years ending December 31, 2023, 2022, and 2021, respectively.

Supplemental Executive Retirement Plans

The Bank maintains frozen defined benefit supplemental executive retirement plans ("SERP") for certain highly compensated employees designed to offset the impact of regulatory limits on benefits under qualified pension plans. The Bank also maintains defined benefit SERPs acquired from previous acquisitions. The Bank has established and funded rabbi trusts to accumulate funds in order to satisfy the contractual liability of these supplemental retirement plan benefits. These agreements provide for the Bank to pay all benefits from its general assets, and the establishment of these trust funds does not reduce nor otherwise affect the Bank's continuing liability to pay benefits from such assets except that the Bank's liability shall be offset by actual benefit payments made from the trusts. The related trust assets included in the Company's available for sale securities portfolio totaled \$ 20.0 million and \$ 18.6 million at December 31, 2023 and 2022, respectively.

The following table shows the defined benefit supplemental retirement expense, and the contributions paid to the plans which were used only to pay the current year benefits for the years indicated:

	2023		2022		2021	
			(Dollars in thousands)			
Retirement expense	\$	703	\$	1,681	\$	2,275
Benefits paid	\$	450	\$	475	\$	475

Expected future benefit payments for the defined benefit supplemental executive retirement plans are presented below:

	Defined Benefit Supplemental Executive Retirement Plans Expected Benefit Payments	
	(Dollars in thousands)	
2024	\$	1,277
2025	\$	1,094
2026	\$	1,091
2027	\$	1,060
2028	\$	1,047
2029-2033	\$	5,685

The measurement date used to determine the defined benefit supplemental executive retirement plans' benefits is December 31 for each of the years reported. The following table illustrates the status of the defined benefit supplemental executive retirement plans at December 31 for the years presented:

	Defined Benefit Supplemental Executive Retirement Benefits		
	2023	2022	2021
	(Dollars in thousands)		
Change in accumulated benefit obligation			
Benefit obligation at beginning of year	\$ 15,711	\$ 19,498	\$ 20,752
Service cost	380	561	574
Interest cost	761	492	424
Actuarial gain	(8)	(4,365)	(1,777)
Benefits paid	(450)	(475)	(475)
Benefit obligation at end of year	\$ 16,394	\$ 15,711	\$ 19,498
Change in plan assets			
Fair value of plan assets at beginning of year	\$ —	\$ —	\$ —
Employer contribution	450	475	475
Benefits paid	(450)	(475)	(475)
Fair value of plan assets at end of year	\$ —	\$ —	\$ —
Funded status at end of year	\$ (16,394)	\$ (15,711)	\$ (19,498)
Assets	—	—	—
Liabilities	(16,394)	(15,711)	(19,498)
Funded status at end of year	\$ (16,394)	\$ (15,711)	\$ (19,498)
Amounts recognized in accumulated other comprehensive income ("AOCI")			
Net (gain) loss	\$ (1,518)	\$ (1,970)	\$ 3,002
Prior service cost	—	22	43
Amounts recognized in AOCI	\$ (1,518)	\$ (1,948)	\$ 3,045
Information for plans with an accumulated benefit obligation in excess of plan assets			
Projected benefit obligation	\$ 16,394	\$ 15,711	\$ 19,498
Accumulated benefit obligation	\$ 16,394	\$ 15,711	\$ 19,498
Net periodic benefit cost			
Service cost	\$ 380	\$ 561	\$ 574
Interest cost	761	492	424
Amortization of prior service cost	22	22	174
Recognized net actuarial (gain) loss	(460)	606	1,103
Net periodic benefit cost	\$ 703	\$ 1,681	\$ 2,275
Discount rate used for benefit obligation	4.62 % - 4.75 %	4.67 % - 4.93 %	1.28 % - 2.57 %
Discount rate used for net periodic benefit cost	4.67 % - 4.93 %	1.28 % - 2.57 %	0.43 % - 2.18 %
Rate of compensation increase	n/a	n/a	n/a

Other Employee Benefits

The Bank may choose to create an incentive compensation plan for senior management and other officers to participate in at varying levels. In addition, the Bank may also pay a discretionary bonus to senior management, officers, and/or non-officers of the Bank. The expense for these incentive plans amounted to \$ 18.6 million, \$ 24.3 million and \$ 21.2 million in 2023, 2022 and 2021, respectively.

The Bank has an Employee Savings Plan that qualifies as a deferred salary arrangement under Section 401(k) of the Internal Revenue Code. Under the Employee Savings Plan, participating employees may defer a portion of their earnings, not to exceed the Internal Revenue Service annual contribution limits. The Bank matches 25 % of each employee's contributions up to

the first 6 % of the employee's eligible earnings. The 401(k) Plan incorporates an Employee Stock Ownership Plan for contributions invested in the Company's common stock. The Company also provides three defined contributions under this Plan, providing the employees are deemed eligible. To be eligible for these contributions, an employee must complete one year and 1,000 hours of service. The defined contributions are made up of a safe harbor contribution, in which eligible employees receive a 3 % cash contribution of eligible earnings to the social security limit, a discretionary contribution in which eligible employees receive a 2 % cash contribution of eligible earnings up to the social security limit and a 5 % cash contribution of eligible earnings over the social security limit up to the maximum amount permitted by law. Benefits contributed to employees under this defined contribution plan vest immediately. The defined contribution plan expense was \$ 9.3 million, \$ 8.7 million and \$ 7.8 million for the years ended December 2023, 2022 and 2021, respectively.

The Company has a non-qualified deferred compensation plan which allows for deferrals of base salary and incentive payments until an elected distribution date in the future. This deferred compensation plan is available to certain highly compensated employees. Deferrals are invested at the election of the participant into one of the actively managed funds made available to the participant through the Company's Investment Management Group. The funds are held in a rabbi trust until the elected date of distribution.

The Company has a non-qualified 401(k) Restoration Plan ("Restoration Plan") for certain executive officers. The Restoration Plan is intended to contribute to each participant the amount of matching and discretionary contributions which would have been made to the existing Rockland Trust 401(k) plan on the participant's behalf, but were prohibited due to Internal Revenue Code limitations. Deferrals are invested at the election of the participant into one of the actively managed funds made available to the participant through the Company's Investment Management Group or in the Company's stock. These funds are held in a rabbi trust until the elected date of distribution. The Company recognized expense of \$ 524,000 , \$ 505,000 and \$ 303,000 related to this plan for services performed for the years ended December 31, 2023, 2022 and 2021, respectively.

Also as part of the Peoples acquisition in 2015, the Company assumed various Salary Continuation Agreements with certain current and former senior executives. The agreements require the payment of specified benefits upon retirement over periods of ten or twenty years as described in each agreement. Expense related to the Salary Continuation Agreements was \$ 217,000 , \$ 213,000 and \$ 210,000 for the years ended December 31, 2023, 2022 and 2021, respectively.

Director Benefits

The Company maintains two deferred compensation plans for the Company's Board of Directors which permit non-employee directors to defer cash fees, one of which was in effect through December 31, 2018 and a new plan which was adopted effective January 1, 2019. Under the plan in effect through December 31, 2018, deferred compensation was invested in Company stock and held by the Company's Investment Management Group. Under the plan that took effect January 1, 2019, participating directors may defer all or a portion of their cash compensation into a choice of diversified investment portfolios comprised of stocks, bonds and cash. There was no compensation deferred during 2023 and compensation of \$ 113,000 and \$ 84,000 was deferred during 2022 and 2021, respectively.

NOTE 13 FAIR VALUE MEASUREMENTS

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the assumptions applied by the Company when determining fair value reflect those that the Company determines market participants would use to price the asset or liability at the measurement date. If there has been a significant decrease in the volume and level of activity for the asset or liability, regardless of the valuation technique(s) used, the objective of a fair value measurement remains the same. Fair value is the price that would be received if the asset were to be sold or that would be paid if the liability were to be transferred in an orderly market transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. When determining fair value, the Company considers pricing information and other inputs that are current as of the measurement date. In periods of market dislocation, the observability of prices and other inputs may be reduced for certain instruments, or not available at all. The unavailability or reduced availability of pricing or other input information could cause an instrument to be reclassified from one level to another.

The Fair Value Measurements and Disclosures Topic of the FASB ASC defines fair value and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to

unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the Fair Value Measurements and Disclosures Topic of the FASB ASC are described below:

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Valuation Techniques

There were no changes in the valuation techniques used during the year ended December 31, 2023.

Securities

Trading and Equity Securities

These equity securities are valued based on market quoted prices. These securities are categorized in Level 1 as they are actively traded and no valuation adjustments have been applied.

U.S. Government Agency and U.S. Treasury Securities

Fair value is estimated using either multi-dimensional spread tables or benchmarks. The inputs used include benchmark yields, reported trades, and broker/dealer quotes. These securities are classified as Level 2.

Agency Mortgage-Backed Securities

Fair value is estimated using either a matrix or benchmarks. The inputs used include benchmark yields, reported trades, broker/dealer quotes, and issuer spreads. These securities are categorized as Level 2.

Agency Collateralized Mortgage Obligations and Small Business Administration Pooled Securities

The valuation model for these securities is volatility-driven and ratings based, and uses multi-dimensional spread tables. The inputs used include benchmark yields, reported trades, new issue data, broker dealer quotes, and collateral performance. If there is at least one significant model assumption or input that is not observable, these securities are categorized as Level 3 within the fair value hierarchy; otherwise, they are classified as Level 2.

State, County, and Municipal Securities

The fair value is estimated using a valuation matrix with inputs including bond interest rate tables, recent transaction, and yield relationships. These securities are categorized as Level 2.

Single and Pooled Issuer Trust Preferred Securities

The fair value of trust preferred securities, including pooled and single issuer preferred securities, is estimated using external pricing models, discounted cash flow methodologies or similar techniques. The inputs used in these valuations include benchmark yields, reported trades, new issue data, broker dealer quotes, and collateral performance. If there is at least one significant model assumption or input that is not observable, these securities are classified as Level 3 within the fair value hierarchy; otherwise, they are classified as Level 2.

Loans Held for Sale

The Company has elected the fair value option to account for originated closed loans intended for sale. The fair value is measured on an individual loan basis using quoted market prices and when not available, comparable market value or discounted cash flow analysis may be utilized. These assets are typically classified as Level 2.

Derivative Instruments*Derivatives*

The valuation of these instruments is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves and implied volatilities. The Company incorporates credit valuation adjustments to appropriately reflect nonperformance risk in the fair value measurements. In adjusting the fair value of its derivative contracts for the effect of nonperformance risk, the Company has considered the impact of netting and any applicable credit enhancements, such as collateral postings. Additionally, in conjunction with fair value measurement guidance, the Company has made an accounting policy election to measure the credit risk of its derivative financial instruments that are subject to master netting agreements on a net basis by counterparty portfolio. Although the Company has determined that the majority of the inputs used to value its interest rate derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with its interest rate derivatives and risk participation agreements may also utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by the Company and its counterparties. However, as of December 31, 2023 and 2022, the Company has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and has determined that the credit valuation adjustments are not significant to the overall valuation of its derivatives. As a result, the Company has determined that its derivative valuations in their entirety are properly classified as Level 2.

Mortgage Derivatives

The fair value of mortgage derivatives is determined based on current market prices for similar assets in the secondary market and, therefore, classified as Level 2 within the fair value hierarchy.

Individually Assessed Collateral Dependent Loans

In accordance with the CECL standard, expected credit losses on individually assessed loans deemed to be collateral dependent are valued based upon the lower of amortized cost or fair value of the underlying collateral less costs to sell. The inputs used in the appraisals of the collateral are not always observable, and in such cases the loans may be classified as Level 3 within the fair value hierarchy; otherwise, they are classified as Level 2.

Other Real Estate Owned and Other Foreclosed Assets

Other Real Estate Owned ("OREO") and Other Foreclosed Assets, when applicable, are valued at the lower of cost or fair value of the property, less estimated costs to sell. The fair values are generally estimated based upon recent appraisal values of the property less costs to sell the property. Certain inputs used in appraisals are not always observable, and therefore OREO and Other Foreclosed Assets may be classified as Level 3 within the fair value hierarchy.

Goodwill and Other Intangible Assets

Goodwill and identified intangible assets are subject to impairment testing. The Company conducts an annual impairment test of goodwill in the third quarter of each year, or more frequently if necessary. Other intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. To estimate the fair value of goodwill and, if necessary, other intangible assets, the Company utilizes both a comparable analysis of relevant price multiples in recent market transactions and a discounted cash flow analysis. Both valuation models require a significant degree of management judgment. In the event the fair value as determined by the valuation model is less than the carrying value, the intangibles may be impaired. If the impairment testing resulted in impairment, the Company would classify the impaired goodwill and other intangible assets subjected to nonrecurring fair value adjustments as Level 3.

Assets and liabilities measured at fair value on a recurring and nonrecurring basis were as follows at the dates indicated:

		Fair Value Measurements at Reporting Date Using						
		Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)		
Balance		December 31, 2023						
		(Dollars in thousands)						
Recurring fair value measurements								
Assets								
Trading securities	\$	4,987	\$	4,987	\$	—	\$	—
Equity securities		22,510		22,510		—		—
Securities available for sale								
U.S. government agency securities		207,138		—		207,138		—
U.S. treasury securities		769,102		—		769,102		—
Agency mortgage-backed securities		277,047		—		277,047		—
Agency collateralized mortgage obligations		33,189		—		33,189		—
State, county, and municipal securities		190		—		190		—
Pooled trust preferred securities issued by banks and insurers		1,018		—		1,018		—
Small business administration pooled securities		46,572		—		46,572		—
Loans held for sale		6,368		—		6,368		—
Derivative instruments		103,948		—		103,948		—
Liabilities								
Derivative instruments		133,868		—		133,868		—
Total recurring fair value measurements, net	\$	1,338,201	\$	27,497	\$	1,310,704	\$	—
Nonrecurring fair value measurements								
Assets								
Individually assessed collateral dependent loans (1)	\$	28,881	\$	—	\$	—	\$	28,881
Total nonrecurring fair value measurements	\$	28,881	\$	—	\$	—	\$	28,881

		Fair Value Measurements at Reporting Date Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Balance		December 31, 2022			
(Dollars in thousands)					
Recurring fair value measurements					
Assets					
Trading securities	\$	3,888	\$	3,888	\$ — \$ —
Equity securities		21,119		21,119	— —
Securities available for sale					
U.S. government agency securities		202,300		—	202,300 —
U.S. treasury securities		791,341		—	791,341 —
Agency mortgage-backed securities		313,688		—	313,688 —
Agency collateralized mortgage obligations		38,843		—	38,843 —
State, county, and municipal securities		191		—	191 —
Pooled trust preferred securities issued by banks and insurers		1,034		—	1,034 —
Small business administration pooled securities		51,757		—	51,757 —
Loans held for sale		2,803		—	2,803 —
Derivative instruments		127,958		—	127,958 —
Liabilities					
Derivative instruments		179,911		—	179,911 —
Total recurring fair value measurements, net	\$	<u>1,375,011</u>	\$	<u>25,007</u>	<u>\$ 1,350,004</u> <u>\$ —</u>
Nonrecurring fair value measurements					
Assets					
Individually assessed collateral dependent loans (1)	\$	16,092	\$	—	\$ — \$ 16,092
Total nonrecurring fair value measurements	\$	<u>16,092</u>	\$	<u>—</u>	<u>\$ —</u> <u>\$ 16,092</u>

(1) The carrying value of individually assessed collateral dependent loans is based on the lower of amortized cost or fair value of the underlying collateral less costs to sell. The fair value of the underlying collateral is generally determined through independent appraisals, which generally include various Level 3 inputs which are not identifiable. Appraisals may be adjusted by management for qualitative factors such as economic factors and estimated liquidation expenses. The range of these possible adjustments may vary.

The estimated fair values and related carrying amounts for assets and liabilities for which fair value is only disclosed are shown below at the dates indicated:

			Fair Value Measurements at Reporting Date Using		
			Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other	
				Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2023					
(Dollars in thousands)					
Financial assets					
Securities held to maturity (a)					
U.S. government agency securities	\$	29,521	\$	28,408	\$ —
U.S. treasury securities		100,712		91,535	—
Agency mortgage-backed securities		829,431		763,728	—
Agency collateralized mortgage obligations		477,517		407,911	—
Single issuer trust preferred securities issued by banks		1,500		1,373	—
Small business administration pooled securities		130,426		124,653	—
Loans, net of allowance for credit losses (b)		14,106,967		13,079,368	—
Federal Home Loan Bank stock (c)		43,557		43,557	—
Cash surrender value of life insurance policies (d)		297,387		297,387	—
Financial liabilities					
Deposit liabilities, other than time deposits (e)	\$	12,684,068	\$	12,684,068	\$ —
Time certificates of deposits (f)		2,181,479		2,166,573	—
Federal Home Loan Bank borrowings (f)		1,105,541		1,103,845	—
Junior subordinated debentures (g)		62,858		58,911	—
Subordinated debentures (f)		49,980		49,613	—

	Fair Value Measurements at Reporting Date Using					
			Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
	Carrying Value	Fair Value				
	December 31, 2022					
	(Dollars in thousands)					
Financial assets						
Securities held to maturity (a)						
U.S. government agency securities	\$ 31,258	\$ 29,036	\$ —	\$ 29,036	\$ —	
U.S. treasury securities	100,634	88,879	\$ —	88,879	—	
Agency mortgage-backed securities	898,927	815,952	—	815,952	—	
Agency collateralized mortgage obligations	535,971	458,417	—	458,417	—	
Single issuer trust preferred securities issued by banks	1,500	1,508	—	1,508	—	
Small business administration pooled securities	136,830	130,918	—	130,918	—	
Loans, net of allowance for loan losses (b)	13,760,164	13,260,873	—	—	13,260,873	
Federal Home Loan Bank stock (c)	5,218	5,218	—	5,218	—	
Cash surrender value of life insurance policies (d)	293,323	293,323	—	293,323	—	
Financial liabilities						
Deposit liabilities, other than time deposits (e)	\$ 14,683,266	\$ 14,683,266	\$ —	\$ 14,683,266	\$ —	
Time certificates of deposits (f)	1,195,741	1,164,892	—	1,164,892	—	
Federal Home Loan Bank borrowings (f)	637	563	—	563	—	
Junior subordinated debentures (g)	62,855	60,002	—	60,002	—	
Subordinated debentures (f)	49,885	45,891	—	—	45,891	

- (a) The fair values presented are based on quoted market prices, where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments and/or discounted cash flow analysis.
- (b) Fair value of loans is measured using the exit price valuation method, determined primarily by discounting the future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities or cash flows, while incorporating liquidity and credit assumptions. Additionally, this amount excludes individually assessed collateral dependent loans, which are deemed to be marked to fair value on a nonrecurring basis.
- (c) Federal Home Loan Bank stock has no quoted market value and is carried at cost, therefore the carrying amount approximates fair value.
- (d) Cash surrender value of life insurance is recorded at its cash surrender value (or the amount that can be realized upon surrender of the policy), therefore, carrying amount approximates fair value.
- (e) Fair value of demand deposits, savings and interest checking accounts and money market deposits is the amount payable on demand at the reporting date.
- (f) Fair value was determined by discounting anticipated future cash payments using rates currently available for instruments with similar remaining maturities.
- (g) Fair value was determined based upon market prices of securities with similar terms and maturities.

This summary excludes certain financial assets and liabilities for which the carrying value approximates fair value. For financial assets, these may include cash and due from banks, federal funds sold and short-term investments. For financial liabilities, these may include federal funds purchased. These instruments would all be considered to be classified as Level 1 within the fair value hierarchy. Also excluded from the summary are financial instruments measured at fair value on a recurring and nonrecurring basis, as previously described.

The Company considers its current use of financial instruments to be the highest and best use of the instruments.

NOTE 14 REVENUE RECOGNITION

A portion of the Company's noninterest income is derived from contracts with customers, and as such, the revenue recognized depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company accounts for such revenues in accordance with ASC 606 - *Revenue from Contracts with Customers* and considers the terms of the contract and all relevant facts and circumstances when applying this guidance. To ensure its alignment with this core principle, the Company measures revenue and the timing of recognition by applying the following five steps:

1. Identify the contract(s) with customers
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognize revenue when (or as) the entity satisfies a performance obligation

The Company has disaggregated its revenue from contracts with customers into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. The following table presents the revenue streams that the Company has disaggregated for the periods indicated:

	Years Ended December 31		
	2023	2022	2021
	(Dollars in thousands)		
Deposit account fees (inclusive of cash management fees)	\$ 23,486	\$ 23,370	\$ 16,745
Interchange fees	11,865	10,881	8,862
ATM fees	4,243	3,866	2,989
Investment management - wealth management and advisory services	34,588	32,774	31,617
Investment management - retail investments and insurance revenue	5,603	4,058	3,691
Payment processing income	1,675	1,534	1,362
Credit card income	2,119	1,833	1,231
Other noninterest income	5,684	6,099	5,312
Total noninterest income in-scope of ASC 606	89,263	84,415	71,809
Total noninterest income out-of-scope of ASC 606	35,346	30,252	34,041
Total noninterest income	\$ 124,609	\$ 114,667	\$ 105,850

In each of the revenue streams identified above, there were no significant judgments made in determining or allocating the transaction price, as the consideration and service requirements are generally explicitly identified in the associated contracts. Additional information related to each of the revenue streams is further noted below.

Deposit Account Fees

The Company offers various deposit account products to its customers governed by specific deposit agreements applicable to either personal customers or business customers. These agreements identify the general conditions and obligations of both parties, and include standard information regarding deposit account related fees.

Deposit account services include providing access to deposit accounts as well as access to the various deposit transactional services of the Company. These transactional services are primarily those that are identified in the standard fee schedule, and include, but are not limited to, services such as overdraft protection, wire transfer, and check collection. Revenue is recognized in conjunction with the various services being provided. For example, the Company may assess monthly fixed service fees associated with the customer having access to the deposit account, which can vary depending on the account type and daily account balance. In addition, the Company may also assess separate fixed fees associated with and at the time specific transactions are entered into by the customer. As such, the Company considers its performance obligations to be met concurrently with providing the account access or completing the requested deposit transaction.

Cash Management

Cash management services are a subset of the Deposit account fees revenue stream. These services primarily include ACH transaction processing, positive pay and remote deposit services. These services are also governed by separate agreements entered into with the customer. The fee arrangement for these services is structured to assess fees under one of two scenarios, either a per transaction fee arrangement or an earnings credit analysis arrangement. Under the per transaction fee arrangement, fixed fees are assessed concurrently with customers executing the transactions, and as such, the Company considers its performance obligations to be met concurrently with completing the requested transaction. Under the earnings credit analysis arrangement, the Company provides a monthly earnings credit to the customer that is negotiated and determined based on various factors. The credit is then available to absorb the per transaction fees that are assessed on the customer's deposit account activity for the month. Any amount of the transactional fees in excess of the earnings credit is recognized as revenue in that month.

Interchange Fees

The Company earns interchange revenue from its issuance of credit and debit cards granted through its membership in various card payment networks. The Company provides credit cards and debit cards to its customers which are authorized and settled through these payment networks, and in exchange, the Company earns revenue as determined by each payment network's interchange program. The revenue is recognized concurrently with the settlement of card transactions within each network.

ATM Fees

The Company deploys automated teller machines (ATMs) as part of its overall branch network. Certain transactions performed at the ATMs require customers to acknowledge and pay a fee for the requested service. Certain ATM fees are disclosed in the deposit account agreement fee schedules, whereas those assessed to non-Rockland Trust deposit holders are solely determined during the transaction at the machine.

The ATM fee is a fixed dollar per transaction amount, and as such, is recognized concurrently with the overall daily processing and settlement of the ATM activity.

Investment Management - Wealth Management and Advisory Services

The Company offers investment management and trust services to individuals, institutions, small businesses and charitable institutions. Each investment management product is governed by its own contract along with a separate identifiable fee schedule unique to that product. The Company also offers additional services, such as estate settlement, financial planning, tax services and other special services quoted at the client's request.

Asset management and/or custody fees are based upon a percentage of the monthly valuation of the principal assets in the customer's account, whereas fees for additional or special services are fixed in nature and are charged as services are rendered. As the fees are dependent on assets under management, which are susceptible to market factors outside of the Company's control, this variable consideration is constrained and therefore no revenue is estimated at contract initiation. As such, all revenue is recognized in correlation to the monthly management fee determinations or as transactional services are provided. Due to the fact that payments are primarily made subsequent to the valuation period, the Company records a receivable for revenue earned but not received. The following table provides the amount of investment management revenue earned but not received as of the dates indicated:

	December 31, 2023	December 31, 2022
	(Dollars in thousands)	
Receivables, included in other assets	\$ 5,509	\$ 5,261

Investment Management - Retail Investments and Insurance Revenue

The Company offers the sale of mutual fund shares, unit investment trust shares, third party model portfolios, general securities, fixed and variable annuities and life insurance products through registered representatives who are both employed by the Company and licensed and contracted with various Broker General Agents to offer these products to the Company's customer base. As such, the Company performs these services as an agent and earns a fixed commission on the sales of these

products and services. To a lesser degree, production bonus commissions can also be earned based upon the Company meeting certain volume thresholds.

In general, the Company recognizes commission revenue at the point of sale, and for certain insurance products, may also earn and recognize annual residual commissions commensurate with annual premiums being paid.

Payment Processing Income

The Company refers customers to third party payment processing partners in exchange for commission and fee income. The income earned is comprised of multiple components, including a fixed referral fee per each referred customer, a rebate amount determined primarily as a percentage of net revenue earned by the third party from services provided to each referred customer, and overall production bonus commissions if certain new account production thresholds are met. Payment processing income is recognized in conjunction with either completing the referral to earn the fixed fee amount or as the merchant activity is processed to derive the Company's rebate and/or production bonus amounts.

Credit Card Income

The Company provides consumer and business credit card solutions to its customers by soliciting new accounts on behalf of a third party credit card provider in exchange for a fee. The income earned is comprised of new account incentive payments as well as a percentage of interchange income earned by the third party provider offering the consumer and business purpose revolving credit accounts. The credit card income is recognized in conjunction with the establishment of each new credit card member or as the interchange is earned by the third party in connection with net purchase transactions made by the credit card member.

Other Noninterest Income

The Company earns various types of other noninterest income that fall within the scope of the new revenue recognition rules, and have been aggregated into one general revenue stream in the table noted above. This amount includes, but is not limited to, the following types of revenue with customers:

Safe Deposit Rent

The Company rents out the use of safe deposit boxes to its customers, which can be accessed when the bank is open for business. The safe deposit box rental fee is paid upfront and is recognized as revenue ratably over the annual term of the contract.

1031 Exchange Fee Revenue

The Company provides like-kind exchange services pursuant to Section 1031 of the Internal Revenue Code. Fee income is recognized in conjunction with completing the exchange transactions. The like-kind exchange services provided in connection with this revenue stream ceased during 2023.

Foreign Currency

The Company earns fee income associated with various transactions related to foreign currency product offerings, including foreign currency bank notes and drafts and foreign currency wires. The majority of this income is derived from commissions earned related to customers executing the above mentioned foreign currency transactions through arrangements with third party correspondents.

NOTE 15 OTHER COMPREHENSIVE INCOME (LOSS)

The following tables present a reconciliation of the changes in the components of other comprehensive income (loss) for the periods indicated, including the amount of income tax (expense) benefit allocated to each component of other comprehensive income (loss):

	Year Ended December 31, 2023		
	Pre-Tax Amount	Tax (Expense) Benefit	After Tax Amount
	(Dollars in thousands)		
Change in fair value of securities available for sale	\$ 42,019	\$ (9,593)	\$ 32,426
Less: net security losses reclassified into other noninterest expense	—	—	—
Net change in fair value of securities available for sale	42,019	(9,593)	32,426
Change in fair value of cash flow hedges	(5,078)	1,428	(3,650)
Less: net cash flow hedge losses reclassified into interest income or interest expense	(27,414)	7,709	(19,705)
Net change in fair value of cash flow hedges	22,336	(6,281)	16,055
Net unamortized gain related to defined benefit pension and other postretirement adjustments arising during the period	210	(59)	151
Amortization of net actuarial gains	(536)	151	(385)
Amortization of net prior service costs	39	(11)	28
Amortization of net settlement credits	(25)	7	(18)
Net change in other comprehensive income for defined benefit postretirement plans (1)	(312)	88	(224)
Total other comprehensive income	\$ 64,043	\$ (15,786)	\$ 48,257
	Year Ended December 31, 2022		
	Pre-Tax Amount	Tax (Expense) Benefit	After Tax Amount
	(Dollars in thousands)		
Change in fair value of securities available for sale	\$ (155,037)	\$ 36,047	\$ (118,990)
Less: net security losses reclassified into other noninterest expense	—	—	—
Net change in fair value of securities available for sale	(155,037)	36,047	(118,990)
Change in fair value of cash flow hedges	(65,586)	18,452	(47,134)
Less: net cash flow hedge gains reclassified into interest income or interest expense	5,054	(1,421)	3,633
Net change in fair value of cash flow hedges	(70,640)	19,873	(50,767)
Net unamortized gain related to defined benefit pension and other postretirement adjustments arising during the period	5,603	(1,575)	4,028
Amortization of net actuarial losses	635	(179)	456
Amortization of net prior service costs	39	(11)	28
Amortization of net settlement credits	(31)	9	(22)
Net change in other comprehensive income for defined benefit postretirement plans (1)	6,246	(1,756)	4,490
Total other comprehensive loss	\$ (219,431)	\$ 54,164	\$ (165,267)

	Year Ended December 31, 2021		
	Pre-Tax Amount	Tax (Expense) Benefit	After Tax Amount
	(Dollars in thousands)		
Change in fair value of securities available for sale	\$ (29,995)	\$ 7,073	\$ (22,922)
Less: net security losses reclassified into other noninterest expense	—	—	—
Net change in fair value of securities available for sale	(29,995)	7,073	(22,922)
Change in fair value of cash flow hedges	(7,938)	2,234	(5,704)
Less: net cash flow hedge gains reclassified into interest income or interest expense	18,691	(5,256)	13,435
Net change in fair value of cash flow hedges	(26,629)	7,490	(19,139)
Net unamortized gain related to defined benefit pension and other postretirement adjustments arising during the period	3,414	(960)	2,454
Amortization of net actuarial losses	1,331	(374)	957
Amortization of net prior service costs	192	(54)	138
Net change in other comprehensive income for defined benefit postretirement plans (1)	4,937	(1,388)	3,549
Total other comprehensive loss	\$ (51,687)	\$ 13,175	\$ (38,512)

(1) The amortization of prior service costs is included in the computation of net periodic pension costs as disclosed in Note 12 - Employee Benefit Plans within the Notes to the Consolidated Financial Statements in Item 8.

Information on the Company's accumulated other comprehensive income (loss), net of tax, is comprised of the following components as of the dates indicated:

	Unrealized Gain (Loss) on Securities	Unrealized Gain (Loss) on Cash Flow Hedge	Defined Benefit Postretirement Plans	Accumulated Other Comprehensive Income (Loss)
	(Dollars in Thousands)			
Beginning balance: January 1, 2021	\$ 13,255	\$ 33,276	\$ (5,836)	\$ 40,695
Other comprehensive income (loss)	(22,922)	(19,139)	3,549	(38,512)
Ending balance: December 31, 2021	\$ (9,667)	\$ 14,137	\$ (2,287)	\$ 2,183
Other comprehensive income (loss)	(118,990)	(50,767)	4,490	(165,267)
Ending balance: December 31, 2022	\$ (128,657)	\$ (36,630)	\$ 2,203	\$ (163,084)
Other comprehensive income (loss)	32,426	16,055	(224)	48,257
Ending balance: December 31, 2023	\$ (96,231)	\$ (20,575)	\$ 1,979	\$ (114,827)

NOTE 16 LEASES

As of December 31, 2023, the Company had entered into 119 noncancellable operating lease agreements for office space, parking, space for ATM locations and certain branch locations, several of which contain renewal options to extend lease terms for a period of 1 to 20 years. The Company has no material financing leases outstanding and no leases with residual value guarantees.

As of December 31, 2023, the Company did not have any material sub-lease agreements.

The Company's right-of-use asset related to operating leases totaled \$ 54.1 million and \$ 58.9 million at December 31, 2023 and 2022, respectively, and is recognized in the Company's Consolidated Balance Sheet within other assets.

When a decision is made to exit a leased location, the Company may incur certain termination costs and/or lease impairment charges, if applicable. Accordingly, the Company recognized \$ 589,000 , \$ 4.4 million, and \$ 2.3 million of such exit costs during the years ended December 31, 2023, 2022, and 2021, respectively, with the 2022 and 2021 costs recorded through merger and acquisition expense within the consolidated income statements in relation to the Meridian acquisition.

The following table provides information related to the Company's lease costs for the periods indicated:

	Years Ended December 31		
	2023	2022	2021
	(Dollars in thousands)		
Operating lease costs (1)	\$ 14,472	\$ 17,322	\$ 14,550
Short-term lease costs	28	72	23
Variable lease costs	—	—	—
Total lease costs	<u>\$ 14,500</u>	<u>\$ 17,394</u>	<u>\$ 14,573</u>
Weighted-average remaining lease term - operating leases	5.61 years	5.46 years	5.72 years
Weighted-average discount rate - operating leases	2.98 %	2.43 %	1.97 %

(1) Operating lease costs for the periods presented are inclusive of lease exit costs noted above.

The following table sets forth the undiscounted cash flows of base rent related to operating leases outstanding at December 31, 2023 with payments scheduled over the next five years and thereafter, including a reconciliation to the operating lease liability recognized in the Company's Consolidated Balance Sheet in other liabilities:

	(Dollars in thousands)
2024	\$ 13,961
2025	13,050
2026	10,910
2027	8,243
2028	5,243
Thereafter	10,395
Total minimum lease payments	61,802
Less: amount representing interest	5,525
Present value of future minimum lease payments	<u>\$ 56,277</u>

NOTE 17 COMMITMENTS AND CONTINGENCIES

Financial Instruments with Off-Balance Sheet Risk

In the normal course of business, the Company enters into various transactions to meet the financing needs of its customers, which, in accordance with GAAP, are not included in its consolidated balance sheets. These transactions include commitments to extend credit, standby letters of credit, and loans sold with recourse, which involve, to varying degrees, elements of credit risk and interest rate risk in excess of the amounts recognized in the consolidated balance sheets. The Company minimizes its exposure to loss under these commitments by subjecting them to credit approval and monitoring procedures.

The Company enters into contractual commitments to extend credit, normally with fixed expiration dates or termination clauses, at specified rates and for specific purposes. Substantially all of these commitments to extend credit are contingent upon customers maintaining specific credit standards at the time of loan funding.

Standby letters of credit are written conditional commitments issued to guarantee the performance of a customer to a third party. In the event the customer does not perform in accordance with the terms of the agreement with the third party, the Company would be required to fund the commitment. The maximum potential amount of future payments the Company could be required to make is represented by the contractual amount of the commitment. If the commitment were funded, the Company would be entitled to seek recovery from the customer. The Company's policies generally require that standby letter of credit arrangements contain security and other covenants similar to those contained in loan agreements.

The fees collected in connection with the issuance of standby letters of credit are representative of the fair value of the obligation undertaken in issuing the guarantee. In accordance with applicable accounting standards related to guarantees, fees collected in connection with the issuance of standby letters of credit are deferred. The fees are then recognized in income proportionately over the life of the standby letter of credit agreement. The deferred standby letter of credit fees represent the fair value of the Company's potential obligations under the standby letter of credit guarantees.

The following table summarizes the above financial instruments at the dates indicated:

	As of December 31	
	2023	2022
	(Dollars in thousands)	
Commitments to extend credit	\$ 4,632,105	\$ 4,566,041
Loan exposures sold with recourse	\$ 153,850	\$ 167,274
Standby letters of credit	\$ 21,427	\$ 24,941
Deferred standby letter of credit fees	\$ 155	\$ 168

Other Contingencies

At December 31, 2023, Rockland Trust was involved in pending lawsuits that arose in the ordinary course of business. Management has reviewed these pending lawsuits with legal counsel and has taken into consideration the view of counsel as to their outcome. In the opinion of management, the final disposition of pending lawsuits is not expected to have a material adverse effect on the Company's financial position or results of operations.

NOTE 18 REGULATORY MATTERS

Regulatory Capital Requirements

The Company and the Bank are subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company and the Bank must meet specific capital guidelines that involve quantitative measures of the Company's and the Bank's assets, liabilities and certain off-

balance sheet items as calculated under regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

At December 31, 2023 the most recent notification from the Federal Deposit Insurance Corporation indicated that the Bank's capital levels met or exceeded the minimum levels to be considered "well capitalized" for bank regulatory purposes. To be categorized as well capitalized, an institution must maintain minimum total risk-based, Tier 1 risk-based, Common equity Tier 1 risk-based and Tier 1 leverage ratios as set forth in the following tables. There are no conditions or events since the notification that management believes have changed the Bank's category. Management believes, as of December 31, 2023 and 2022, that the Company and the Bank met all capital adequacy requirements to which they are subject.

The Company's and the Bank's actual capital amounts and ratios as of December 31, 2023 and 2022 are also presented in the table that follows:

	To Be Well Capitalized Under Prompt Corrective Action Provisions								
	Actual		For Capital Adequacy Purposes						
	Amount	Ratio	Amount	Ratio	Amount	Ratio			
	December 31, 2023								
(Dollars in thousands)									
Independent Bank Corp.									
Total capital (to risk weighted assets)	\$	2,268,863	15.91 %	\$	1,140,554	≥	8.0 %	N/A	N/A
Common equity tier 1 capital (to risk weighted assets)	\$	2,022,873	14.19 %	\$	641,562	≥	4.5 %	N/A	N/A
Tier 1 capital (to risk weighted assets)	\$	2,022,873	14.19 %	\$	855,416	≥	6.0 %	N/A	N/A
Tier 1 capital (to average assets) leverage	\$	2,022,873	10.96 %	\$	737,984	≥	4.0 %	N/A	N/A
Rockland Trust Company									
Total capital (to risk weighted assets)	\$	2,183,436	15.32 %	\$	1,140,550	≥	8.0 %	\$ 1,425,687	≥ 10.0 %
Common equity tier 1 capital (to risk weighted assets)	\$	2,048,426	14.37 %	\$	641,559	≥	4.5 %	\$ 926,696	≥ 6.5 %
Tier 1 capital (to risk weighted assets)	\$	2,048,426	14.37 %	\$	855,412	≥	6.0 %	\$ 1,140,550	≥ 8.0 %
Tier 1 capital (to average assets) leverage	\$	2,048,426	11.10 %	\$	738,055	≥	4.0 %	\$ 922,568	≥ 5.0 %
December 31, 2022									
(Dollars in thousands)									
Independent Bank Corp.									
Total capital (to risk weighted assets)	\$	2,311,824	16.11 %	\$	1,148,328	≥	8.0 %	N/A	N/A
Common equity tier 1 capital (to risk weighted assets)	\$	2,057,099	14.33 %	\$	645,935	≥	4.5 %	N/A	N/A
Tier 1 capital (to risk weighted assets)	\$	2,057,099	14.33 %	\$	861,246	≥	6.0 %	N/A	N/A
Tier 1 capital (to average assets)	\$	2,057,099	10.99 %	\$	748,775	≥	4.0 %	N/A	N/A
Rockland Trust Company									
Total capital (to risk weighted assets)	\$	2,162,752	15.07 %	\$	1,148,329	≥	8.0 %	\$ 1,435,411	≥ 10.0 %
Common equity tier 1 capital (to risk weighted assets)	\$	2,018,912	14.07 %	\$	645,935	≥	4.5 %	\$ 933,017	≥ 6.5 %
Tier 1 capital (to risk weighted assets)	\$	2,018,912	14.07 %	\$	861,247	≥	6.0 %	\$ 1,148,329	≥ 8.0 %
Tier 1 capital (to average assets)	\$	2,018,912	10.78 %	\$	748,828	≥	4.0 %	\$ 936,036	≥ 5.0 %

In addition to the minimum risk-based capital requirements outlined in the table above, the Company is required to maintain a minimum capital conservation buffer, in the form of common equity, in order to avoid restrictions on capital distributions and discretionary bonuses. The required amount of the capital conservation buffer is 2.5%. The Company's capital levels exceeded the minimum requirement plus the buffer of 2.5% as of December 31, 2023 and 2022.

Dividend Restrictions

The Company is subject to capital and dividend requirements administered by federal and state bank regulators, and the Company will not declare a cash dividend that would cause the Company to violate regulatory requirements. The Company is, in the ordinary course of business, dependent upon the receipt of cash dividends from the Bank to pay cash dividends to shareholders and satisfy the Company's other cash needs. Federal and state law impose limits on capital distributions by the Bank. Massachusetts-chartered banks, such as the Bank, may declare from net profits cash dividends not more frequently than quarterly and non-cash dividends at any time. No dividends may be declared, credited, or paid if the Bank's capital stock would be impaired. Massachusetts Bank Commissioner approval is required if the total of all dividends declared by the Bank in any calendar year would exceed the total of its net profits for that year combined with its retained net profits of the preceding two years, less any required transfer to surplus or a fund for the retirement of any preferred stock. Dividends paid by the Bank to the Company for the years ended December 31, 2023 and 2022 totaled \$ 228.9 million and \$ 209.2 million, respectively.

Trust Preferred Securities

In accordance with the applicable accounting standard related to variable interest entities, the common stock of trusts which have issued trust preferred securities have not been included in the consolidated financial statements of the Company. At both December 31, 2023 and 2022, there were \$ 61.0 million in trust preferred securities that have been included within total capital of the Company for regulatory reporting purposes pursuant to the Federal Reserve's capital adequacy guidelines.

For regulatory purposes, bank holding companies are allowed to include trust preferred securities in Tier 1 capital up to a certain limit. Provisions in the Dodd-Frank Act generally exclude trust preferred securities from Tier 1 capital, however, holding companies with consolidated assets of less than \$15 billion at December 31, 2009, are able to permanently include these instruments in Tier 1 capital, unless the Company crosses the consolidated assets threshold as a result of merger and acquisition activity. Accordingly, as the Company's 2021 acquisition of Meridian resulted in the crossing of \$15 billion in its consolidated assets, its trust preferred securities were phased out of Tier 1 capital and included within Tier 2 capital as of December 31, 2021, in accordance with applicable regulatory guidance. All obligations under these trust preferred securities are unconditionally guaranteed by the Company.

NOTE 19 PARENT COMPANY FINANCIAL STATEMENTS

Condensed financial information relative to the balance sheets of Independent Bank Corp., as the parent company, at December 31, 2023 and 2022 and the related statements of income and cash flows for the years ended December 31, 2023, 2022, and 2021 are presented below. The statement of stockholders' equity is not presented below as the parent company's stockholders' equity is that of the consolidated Company.

BALANCE SHEETS

	December 31	
	2023	2022
	(Dollars in thousands)	
Assets		
Cash (1)	\$ 108,788	\$ 169,977
Investments in subsidiaries (2)	2,922,698	2,850,407
Prepaid income taxes	2,488	2,299
Deferred tax asset	429	453
Other assets (2)	—	2,297
Total assets	\$ 3,034,403	\$ 3,025,433
Liabilities and stockholders' equity		
Dividends payable	\$ 23,580	\$ 25,103
Junior subordinated debentures (less unamortized debt issuance costs of \$ 30 and \$ 33)	62,858	62,855
Subordinated debentures (less unamortized debt issuance costs of \$ 20 and \$ 115)	49,980	49,885
Other liabilities	2,734	889
Total liabilities	139,152	138,732
Stockholders' equity	2,895,251	2,886,701
Total liabilities and stockholders' equity	\$ 3,034,403	\$ 3,025,433

(1) Entire balance eliminates in consolidation.

(2) Majority of balance eliminates in consolidation .

STATEMENTS OF INCOME

	Years Ended December 31		
	2023	2022	2021
	(Dollars in thousands)		
Income			
Dividends received from subsidiaries (1)	\$ 229,046	\$ 209,257	\$ 77,673
Total income	229,046	209,257	77,673
Expenses			
Interest expense	6,829	4,626	4,493
Other expenses	3,156	1,680	—
Total expenses	9,985	6,306	4,493
Income before income taxes and equity in undistributed income of subsidiaries	219,061	202,951	73,180
Income tax benefit	(2,785)	(1,731)	(1,241)
Income of parent company	221,846	204,682	74,421
Equity in undistributed income of subsidiaries	17,656	59,131	46,571
Net income	\$ 239,502	\$ 263,813	\$ 120,992

(1) Majority of balance eliminated in consolidation.

STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2023	2022	2021
	(Dollars in thousands)		
Cash flows from operating activities			
Net income	\$ 239,502	\$ 263,813	\$ 120,992
Adjustments to reconcile net income to cash provided by operating activities			
Amortization	98	96	137
Deferred income tax expense	24	28	12
Change in prepaid income taxes and other assets	2,107	(623)	(229)
Change in other liabilities	52	143	(1,873)
Equity in undistributed income of subsidiaries	(17,656)	(59,131)	(46,571)
Net cash provided by operating activities	224,127	204,326	72,468
Cash flows provided by investing activities			
Net cash acquired in business combinations	—	—	119,816
Net cash provided by in investing activities	—	—	119,816
Cash flows used in financing activities			
Repayments of long-term debt, net of issuance costs	—	(14,063)	(18,750)
Restricted stock awards issued, net of awards surrendered	(1,142)	(1,084)	(1,249)
Net proceeds from exercise of stock options	80	—	(57)
Proceeds from shares issued under direct stock purchase plan	2,662	2,359	2,023
Payments for shares repurchased under share repurchase programs	(188,910)	(139,946)	—
Common dividends paid	(98,006)	(93,734)	(62,736)
Net cash used in financing activities	(285,316)	(246,468)	(80,769)
Net (decrease) increase in cash and cash equivalents	(61,189)	(42,142)	111,515
Cash and cash equivalents at the beginning of the year	169,977	212,119	100,604
Cash and cash equivalents at the end of the year	\$ 108,788	\$ 169,977	\$ 212,119

NOTE 20 TRANSACTIONS WITH RELATED PARTIES

Certain directors and officers (including their affiliates, certain family members and entities in which they are principal owners) of the Company are customers of and have had, and are expected to have, transactions with the Company, within the ordinary course of business. These transactions include, but are not limited to, lending activities, deposit services, investment management, and property lease commitments. In the opinion of management, such transactions are consistent with prudent banking practices and are within applicable banking regulations.

Lending Activities

The following information represents annual activity of loans to related parties for the periods indicated:

	2023	2022	2021
	(Dollars in thousands)		
Principal balance of loans outstanding at beginning of year	\$ 26,721	\$ 45,033	\$ 26,343
Loan advances (1)	911	40,427	57,983
Loan payments/payoffs	(1,336)	(43,147)	(39,293)
Reduction for retired directors and/or changes in director status	(14,369)	(15,592)	—
Principal balance of loans outstanding at end of year	<u>\$ 11,927</u>	<u>\$ 26,721</u>	<u>\$ 45,033</u>

(1) The 2021 amount includes \$ 10.6 million of loans associated with a new director, which represent the outstanding loans balances at the effective date of appointment.

At December 31, 2023 and 2022, there were no loans to related parties which were past due, on nonaccrual status or that had been restructured due to financial difficulty.

Deposits

At December 31, 2023 and 2022, the amount of deposit balances of related parties totaled \$ 3.9 million and \$ 18.5 million, respectively.

Lease Commitments

At December 31, 2023 and 2022, there were no material leases with related parties.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

ITEM 9A. CONTROLS AND PROCEDURES

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

The Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Exchange Act. Based upon that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective as of the end of the period covered by this annual report.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the fourth quarter of 2023 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) under the Exchange Act as a process designed by, or under the supervision of, the Company's principal executive and principal financial officers and effected by the Company's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and disposition of the assets of the Company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2023. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework (2013).

Based on our assessment and those criteria, management believes that the Company maintained effective internal control over financial reporting as of December 31, 2023.

The Company's independent registered public accounting firm, Ernst & Young LLP (PCAOB Auditor Firm ID: 42), has issued a report on the Company's internal control over financial reporting, which appears below:

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Independent Bank Corp.

Opinion on Internal Control Over Financial Reporting

We have audited Independent Bank Corp.'s internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Independent Bank Corp. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the 2023 consolidated financial statements of the Company and our report dated February 28, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Assessment on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Boston, Massachusetts
February 28, 2024

ITEM 9B. OTHER INFORMATION

None

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required herein is incorporated by reference from the Company's definitive proxy statement relating to its May 16, 2024 Annual Meeting of Shareholders (the "2024 Proxy Statement"), which will be filed with the SEC within 120 days following the fiscal year ended December 31, 2023 under the headings of "Board of Director Information - Current Board Members," "Board of Director Information - Corporate Governance Information," "Board of Director Information - Shareholder Director Nominations and Recommendations," "Board of Director Information - Report of the Audit Committee," "Executive Officer Information - Executive Officers," and "Stock Ownership and Other Matters - Delinquent Section 16(a) Reports."

ITEM 11. EXECUTIVE COMPENSATION

The information required herein is incorporated by reference from the 2024 Proxy Statement under the headings of "Executive Officer Information" and "Board of Director Information - Compensation Committee Interlocks and Insider Participation."

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth information as of December 31, 2023 about the securities authorized for issuance under the Company's equity compensation plans, consisting of the 2018 Non-Employee Director Stock Plan (the "2018 Plan") and the 2023 Omnibus Incentive Plan (the "2023 Plan"). The Company's shareholders previously approved each of these plans and all amendments that were subject to shareholder approval. Upon adoption of the 2023 Plan on May 18, 2023, the Second Amended and Restated 2005 Employee Stock Plan (the "2005 Plan") was terminated in its entirety and the Company will no longer grant awards under the 2005 Plan, however awards outstanding under the 2005 Plan will continue to remain outstanding in accordance with their terms. The Company has no other equity compensation plans that have not been approved by shareholders.

Equity Compensation Plans

Equity Compensation Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted- Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
	(a)	(b)	(c)
Plans approved by security holders	13,334	\$ 64.94	1,366,479 (1)
Plans not approved by security holders	—	—	—
TOTAL	13,334	\$ 64.94	1,366,479

(1) There are 249,233 shares available for future issuance under the 2018 Plan and 1,117,246 shares available for future issuance under the 2023 Plan. Shares under the 2018 Plan may be issued as stock options or restricted stock awards, and shares under the 2023 Plan be awarded in the form of stock options, stock appreciation rights, restricted stock, restricted stock units, or other stock-based awards.

The information required herein under Item 403 of Regulation S-K regarding the security ownership of management and certain beneficial owners is incorporated by reference from the 2023 Proxy Statement under the heading "Stock Ownership and Other Matters."

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required herein is incorporated by reference from the 2024 Proxy Statement under the headings of "Board of Director Information - Related Party Transactions" and "Board of Director Information - Director Independence."

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required herein is incorporated by reference from the 2024 Proxy Statement under the heading "Proposals to be Voted upon at the Annual Meeting - Ratification of Appointment of Independent Registered Public Accounting Firm (Proposal 2)."

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Documents Filed as Part of this Report

(1) The following financial statements are incorporated herein by reference from Item 8 hereto:

Management's Report on Internal Control over Financial Reporting.

Reports of Independent Registered Public Accounting Firm.

Consolidated balance sheets as of December 31, 2023 and 2022.

Consolidated statements of income and comprehensive income for each of the years in the three-year period ended December 31, 2023.

Consolidated statements of stockholders' equity for each of the years in the three-year period ended December 31, 2023.

Consolidated statements of cash flows for each of the years in the three-year period ended December 31, 2023.

Notes to Consolidated Financial Statements.

(2) All schedules for which provision is made in the applicable accounting regulations of the SEC are omitted because of the absence of conditions under which they are required or because the required information is included in the consolidated financial statements and related notes thereto.

(3) The exhibits that are filed as part of this Report, are list below in the Exhibits Index.

(b) The exhibits that are filed as part of this Report are listed below in the Exhibits Index.

(c) All schedules are omitted as the required information is not applicable or the information is presented in the Consolidated Financial Statements or related notes.

Exhibits Index

No.	Exhibit
3.1	Restated Articles of Organization, as adopted July 16, 2015, incorporated herein by reference to Exhibit 3.2 to Form 8-K filed on July 20, 2015 .
3.2	Amended and Restated Bylaws of the Company, as adopted October 19, 2017, incorporated herein by reference to Exhibit 3.1 to Form 8-K filed on October 23, 2017 .
4.1	Specimen Common Stock Certificate, incorporated herein by reference to Form 10-K for the year ended December 31, 1992, filed on March 29, 1993 (paper filing).
4.2	Indenture of Registrant relating to the Junior Subordinated Debt Securities issued to Independent Capital Trust V, incorporated herein by reference to Exhibit 4.13 to Form 10-K for the year ended December 31, 2006, filed on February 28, 2007.
4.3	Forms of Capital Securities Purchase Agreements for Independent Capital Trust V, incorporated herein by reference to Exhibit 4.18 to Form 10-K for the year ended December 31, 2006, filed on February 28, 2007. .
4.4	Form of Certificate of Junior Subordinated Debt Security for Independent Capital Trust V (incorporated herein by reference to Exhibit A to Exhibit 4.13 to Form 10-K for the year ended December 31, 2006, filed on February 27, 2007).
4.5	Form of Certificate of Capital Security for Independent Capital Trust V (incorporated herein by reference to Exhibit A-1 to Exhibit 4.15 to Form 10-K for the year ended December 31, 2006, filed on February 27, 2007).
4.6	Amended and Restated Declaration of Trust for Independent Capital Trust V, incorporated herein by reference to Exhibit 4.15 to Form 10-K for the year ended December 31, 2006, filed on February 28, 2007. .
4.7	Guarantee Agreement relating to Independent Capital Trust V, incorporated herein by reference to Exhibit 4.17 to Form 10-K for the year ended December 31, 2006, filed on February 28, 2007. .
4.8	Issuing and Paying Agency Agreement, dated March 14, 2019, by and between Independent Bank Corp. and U.S. Bank National Association, as the issuing and paying agent, incorporated herein by reference to Exhibit 4.1 to Form 8-K filed on March 18, 2019.
4.9	Form of Fixed-to-Floating Rate Subordinated Notes Due 2029, incorporated herein by reference to Exhibit 4.2 to Form 8-K filed on March 18, 2019 .
4.10	Independent Bank Corp. 2014 Dividend Reinvestment and Stock Purchase Plan, incorporated herein by reference to Form S-3 filed on October 2 6, 2023. #
4.11	Description of Securities, incorporated herein by reference to Exhibit 4.11 to Form 10-K for the year ended December 31, 2019, filed on February 27, 2020. *
10.1	Independent Bank Corp. and Rockland Trust Company Deferred Compensation Program for Directors (restated as amended as of December 1, 2000), incorporated herein by reference to Exhibit 10.3 to Form 10-K for the year ended December 31, 2000, filed on March 29, 2001. #
10.2	Independent Bank Corp. and Rockland Trust Company 2019 Nonqualified Deferred Compensation Plan for Non-Employee Directors, incorporated herein by reference to Exhibit 10.2 to Form 10-K for the year ended December 31, 2019, filed on February 28, 2019. #
10.3	Form of Indemnification Agreement between Independent Bank Corp. and certain Directors, incorporated herein by reference to Exhibit 10.3 to Form 10-K for the year ended December 31, 2018, filed on February 28, 2019. #
10.4	Rockland Trust Company Amended and Restated Supplemental Executive Retirement Plan, incorporated herein by reference to Exhibit 99.8 to Form 8-K filed on November 21, 2008 . #
10.5	Rockland Trust Company Employee Savings, Profit Sharing and Stock Ownership Plan, incorporated herein by reference to Exhibit 4.2 to Form S-8 filed on April 16, 2010 . #
10.6	Rockland Trust Company Fourth Amended and Restated 401(k) Restoration Plan . # *
10.7	Independent Bank Corp. and Rockland Trust Company Second Amended and Restated Nonqualified Deferred Compensation Plan . # *
10.8	Amended and Restated Employment Agreement by and between Gerard F. Nadeau and Rockland Trust, incorporated herein by reference to Exhibit 99.5 to Form 8-K filed on November 21, 2008 . #
10.9	Employment Agreement between Mark J. Ruggiero and Rockland Trust, incorporated herein by reference to Exhibit 10.1 to Form 8-K filed on April 1, 2019 . #

10.10	Employment Agreement between Jeffrey J. Tengel, Independent and Rockland Trust, incorporated herein by reference to Exhibit 10.1 to Form 8-K filed on January 11, 2023. #
10.11	Letter Agreement regarding Succession and Consulting Services by and between Christopher Oddleifson and Independent Bank Corp., Inc., incorporated herein by reference to Exhibit 10.2 to Form 8-K filed on January 11, 2023. #
10.12	Employment Agreement between Maria Harris and Rockland Trust. # *
10.13	Independent Bank Corp. 2017 Executive Incentive Plan, incorporated herein by reference to Exhibit 10.1 to Form 10-Q for the quarter ended March 31, 2017 filed on May 4, 2017. #
10.14	Independent Bank Corp. Second Amended and Restated 2005 Employee Stock Plan, incorporated herein by reference to Annex A to the Definitive Proxy Statement filed on March 25, 2014. #
10.15	Chief Executive Officer Three Year Time Vesting Restricted Stock Agreement under 2005 Employee Stock Plan. # *
10.16	Chief Executive Officer Five Year Time Vesting Restricted Stock Agreement under 2005 Employee Stock Plan. # *
10.17	Form of Independent Bank Corp. Executive Officer Time Vesting Restricted Stock Agreement, incorporated herein by reference to Exhibit 10.20 on Form 10-K filed on February 28, 2022. #
10.18	Independent Bank Corp. 2018 Nonemployee Director Stock Plan, incorporated herein by reference to Exhibit 4.1 to Form S-8 filed on May 18, 2018. #
10.19	Independent Bank Corp. 2018 Restricted Stock Agreement for Nonemployee Directors, incorporated herein by reference to Exhibit 10.21 to Form 10-K, for the year ended December 31, 2018, filed on February 28, 2019. #
10.20	Independent Bank Corp. 2010 Nonemployee Director Stock Plan, incorporated herein by reference to Exhibit 99.1 to Form 8-K filed on May 24, 2010. #
10.21	Independent Bank Corp. Stock Option Agreement for Nonemployee Director, incorporated herein by reference to Exhibit 99.2 to Form 8-K filed on May 24, 2010. #
10.22	Independent Bank Corp. 2023 Omnibus Incentive Plan, incorporated herein by reference to Exhibit 10.1 to Form 8-K filed on May 18, 2023. #
10.23	Independent Bank Corp. Key Executive Severance Plan. # *
10.24	Independent Bank Corp. Key Executive Change in Control Severance Plan. #*
19.1	Policy to Prevent Insider Trading 2023. *
21.1	Subsidiaries of Independent Bank Corp incorporated herein by reference to Exhibit 21.1 to Form 10-K filed on February 27, 2020. +
23.1	Consent of Independent Registered Public Accounting Firm *
31.1	Section 302 Certification of Sarbanes-Oxley Act of 2002. *
31.2	Section 302 Certification of Sarbanes-Oxley Act of 2002. *
32.1	Section 906 Certification of Sarbanes-Oxley Act of 2002. +
32.2	Section 906 Certification of Sarbanes-Oxley Act of 2002. +
97	Independent Bank Corp. Incentive Compensation Recovery Policy. *
101	The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document
104	Cover page interactive data file (formatted as inline XBRL and contained in Exhibit 101)

* Filed herewith

+ Furnished herewith

Management contract or compensatory plan or arrangement.

++ Confidential treatment has been granted for certain portions of this exhibit pursuant to a confidential treatment order granted by the SEC. The omitted portions have been separately filed with the SEC.

ITEM 16. FORM 10-K SUMMARY

None

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

INDEPENDENT BANK CORP.

/s/ JEFFREY J. TENGEL

Jeffrey J. Tengel,
Chief Executive Officer and President

Date: February 28, 2024

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated. Each person whose signature appears below hereby makes, constitutes and appoints Jeffrey J. Tengel and Mark J. Ruggiero and each of them acting individually, such person's true and lawful attorneys, with full power to sign for such person and in such person's name and capacity indicated below any and all amendments to this Form 10-K, hereby ratifying and confirming such person's signature as it may be signed by said attorneys to any and all amendments.

<div>/s/ JEFFREY J. TENGEL</div> <div>Jeffrey J. Tengel</div>	Director, CEO/President (Principal Executive Officer)	Date: February 28, 2024
<div>/s/ DONNA L. ABELLI</div> <div>Donna L. Abelli</div>	Director and Chairman of the Board	Date: February 28, 2024
<div>/s/ MARK J. RUGGIERO</div> <div>Mark J. Ruggiero</div>	CFO (Principal Financial Officer)	Date: February 28, 2024
<div>/s/ MAUREEN A. GAFFNEY</div> <div>Maureen A. Gaffney</div>	Controller (Principal Accounting Officer)	Date: February 28, 2024
<div>/s/ MICHAEL P. HOGAN</div> <div>Michael P. Hogan</div>	Director	Date: February 28, 2024
<div>/s/ MARY L. LENTZ</div> <div>Mary L. Lentz</div>	Director	Date: February 28, 2024
<div>/s/ EILEEN C. MISKELL</div> <div>Eileen C. Miskell</div>	Director	Date: February 28, 2024
<div>/s/ JOHN J. MORRISSEY</div> <div>John J. Morrissey</div>	Director	Date: February 28, 2024
<div>/s/ JAMES O'SHANNA MORTON</div> <div>James O'Shanna Morton</div>	Director	Date: February 28, 2024
<div>/s/ GERARD F. NADEAU</div> <div>Gerard F. Nadeau</div>	Director	Date: February 28, 2024
<div>/s/ DANIEL F. O'BRIEN</div> <div>Daniel F. O'Brien</div>	Director	Date: February 28, 2024
<div>/s/ SUSAN PERRY O'DAY</div> <div>Susan Perry O'Day</div>	Director	Date: February 28, 2024
<div>/s/ SCOTT K. SMITH</div> <div>Scott K. Smith</div>	Director	Date: February 28, 2024
<div>/s/ THOMAS R. VENABLES</div> <div>Thomas R. Venables</div>	Director	Date: February 28, 2024

ROCKLAND TRUST COMPANY
EMPLOYEE SAVINGS, PROFIT SHARING AND STOCK OWNERSHIP PLAN

Amended and Restated January 1, 2024

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ROCKLAND TRUST COMPANY
EMPLOYEE SAVINGS, PROFIT SHARING AND STOCK OWNERSHIP PLAN

THIS PLAN, hereby adopted this 1st day of January, 2024 by Rockland Trust Company (the "Employer").

WITNESSETH:

WHEREAS, the Employer established the Rockland Trust Company Employee Savings and Profit Sharing Plan (the "Plan") effective September 9, 1971 (the "Effective Date") for the exclusive benefit of its eligible employees and their beneficiaries; and

WHEREAS, pursuant to Section 8.1 of the Plan, the Employer may amend the Plan at any time; and.

WHEREAS, effective July 1, 2005, the Plan was amended and restated to administer the Company Stock Accounts as an Employee Stock Ownership Plan as defined in Section 4975(e)(7) of the Internal Revenue Code of 1986, as amended ("Code") and the rename the Plan as the Rockland Trust Company Employee Savings, Profit Sharing and Stock Ownership Plan; and

WHEREAS, effective January 1, 2010, the Plan was amended and restated in its entirety to incorporate all amendments adopted subsequent to July 1, 2005, to reflect changes in the law, and for submission to the Internal Revenue Service with respect to the Employer's application for a favorable determination letter; and

WHEREAS, effective January 1, 2017, the Plan was amended and restated in its entirety to incorporate all amendments adopted subsequent to January 1, 2010, to reflect changes in the law, and for submission to the Internal Revenue Service with respect to the Employer's application for a favorable determination letter; and

WHEREAS, effective January 1, 2020 the Plan was amended and restated in its entirety to incorporate all amendments adopted subsequent to January 1, 2017 and to make certain other clarifying and conforming changes; and

NOW THEREFORE, the Employer desires to again amend and restate the Plan in its entirety, effective January 1, 2024, to incorporate all amendments adopted subsequent to January 1, 2020 and to make certain other clarifying and conforming changes.

ARTICLE I
DEFINITIONS

1.1 "Act" means the Employee Retirement Income Security Act of 1974, as it may be amended from time to time.

1.2 "Administrator" means the Employer unless another person or entity has been designated by the Employer pursuant to Section 2.2 to administer the Plan on behalf of the Employer.

1.3 "Affiliated Employer" means any corporation which is a member of a controlled group of corporations (as defined in Code Section 414(b)) which includes the Employer; any trade or business (whether or not incorporated) which is under common control (as defined in Code Section 414(c)) with the Employer; any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Code Section 414(m)) which includes the Employer; and any other entity required to be aggregated with the Employer pursuant to Regulations under Code Section 414(o).

1.4 "Aggregate Account" means, with respect to each Participant, the value of all accounts maintained on behalf of a Participant, whether attributable to Employer or Employee contributions, subject to the provisions of Section 9.2.

1.5 "Anniversary Date" means the last day of the Plan Year.

1.6 "Beneficiary" means the person (or entity) to whom the share of a deceased Participant's total account is payable, subject to the restrictions of Sections 7.2 and 7.5. For purposes of Sections 7.5(f) and 7.5(g), "designated Beneficiary" is the person designated under Code Section 401(a)(9) and Regulation 1.401(a)(9)-4.

1.7 "Catch-Up Contribution" means Deferred Compensation made by a Catch-Up Eligible Participant that exceeds, during any taxable year of such Participant:

(a) a statutory limit on Deferred Compensation or "annual additions" provided in Code Sections 401(a)(30), 402(h), 403(b), 408, 415(c), or 457(b)(2) (without regard to Code Section 457(b)(3), as applicable; or

(b) a Plan limit on Deferred Compensation which is not a limit provided in (a) above.

1.8 "Catch-Up Eligible Participant" means an Employee who:

(a) is eligible to defer Compensation pursuant to Section 4.2; and

(b) will attain age 50 or higher before the end of the Employee's taxable year.

1.9 "Code" means the Internal Revenue Code of 1986, as amended or replaced from time to time.

1.10 "Company Stock" means common stock issued by the Employer (or by a corporation which is a member of the controlled group of corporations of which the Employer is a member) which is readily tradable on an established securities market. If there is no common stock which meets the foregoing requirement, the term "Company Stock" means common stock issued by the Employer (or by a corporation which is a member of the same controlled group) having a combination of voting power and dividend rights equal to or in excess of: (A) that class of common stock of the Employer (or of any other such corporation) having the greatest voting power, and (B) that class of common stock of the Employer (or of any other such corporation) having the greatest dividend rights. Noncallable preferred stock shall be deemed to be "Company Stock" if such stock is convertible at any time into stock which constitutes "Company Stock" hereunder and if such conversion is at a conversion price which (as of the date of the acquisition by the Trust) is reasonable. For purposes of the preceding sentence, pursuant to Regulations, preferred stock shall be treated as noncallable if after the call there will be a reasonable opportunity for a conversion which meets the requirements of the preceding sentence.

1.11 "Company Stock Account" means the account of a Participant which is credited with the shares of Company Stock purchased and paid for by the Trust Fund or contributed to the Trust Fund.

A separate accounting shall be maintained with respect to those portions of the Company Stock Account attributable to Elective Contributions, Matching Contributions and Non-Elective Contributions.

A separate accounting shall be maintained with respect to that portion of the Company Stock Account attributable to a Participant's or the Participant's Beneficiary's election pursuant to Section 7.5(d)(3) to reinvest cash dividends in Company Stock. Any such Company Stock allocated to the Company Stock Account shall be fully Vested at all times and shall not be subject to Forfeiture for any reason.

1.12 "Compensation" with respect to any Participant means such Participant's wages, salaries, fees for professional services and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Employer maintaining the Plan to the extent that the amounts are includible in gross income (including, but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, fringe benefits, and reimbursements or other expense allowances under a nonaccountable plan as described in Regulation 1.62-2(c)) for a Plan Year.

Compensation shall exclude (a)(1) contributions made by the Employer to a plan of deferred compensation to the extent that the contributions are not includible in the gross income of the Participant for the taxable year in which contributed, (2) Employer contributions made on behalf of an Employee to a simplified employee pension plan described in Code Section 408(k) to the extent such contributions are excludable from the Employee's gross income, (3) any distributions from a plan of deferred compensation; (b) amounts realized from the exercise of a non-qualified stock option, or when restricted stock (or property) held by an Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture; (c) amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option; and (d) other amounts which receive special tax benefits, or contributions made by the Employer (whether or not under a salary reduction

agreement) towards the purchase of any annuity contract described in Code Section 403(b) (whether or not the contributions are actually excludable from the gross income of the Employee).

For purposes of this Section, the determination of Compensation shall be made by:

- (a) excluding expense reimbursements, stock options, and equity compensation.
- (b) excluding bonuses.
- (c) including amounts which are contributed by the Employer pursuant to a salary reduction agreement and which are not includible in the gross income of the Participant under Code Sections 125, 132(f)(4), 402(e)(3), 402(h)(1)(B), 403(b) or 457(b), and Employee contributions described in Code Section 414(h)(2) that are treated as Employer contributions.

For a Participant's initial year of participation, Compensation shall be recognized as of such Employee's effective date of participation pursuant to Section 3.2.

Compensation in excess of \$200,000 (or such other amount provided in the Code) shall be disregarded for all purposes other than for purposes of salary deferral elections pursuant to Section 4.2. Such amount shall be adjusted for increases in the cost of living in accordance with Code Section 401(a)(17)(B), except that the dollar increase in effect on January 1 of any calendar year shall be effective for the Plan Year beginning with or within such calendar year. For any short Plan Year the Compensation limit shall be an amount equal to the Compensation limit for the calendar year in which the Plan Year begins multiplied by the ratio obtained by dividing the number of full months in the short Plan Year by twelve (12).

If any class of Employees is excluded from the Plan, then Compensation for any Employee who becomes eligible or ceases to be eligible to participate during a Plan Year shall only include Compensation while the Employee is an Eligible Employee.

The following are types of post-severance payments that are not excluded from compensation if they are paid within 2½ months following Severance from Employment:

- (1) Payments that, absent a Severance from Employment, would have been paid to the Employee while the Employee continued in employment with the Employer and are regular compensation for services during the Employee's regular working hours, compensation for services outside the Employee's regular working hours (such as overtime or shift differential) or commissions; and
- (2) Payments for accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment had continued.

1.13 "Contract" or "Policy" means any life insurance policy, retirement income policy or annuity policy (group or individual) issued pursuant to the terms of the Plan. In the event of any conflict between the terms of this Plan and the terms of any contract purchased hereunder, the Plan provisions shall control.

1.14 "Deferred Compensation" with respect to any Participant means the amount of the Participant's total Compensation which has been contributed to the Plan in accordance with the Participant's deferral election pursuant to Section 4.2 excluding any such amounts distributed as excess "annual additions" pursuant to Section 4.10. Deferred Compensation (including Catch-Up Contributions) shall not exceed "415 Compensation."

1.15 "Distribution Calendar Year" means a calendar year for which a minimum distribution pursuant to Sections 7.5(f) and 7.5(g) is required. For distributions beginning before the Participant's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date under Section 7.5(f). For distributions beginning after the Participant's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin under Section 7.5(g)(2). The required minimum distribution for the Participant's first Distribution Calendar Year will be made on or before the Participant's required beginning date. The required minimum distribution for other Distribution Calendar Years, including the required minimum distribution for the Distribution Calendar Year in which the Participant's required beginning date occurs, will be made on or before December 31st of that Distribution Calendar Year.

1.16 "Early Retirement Date" means the first day of the month (prior to the Normal Retirement Date) coinciding with or following the date on which a Participant or Former Participant attains age 55.

1.17 "Elective Contribution" means the Employer contributions to the Plan of Deferred Compensation excluding any such amounts distributed as excess "annual additions" pursuant to Section 4.10. In addition, any Employer Qualified Non-Elective Contribution made pursuant to Section 4.1(d) and Section 4.6(b) which is used to satisfy the "Actual Deferral Percentage" tests shall be considered an Elective Contribution for purposes of the Plan. Any contributions deemed to be Elective Contributions (whether or not used to satisfy the "Actual Deferral Percentage" tests or the "Actual Contribution Percentage" tests) shall be subject to the requirements of Sections 4.2(b) and 4.2(c) and shall further be required to satisfy the nondiscrimination requirements of Regulation 1.401(k)-1(b)(5) and Regulation 1.401(m)-1(b)(5), the provisions of which are specifically incorporated herein by reference.

1.18 "Eligible Employee" means any Employee.

Employees whose employment is governed by the terms of a collective bargaining agreement between Employee representatives (within the meaning of Code Section 7701(a)(46)) and the Employer under which retirement benefits were the subject of good faith bargaining between the parties will not be eligible to participate in this Plan unless such agreement expressly provides for coverage in this Plan.

Employees of Affiliated Employers shall not be eligible to participate in this Plan unless such Affiliated Employers have specifically adopted this Plan in writing.

Employees classified by the Employer as independent contractors who are subsequently determined by the Internal Revenue Service to be Employees shall not be Eligible Employees.

1.19 "Employee" means any person who is employed by the Employer or Affiliated Employer, and excludes any person who is employed as an independent contractor. Employee shall include Leased Employees within the meaning of Code Sections 414(n)(2) and 414(o)(2) unless such Leased Employees are covered by a plan described in Code Section 414(n)(5) and such Leased Employees do not constitute more than 20% of the recipient's non-highly compensated work force.

1.20 "Employer" means Rockland Trust Company and any successor which shall maintain this Plan; and any predecessor which has maintained this Plan. The Employer is a corporation with principal offices in the Commonwealth of Massachusetts.

1.21 "Excess Aggregate Contributions" means, with respect to any Plan Year, the excess of the aggregate amount of the Matching Contributions made pursuant to Section 4.1(c), after-tax voluntary Employee contributions made pursuant to Section 4.13, Excess Contributions recharacterized as after-tax voluntary Employee contributions pursuant to Section 4.6(a) and any qualified non-elective contributions or elective deferrals taken into account pursuant to Section 4.7(c) on behalf of Highly Compensated Participants for such Plan Year, over the maximum amount of such contributions permitted under the limitations of Section 4.7(a) (determined by hypothetically reducing contributions made on behalf of Highly Compensated Participants in order of the actual contribution ratios beginning with the highest of such ratios). Such determination shall be made after first taking into account corrections of any Excess Deferred Compensation pursuant to Section 4.2 and taking into account any adjustments of any Excess Contributions pursuant to Section 4.6.

1.22 "Excess Contributions" means, with respect to a Plan Year, the excess of Elective Contributions used to satisfy the "Actual Deferral Percentage" tests made on behalf of Highly Compensated Participants for the Plan Year over the maximum amount of such contributions permitted under Section 4.5(a) (determined by hypothetically reducing contributions made on behalf of Highly Compensated Participants in order of the actual deferral ratios beginning with the highest of such ratios). Excess Contributions, including amounts recharacterized pursuant to Section 4.6(a)(2), shall be treated as an "annual addition" pursuant to Section 4.9(b).

1.23 "Excess Deferred Compensation" means, with respect to any taxable year of a Participant, the excess of the aggregate amount of such Participant's Deferred Compensation and the elective deferrals pursuant to Section 4.2(f) actually made on behalf of such Participant for such taxable year, over the dollar limitation provided for in Code Section 402(g), which is incorporated herein by reference. Excess Deferred Compensation shall be treated as an "annual addition" pursuant to Section 4.9(b) when contributed to the Plan unless distributed to the affected Participant not later than the first April 15th following the close of the Participant's taxable year. Additionally, for purposes of Sections 9.2 and 4.4(h), Excess Deferred Compensation shall continue to be treated as Employer contributions even if distributed pursuant to Section 4.2(f). However, Excess Deferred Compensation of Non-Highly Compensated Participants is not taken into account for purposes of Section 4.5(a) to the extent such Excess Deferred Compensation occurs pursuant to Section 4.2(d).

1.24 "ESOP" means an employee stock ownership plan that meets the requirements of Code Section 4975(e)(7) and Regulation 54.4975-11.

1.25 "Fiduciary" means any person who (a) exercises any discretionary authority or discretionary control respecting management of the Plan or exercises any authority or control

respecting management or disposition of its assets, (b) renders investment advice for a fee or other compensation, direct or indirect, with respect to any monies or other property of the Plan or has any authority or responsibility to do so, or (c) has any discretionary authority or discretionary responsibility in the administration of the Plan.

1.26 "Fiscal Year" means the Employer's accounting year of 12 months commencing on January 1st of each year and ending the following December 31st.

1.27 "Forfeiture" Under this Plan, Participant accounts are 100% Vested at all times. Any amounts that may otherwise be forfeited under the Plan pursuant to Sections 3.6, 4.2(f), 4.6(a) or 7.8 shall be used to reduce the contribution of the Employer.

1.28 "Former Participant" means a person who has been a Participant, but who has ceased to be a Participant for any reason.

1.29 "415 Compensation" with respect to any Participant means such Participant's wages, salaries, fees for professional services and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Employer maintaining the Plan to the extent that the amounts are includible in gross income (including, but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements or other expense allowances under a nonaccountable plan (as described in Regulation 1.62-2(c)) for a Plan Year.

"415 Compensation" shall exclude (a)(1) contributions made by the Employer to a plan of deferred compensation to the extent that, the contributions are not includible in the gross income of the Participant for the taxable year in which contributed, (2) Employer contributions made on behalf of an Employee to a simplified employee pension plan described in Code Section 408(k) to the extent such contributions are excludable from the Employee's gross income, (3) any distributions from a plan of deferred compensation; (b) amounts realized from the exercise of a non-qualified stock option, or when restricted stock (or property) held by an Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture; (c) amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option; and (d) other amounts which receive special tax benefits, or contributions made by the Employer (whether or not under a salary reduction agreement) towards the purchase of any annuity contract described in Code Section 403(b) (whether or not the contributions are actually excludable from the gross income of the Employee).

For purposes of this Section, the determination of "415 Compensation" shall include any elective deferral (as defined in Code Section 402(g)(3)), and any amount which is contributed or deferred by the Employer at the election of the Participant and which is not includible in the gross income of the Participant by reason of Code Sections 125, 132(f)(4) and 457.

For purposes of Section 4.4(h), the determination of "415 Compensation" shall not include Catch-Up contributions.

1.30 "414(s) Compensation" means any definition of compensation that satisfies the nondiscrimination requirements of Code Section 414(s) and the Regulations thereunder. The

period for determining 414(s) Compensation must be either the Plan Year or the calendar year ending with or within the Plan Year. An Employer may further limit the period taken into account to that part of the Plan Year or calendar year in which an Employee was a Participant in the component of the Plan being tested. The period used to determine 414(s) Compensation must be applied uniformly to all Participants for the Plan Year.

1.31 "Highly Compensated Employee" means an Employee described in Code Section 414(q) and the Regulations thereunder, and generally means any Employee who:

(a) was a "five percent owner" as defined in Section 1.36(b) at any time during the "determination year" or the "look-back year"; or

(b) for the "look-back year" had "415 Compensation" from the Employer in excess of \$80,000. The \$80,000 amount is adjusted at the same time and in the same manner as under Code Section 415(d), except that the base period is the calendar quarter ending September 30, 1996.

The "determination year" means the Plan Year for which testing is being performed, and the "look back year" means the immediately preceding twelve (12) month period.

A highly compensated former Employee is based on the rules applicable to determining Highly Compensated Employee status as in effect for the "determination year," in accordance with Regulation 1.414(q)-1T, A-4 and IRS Notice 97-45 (or any superseding guidance).

In determining who is a Highly Compensated Employee, Employees who are non-resident aliens and who received no earned income (within the meaning of Code Section 911(d)(2)) from the Employer constituting United States source income within the meaning of Code Section 861(a)(3) shall not be treated as Employees. Additionally, all Affiliated Employers shall be taken into account as a single employer and Leased Employees within the meaning of Code Sections 414(n)(2) and 414(o)(2) shall be considered Employees unless such Leased Employees are covered by a plan described in Code Section 414(n)(5) and are not covered in any qualified plan maintained by the Employer. The exclusion of Leased Employees for this purpose shall be applied on a uniform and consistent basis for all of the Employer's retirement plans. Highly Compensated Former Employees shall be treated as Highly Compensated Employees without regard to whether they performed services during the "determination year."

1.32 "Highly Compensated Participant" means any Highly Compensated Employee who is eligible to participate in the component of the Plan being tested.

1.33 "Hour of Service" means (1) each hour for which an Employee is directly or indirectly compensated or entitled to compensation by the Employer for the performance of duties (these hours will be credited to the Employee for the computation period in which the duties are performed); (2) each hour for which an Employee is directly or indirectly compensated or entitled to compensation by the Employer (irrespective of whether the employment relationship has terminated) for reasons other than performance of duties (such as vacation, holidays, sickness, jury duty, disability, lay-off, military duty or leave of absence) during the applicable computation period (these hours will be calculated and credited pursuant to Department of Labor regulation 2530.200b-2 which is incorporated herein by reference); (3) each hour for which back pay is awarded or agreed

to by the Employer without regard to mitigation of damages (these hours will be credited to the Employee for the computation period or periods to which the award or agreement pertains rather than the computation period in which the award, agreement or payment is made). The same Hours of Service shall not be credited both under (1) or (2), as the case may be, and under (3).

To the extent actual hours are not maintained for a Participant, the Participant shall be credited with 45 Hours of Service for each week in which an Employee is paid or entitled to payment for at least one Hour of Service.

Notwithstanding (2) above, (i) no more than 501 Hours of Service are required to be credited to an Employee on account of any single continuous period during which the Employee performs no duties (whether or not such period occurs in a single computation period); (ii) an hour for which an Employee is directly or indirectly paid, or entitled to payment, on account of a period during which no duties are performed is not required to be credited to the Employee if such payment is made or due under a plan maintained solely for the purpose of complying with applicable worker's compensation, or unemployment compensation or disability insurance laws; and (iii) Hours of Service are not required to be credited for a payment which solely reimburses an Employee for medical or medically related expenses incurred by the Employee.

For purposes of (2) above, a payment shall be deemed to be made by or due from the Employer regardless of whether such payment is made by or due from the Employer directly, or indirectly through, among others, a trust fund, or insurer, to which the Employer contributes or pays premiums and regardless of whether contributions made or due to the trust fund, insurer, or other entity are for the benefit of particular Employees or are on behalf of a group of Employees in the aggregate.

For purposes of this Section, Hours of Service will be credited for employment with other Affiliated Employers. The provisions of Department of Labor regulations 2530.200b-2(b) and (c) are incorporated herein by reference.

1.34 "Income" means the income or losses allocable to Excess Deferred Compensation, Excess Contributions or Excess Aggregate Contributions which amount shall be allocated in the same manner as income or losses are allocated pursuant to Section 4.4(d).

1.35 "Investment Manager" means an entity that (a) has the power to manage, acquire, or dispose of Plan assets and (b) acknowledges fiduciary responsibility to the Plan in writing. Such entity must be a person, firm, or corporation registered as an investment adviser under the Investment Advisers Act of 1940, a bank, or an insurance company.

1.36 "Key Employee" means an Employee as defined in Code Section 416(i) and the Regulations thereunder. Generally, any Employee or former Employee (as well as each of the Employee's or former Employee's Beneficiaries) is considered a Key Employee if the Employee's or former Employee's, at any time during the Plan Year that contains the "determination date," has been included in one of the following categories:

- (a) an officer of the Employer (as that term is defined within the meaning of the Regulations under Code Section 416) having annual "415 Compensation" greater than \$130,000 adjusted at the same time and in the same manner as under Code Section 415(d).

(b) a "five percent owner" of the Employer. "Five percent owner" means any person who owns (or is considered as owning within the meaning of Code Section 318) more than five percent (5%) of the outstanding stock of the Employer or stock possessing more than five percent (5%) of the total combined voting power of all stock of the Employer or, in the case of an unincorporated business, any person who owns more than five percent (5%) of the capital or profits interest in the Employer. In determining percentage ownership hereunder, employers that would otherwise be aggregated under Code Sections 414(b), (c), (m) and (o) shall be treated as separate employers.

(c) a "one percent owner" of the Employer having an annual "415 Compensation" from the Employer of more than \$150,000. "One percent-owner" means any person who owns (or is considered as owning within the meaning of Code Section 318) more than one percent (1%) of the outstanding stock of the Employer or stock possessing more than one percent (1%) of the total combined voting power of all stock of the Employer or, in the case of an unincorporated business, any person who owns more than one percent (1%) of the capital or profits interest in the Employer. In determining percentage ownership hereunder, employers that would otherwise be aggregated under Code Sections 414(b), (c), (m) and (o) shall be treated as separate employers. However, in determining whether an individual has "415 Compensation" of more than \$150,000, "415 Compensation" from each employer required to be aggregated under Code Sections 414(b), (c), (m) and (o) shall be taken into account.

For purposes of this Section, the determination of "415 Compensation" shall be made by including amounts which are contributed by the Employer pursuant to a salary reduction agreement and which are not includible in the gross income of the Participant under Code Sections 125, 132(f)(4), 402(e)(3), 402(h)(1)(B), 403(b) or 457(b), and Employee contributions described in Code Section 414(h)(2) that are treated as Employer contributions.

1.37 "Late Retirement Date" means the first day of the month coinciding with or next following a Participant's actual Retirement Date after having reached Normal Retirement Date.

1.38 "Leased Employee" means any person (other than an Employee of the recipient Employer) who pursuant to an agreement between the recipient Employer and any other person or entity ("leasing organization") has performed services for the recipient (or for the recipient and related persons determined in accordance with Code Section 414(n)(6)) on a substantially full time basis for a period of at least one year, and such services are performed under primary direction or control by the recipient Employer. Contributions or benefits provided a Leased Employee by the leasing organization which are attributable to services performed for the recipient Employer shall be treated as provided by the recipient Employer. Furthermore, Compensation for a Leased Employee shall only include Compensation from the leasing organization that is attributable to services performed for the recipient Employer. A Leased Employee shall not be considered an Employee of the recipient Employer:

(a) if such employee is covered by a money purchase pension plan providing:

(1) a nonintegrated employer contribution rate of at least 10% of compensation, as defined in Code Section 415(c)(3);

- (2) immediate participation;
- (3) full and immediate vesting; and

(b) if Leased Employees do not constitute more than 20% of the recipient Employer's nonhighly compensated work force.

1.39 "Life Expectancy" computed, for purposes of Sections 7.5(f) and 7.5(g), using the Single Life Table in Regulation 1.401(a)(9)-9.

1.40 "Matching Contribution" means the Employer contributions to the Plan pursuant to Section 4.1(c).

1.41 "Non-Elective Contribution" means the Employer contributions to the Plan excluding, however, contributions made pursuant to the Participant's deferral election provided for in Section 4.2, Matching Contributions and any Qualified Non-Elective Contribution used in the "Actual Deferral Percentage" tests.

1.42 "Non-Highly Compensated Participant" means any Participant who is not a Highly Compensated Employee.

1.43 "Non-Key Employee" means any Employee or former Employee (and such Employee's or former Employee's Beneficiaries) who is not a Key Employee.

1.44 "Normal Retirement Age" means the Participant's 65th birthday. A Participant shall become fully Vested in the Participant's Account upon attaining Normal Retirement Age.

1.45 "Normal Retirement Date" means the first day of the month coinciding with or next following the Participant's Normal Retirement Age.

1.46 "1-Year Break in Service" means the applicable computation period during which an Employee has not completed more than 500 Hours of Service with the Employer. Further, solely for the purpose of determining whether a Participant has incurred a 1-Year Break in Service, Hours of Service shall be recognized for "authorized leaves of absence" and "parental leaves of absence." Years of Service and 1-Year Breaks in Service shall be measured on the same computation period.

"Authorized leave of absence" means an unpaid, temporary cessation from active employment with the Employer pursuant to an established nondiscriminatory policy, whether occasioned by illness, military service, or any other reason.

A "parental leave of absence" means an absence from work for any period by reason of the Employee's pregnancy, birth of the Employee's child, placement of a child with the Employee in connection with the adoption of such child, or any absence for the purpose of caring for such child for a period immediately following such birth or placement. For this purpose, Hours of Service shall be credited for the computation period in which the absence from work begins, only if credit therefore is necessary to prevent the Employee from incurring a 1-Year Break in Service, or, in any other case, in the immediately following computation

period. The Hours of Service credited for a "parental leave of absence" shall be those which would normally have been credited but for such absence, or, in any case in which the Administrator is unable to determine such hours normally credited, eight (8) Hours of Service per day. The total Hours of Service required to be credited for a "parental leave of absence" shall not exceed the number of Hours of Service needed to prevent the Employee from incurring a 1-Year Break in Service.

1.47 "Other Investments Account" means the account of a Participant which is credited with such Participant's share of the net gain (or loss) of the Plan and Employer contributions in other than Company Stock and which is debited with payments made to pay for Company Stock.

A separate accounting shall be maintained with respect to those portions of the Other Investments Account attributable to Elective Contributions, Matching Contributions and Non-Elective Contributions.

1.48 "Participant" means any Eligible Employee who participates in the Plan and has not for any reason become ineligible to participate further in the Plan.

1.49 "Participant Direction Procedures" means such instructions, guidelines or policies, the terms of which are incorporated herein, as shall be established pursuant to Section 4.14 and observed by the Administrator and applied to Participants who have Participant Directed Accounts.

1.50 "Participant's Account" means the account established and maintained by the Administrator for each Participant with respect to such Participant's total interest in the Plan and Trust resulting from Matching Contributions and Employer Non-Elective Contributions.

A separate accounting shall be maintained with respect to that portion of the Participant's Account attributable to Safe Harbor Non-Elective Contributions made pursuant to Section 4.1(b), Matching Contributions made pursuant to Section 4.1(c), Non-Elective Contributions made pursuant to Section 4.1(e)(i), Supplemental Non-Elective Contributions made pursuant to Section 4.1(e)(ii), New Comparability (Cross-Tested) Plan Non-Elective Contributions made pursuant to Section 4.1(e)(iii), Gateway Contributions made pursuant to Section 4.1(e)(iv), and discretionary Non-Elective Contribution made pursuant to Section 4.1(f).

1.51 "Participant's Account Balance" means the account balance as of the last Valuation Date in the calendar year immediately preceding the Distribution Calendar Year (valuation calendar year) increased by the amount of any contributions made and allocated or Forfeitures allocated to the account balance as of dates in the valuation calendar year after the Valuation Date and decreased by distributions made in the valuation calendar year after the Valuation Date. The account balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the Distribution Calendar Year if distributed or transferred in the valuation calendar year.

1.52 "Participant's Combined Account" means the total aggregate amount of each Participant's Elective Account and Participant's Account.

1.53 "Participant's Directed Account" means that portion of a Participant's interest in the Plan with respect to which the Participant has directed the investment in accordance with the Participant Direction Procedure.

1.54 "Participant's Elective Account" means the account established and maintained by the Administrator for each Participant with respect to the Participant's total interest in the Plan and Trust resulting from the Employer Elective Contributions used to satisfy the "Actual Deferral Percentage" tests. A separate accounting shall be maintained with respect to that portion of the Participant's Elective Account attributable to such Elective Contributions pursuant to Section 4.2 (including a separate accounting for Catch-Up Contributions) and any Employer Qualified Non-Elective Contributions.

1.55 "Participant's Prior Profit Sharing Account" means the frozen account accumulated under the prior version(s) of this Plan. This account shall be fully vested and shall share in all investment gains and/or losses.

1.56 "Participant's Rollover Account" means the account established and maintained by the Administrator for each Participant with respect to such Participant's interest in the Plan resulting from amounts transferred from another plan or "conduit" Individual Retirement Account in accordance with Section 4.12.

A separate accounting shall be maintained with respect to that portion of the Participant's Rollover Account attributable to after-tax Employee contributions.

1.57 "Participant's Transfer Account" means the account established and maintained by the Administrator for each Participant with respect to the Participant's total interest in the Plan resulting from amounts transferred to this Plan from a direct plan-to-plan transfer and/or with respect to such Participant's interest in the Plan resulting from amounts transferred from another qualified plan or "conduit" Individual Retirement Account in accordance with Section 4.11.

1.58 "Plan" means this instrument, including all amendments thereto.

1.59 "Plan Year" means the Plan's accounting year of twelve (12) months commencing on January 1st of each year and ending the following December 31st.

1.60 "Qualified Non-Elective Contribution" means any Employer contributions made pursuant to Section 4.1(d) and Section 4.6(b) and Section 4.8(f). Such contributions shall be considered an Elective Contribution for the purposes of the Plan and may be used to satisfy the "Actual Deferral Percentage" tests or the "Actual Contribution Percentage" tests.

1.61 "Regulation" means the Income Tax Regulations as promulgated by the Secretary of the Treasury or a delegate of the Secretary of the Treasury, and as amended from time to time.

1.62 "Retired Participant" means a person who has been a Participant, but who has become entitled to retirement benefits under the Plan.

1.63 "Retirement Date" means the date as of which a Participant retires for reasons other than Total and Permanent Disability, whether such retirement occurs on a Participant's Normal Retirement Date, Early or Late Retirement Date (see Section 7.1).

1.64 "Terminated Participant" means a person who has been a Participant, but whose employment has been terminated other than by death, Total and Permanent Disability or retirement.

1.65 "Top Heavy Plan" means a plan described in Section 9.2(a).

1.66 "Top Heavy Plan Year" means a Plan Year during which the Plan is a Top Heavy Plan.

1.67 "Total and Permanent Disability" means a physical or mental condition of a Participant resulting from bodily injury, disease, or mental disorder which renders such Participant unable to engage in any substantial gainful activity and that can be expected to result in death or has lasted or can be expected to last for at least a twelve consecutive month period.

1.68 "Trustee" means the person or entity named as trustee herein or in any separate trust forming a part of this Plan, and any successors.

1.69 "Trust Fund" means the assets of the Plan and Trust as the same shall exist from time to time.

1.70 "Valuation Date" means the Anniversary Date and may include any other date or dates deemed necessary or appropriate by the Administrator for the valuation of the Participant's accounts during the Plan Year, which may include any day that the Trustee, any transfer agent appointed by the Trustee or the Employer or any stock exchange used by such agent, are open for business.

1.71 "Vested" means the nonforfeitable portion of any account maintained on behalf of a Participant.

1.72 "Voluntary Contribution Account" means the account established and maintained by the Administrator for each Participant with respect to the Participant's total interest in the Plan resulting from the Participant's after-tax voluntary Employee contributions made pursuant to Section 4.13.

Amounts recharacterized as after-tax voluntary Employee contributions pursuant to Section 4.6(a) shall remain subject to the limitations of Sections 4.2(b) and 4.2(c). Therefore, a separate accounting shall be maintained with respect to that portion of the Voluntary Contribution Account attributable to after-tax voluntary Employee contributions made pursuant to Section 4.13.

1.73 "Year of Service" means the computation period of twelve (12) consecutive months, herein set forth, during which an Employee has at least 1000 Hours of Service.

For purposes of eligibility for participation, the initial computation period shall begin with the date on which the Employee first performs an Hour of Service. The participation computation period beginning after a 1-Year Break in Service shall be measured from the date on which an Employee again performs an Hour of Service. The participation computation period shall shift to the Plan Year which includes the anniversary of the date on which the Employee first performed an Hour of Service. An Employee who is credited with the required Hours of Service in both the initial computation period (or the computation period beginning after a 1-Year Break in Service) and the Plan Year which includes the anniversary of the date on which the Employee first performed an Hour of Service, shall be credited with two (2) Years of Service for purposes of eligibility to participate.

The computation period shall be the Plan Year if not otherwise set forth herein.

Notwithstanding the foregoing, for any short Plan Year, the determination of whether an Employee has completed a Year of Service shall be made in accordance with Department of Labor regulation 2530.203-2(c). However, in determining whether an Employee has completed a Year of Service for benefit accrual purposes in the short Plan Year, the number of the Hours of Service required shall be proportionately reduced based on the number of full months in the short Plan Year.

Years of Service with Falmouth Bancorp and its subsidiary Falmouth Cooperative Bank during the time a qualified plan was maintained shall be recognized.

Years of Service with any Affiliated Employer shall be recognized.

Years of Service accrued prior to January 1, 2007, with Compass Exchange Advisors, during the time Compass Exchange Advisors maintained a qualified plan shall be recognized.

Years of Service accrued with Slades Bank prior to March 1, 2008 shall be recognized with respect to those Employees whose employment is retained by Rockland Trust Company as a result of the acquisition of Slades Bank by Rockland Trust Company on March 1, 2008.

Years of Service accrued with one of the following entities on or before the date of its acquisition by Rockland Trust Company shall be recognized with respect to those Employees whose employment is retained by Rockland Trust Company as a result of the acquisition:

- (a) Benjamin Franklin Bank, acquired on May 8, 2009;
- (b) Central Co-Operative Bank, acquired on November 9, 2012;
- (c) Mayflower Bank, acquired on November 15, 2013;
- (d) Peoples Federal Savings Bank, acquired on February 21, 2015;
- (e) Bank of Cape Cod, acquired on November 11, 2016;
- (f) The Edgartown National Bank, acquired on May 12, 2017;

- (g) Milford National Bank & Trust Co., acquired on November 16, 2018;
- (h) Blue Hills Bank, acquired on April 1, 2019; and
- (i) East Boston Savings Bank, acquired on November 12, 2021.

ARTICLE II
ADMINISTRATION

2.1 POWERS AND RESPONSIBILITIES OF THE EMPLOYER

(a) In addition to the general powers and responsibilities otherwise provided for in this Plan, the Employer shall be empowered to appoint and remove the Trustee and the Administrator from time to time as it deems necessary for the proper administration of the Plan to ensure that the Plan is being operated for the exclusive benefit of the Participants and their Beneficiaries in accordance with the terms of the Plan, the Code, and the Act. The Employer may appoint counsel, specialists, advisers, agents (including any nonfiduciary agent) and other persons as the Employer deems necessary or desirable in connection with the exercise of its fiduciary duties under this Plan. The Employer may compensate such agents or advisers from the assets of the Plan as fiduciary expenses (but not including any business (settlor) expenses of the Employer), to the extent not paid by the Employer.

(b) The Employer may, by written agreement or designation, appoint at its option an Investment Manager (qualified under the Investment Company Act of 1940 as amended), investment adviser, or other agent to provide direction to the Trustee with respect to any or all of the Plan assets. Such appointment shall be given by the Employer in writing in a form acceptable to the Trustee and shall specifically identify the Plan assets with respect to which the Investment Manager or other agent shall have authority to direct the investment.

(c) The Employer shall establish a "funding policy and method," i.e., it shall determine whether the Plan has a short run need for liquidity (e.g., to pay benefits) or whether liquidity is a long run goal and investment growth (and stability of same) is a more current need, or shall appoint a qualified person to do so. The Employer or its delegate shall communicate such needs and goals to the Trustee, who shall coordinate such Plan needs with its investment policy. The communication of such a "funding policy and method" shall not, however, constitute a directive to the Trustee as to the investment of the Trust Funds. Such "funding policy and method" shall be consistent with the objectives of this Plan and with the requirements of Title I of the Act.

(d) The Employer shall periodically review the performance of any Fiduciary or other person to whom duties have been delegated or allocated by it under the provisions of this Plan or pursuant to procedures established hereunder. This requirement may be satisfied by formal periodic review by the Employer or by a qualified person specifically designated by the Employer, through day-to-day conduct and evaluation, or through other appropriate ways.

2.2 DESIGNATION OF ADMINISTRATIVE AUTHORITY

The Employer shall be the Administrator. The Employer may appoint any person, including, but not limited to, the Employees of the Employer, to perform the duties of the Administrator. Any person so appointed shall signify acceptance by filing written acceptance with the Employer. Upon the resignation or removal of any individual performing the duties of the Administrator, the Employer may designate a successor.

2.3 ALLOCATION AND DELEGATION OF RESPONSIBILITIES

If more than one person is appointed as Administrator, the responsibilities of each Administrator may be specified by the Employer and accepted in writing by each Administrator. In the event that no such delegation is made by the Employer, the Administrators may allocate the responsibilities among themselves, in which event the Administrators shall notify the Employer and the Trustee in writing of such action and specify the responsibilities of each Administrator. The Trustee thereafter shall accept and rely upon any documents executed by the appropriate Administrator until such time as the Employer or the Administrators file with the Trustee a written revocation of such designation.

2.4 POWERS AND DUTIES OF THE ADMINISTRATOR

The primary responsibility of the Administrator is to administer the Plan for the exclusive benefit of the Participants and their Beneficiaries, subject to the specific terms of the Plan. The Administrator shall administer the Plan in accordance with its terms and shall have the power and discretion to construe the terms of the Plan and to determine all questions arising in connection with the administration, interpretation, and application of the Plan. Any such determination by the Administrator shall be conclusive and binding upon all persons. The Administrator may establish procedures, correct any defect, supply any information, or reconcile any inconsistency in such manner and to such extent as shall be deemed necessary or advisable to carry out the purpose of the Plan; provided, however, that any procedure, discretionary act, interpretation or construction shall be done in a nondiscriminatory manner based upon uniform principles consistently applied and shall be consistent with the intent that the Plan shall continue to be deemed a qualified plan under the terms of Code Section 401(a), and shall comply with the terms of the Act and all regulations issued pursuant thereto. The Administrator shall have all powers necessary or appropriate to accomplish the Administrator's duties under the Plan.

The Administrator shall be charged with the duties of the general administration of the Plan as set forth under the terms of the Plan, including, but not limited to, the following:

- (a) the discretion to determine all questions relating to the eligibility of Employees to participate or remain a Participant hereunder and to receive benefits under the Plan;
- (b) to compute, certify, and direct the Trustee with respect to the amount and the kind of benefits to which any Participant shall be entitled hereunder;
- (c) to authorize and direct the Trustee with respect to all nondiscretionary or otherwise directed disbursements from the Trust;
- (d) to maintain all necessary records for the administration of the Plan;
- (e) to interpret the provisions of the Plan and to make and publish such rules for regulation of the Plan as are consistent with the terms hereof;

(f) to determine the size and type of any Contract to be purchased from any insurer, and to designate the insurer from which such Contract shall be purchased;

(g) to compute and certify to the Employer and to the Trustee from time to time the sums of money necessary or desirable to be contributed to the Plan;

(h) to consult with the Employer and the Trustee regarding the short and long-term liquidity needs of the Plan in order that the Trustee can exercise any investment discretion in a manner designed to accomplish specific objectives;

(i) to prepare and implement a procedure to notify Eligible Employees that they may elect to have a portion of their Compensation deferred or paid to them in cash;

(j) to establish and communicate to Participants a procedure for allowing each Participant to direct the Trustee as to the distribution of such Participant's Company Stock Account pursuant to Section 4.14;

(k) to determine the validity of, and take appropriate action with respect to, any qualified domestic relations order received by it; and

(l) to assist any Participant regarding the Participant's rights, benefits, or elections available under the Plan.

2.5 RECORDS AND REPORTS

The Administrator shall keep a record of all actions taken and shall keep all other books of account, records, policies, and other data that may be necessary for proper administration of the Plan and shall be responsible for supplying all information and reports to the Internal Revenue Service, Department of Labor, Participants, Beneficiaries and others as required by law.

2.6 APPOINTMENT OF ADVISERS

The Administrator, or the Trustee with the consent of the Administrator, may appoint counsel, specialists, advisers, agents (including nonfiduciary agents) and other persons as the Administrator or the Trustee deems necessary or desirable in connection with the administration of this Plan, including but not limited to agents and advisers to assist with the administration and management of the Plan, and thereby to provide, among such other duties as the Administrator may appoint, assistance with maintaining Plan records and the providing of investment information to the Plan's investment fiduciaries and to Plan Participants.

2.7 PAYMENT OF EXPENSES

All expenses of administration may be paid out of the Trust Fund unless paid by the Employer. Such expenses shall include any expenses incident to the functioning of the Administrator, or any person or persons retained or appointed by any Named Fiduciary incident to the exercise of their duties under the Plan, including, but not limited to, fees of accountants, counsel, Investment Managers, agents (including nonfiduciary agents) appointed for the purpose

of assisting the Administrator or the Trustee in carrying out the instructions of Participants as to the directed investment of their accounts and other specialists and their agents, the costs of any bonds required pursuant to Act Section 412, and other costs of administering the Plan. Until paid, the expenses shall constitute a liability of the Trust Fund.

2.8 CLAIMS PROCEDURE

Claims for benefits under the Plan may be filed in writing with the Administrator. Written or electronic notice of the disposition of a claim shall be furnished to the claimant within 90 days after the application is filed, or such period as is required by applicable law or Department of Labor regulation. In the event the claim is denied, the reasons for the denial shall be specifically set forth in the notice in language calculated to be understood by the claimant, pertinent provisions of the Plan shall be cited, and, where appropriate, an explanation as to how the claimant can perfect the claim will be provided. In addition, the claimant shall be furnished with an explanation of the Plan's claims review procedure.

2.9 CLAIMS REVIEW PROCEDURE

Any Employee, former Employee, or Beneficiary of either, who has been denied a benefit by a decision of the Administrator pursuant to Section 2.8 shall be entitled to request the Administrator to give further consideration to a claim by filing with the Administrator a written request for a hearing. Such request, together with a written statement of the reasons why the claimant believes the claim should be allowed, shall be filed with the Administrator no later than 60 days after receipt of the written or electronic notification provided for in Section 2.8. The Administrator shall then conduct a hearing within the next 60 days, at which the claimant may be represented by an attorney or any other representative of such claimant's choosing and expense and at which the claimant shall have an opportunity to submit written and oral evidence and arguments in support of the claim. At the hearing the claimant or the claimant's representative shall have an opportunity to review all documents in the possession of the Administrator which are pertinent to the claim at issue and its disallowance. Either the claimant or the Administrator may cause a court reporter to attend the hearing and record the proceedings. In such event, a complete written transcript of the proceedings shall be furnished to both parties by the court reporter. The full expense of any such court reporter and such transcripts shall be borne by the party causing the court reporter to attend the hearing. A final decision as to the allowance of the claim shall be made by the Administrator within 60 days of receipt of the appeal (unless there has been an extension of 60 days due to special circumstances, provided the delay and the special circumstances occasioning it are communicated to the claimant within the 60 day period). Such communication shall be written in a manner calculated to be understood by the claimant and shall include specific reasons for the decision and specific references to the pertinent Plan provisions on which the decision is based.

ARTICLE III
ELIGIBILITY

3.1 CONDITIONS OF ELIGIBILITY

For Safe Harbor Non-Elective Contributions under Section 4.1(b), Matching Contributions under Section 4.1(c), Qualified Non-Elective Contributions under Section 4.1(d), Non-Elective Contributions under Sections 4.1(e)(i), Supplemental Non-Elective Contributions under Section 4.1(e)(ii), New Comparability (Cross-Tested) Plan Non-Elective Contributions under Section 4.1(e)(iii), Gateway Contributions under Section 4.1(e)(iv), and discretionary Non-Elective Contributions under Section 4.1(f), each Eligible Employee who has completed at least one (1) Year of Service shall be eligible to participate as of the date such Employee has satisfied such requirements. For salary deferrals under Section 4.2 and Voluntary Contributions under Section 4.13, each Eligible Employee shall be eligible to participate as of such Eligible Employee's date of hire.

3.2 EFFECTIVE DATE OF PARTICIPATION

For Safe Harbor Non-Elective Contributions under Section 4.1(b), Matching Contributions under Section 4.1(c), Qualified Non-Elective Contributions under Section 4.1(d), Non-Elective Contributions under Sections 4.1(e)(i), Supplemental Non-Elective Contributions under Section 4.1(e)(ii), New Comparability (Cross-Tested) Plan Non-Elective Contributions under Section 4.1(e)(iii), Gateway Contributions under Section 4.1(e)(iv), and discretionary Non-Elective Contributions under Section 4.1(f), each Eligible Employee shall become a Participant effective as of the first payroll period beginning on or after the first day of the month coinciding with or next following the date on which such Employee met the eligibility requirements of Section 3.1 or as soon as administratively feasible thereafter, provided that such Employee was still employed as of such date (or if not employed as of such date, as of the date of rehire if a 1-Year Break in Service has not occurred or, if later, the date that the Employee would have otherwise entered the Plan had the Employee not terminated employment). For salary deferrals under Section 4.2 and Voluntary Contributions under Section 4.13, each Eligible Employee shall become a Participant effective as of the first payroll of the month coinciding with or next following the date on which such Employee met the eligibility requirements of Section 3.1.

With respect to employees of Slades Bank whose employment is retained by Rockland Trust Company as a result of the acquisition of Slades Bank by Rockland Trust Company on March 1, 2008, and who become Eligible Employees as of that date, such Eligible Employee shall become a Participant effective as of the first payroll period beginning on or after March 1, 2008.

With respect to employees of Benjamin Franklin Bank whose employment is retained by Rockland Trust Company as a result of the merger of Benjamin Franklin Bank into Rockland Trust Company, and who become Eligible Employees as of May 9, 2009, such Eligible Employee shall become a Participant in the Plan effective as of the first payroll period beginning on or after May 9, 2009.

If an Eligible Employee satisfies the Plan's eligibility requirement conditions by reason of recognition of service with a predecessor employer, such Employee will become a Participant as of the day the Plan credits service with a predecessor employer or, if later, the date the Employee would have otherwise entered the Plan had the service with the predecessor employer been service with the Employer.

If an Employee, who has satisfied the Plan's eligibility requirements and would otherwise have become a Participant, shall go from a classification of a noneligible Employee to an Eligible Employee, such Employee shall become a Participant on the date such Employee becomes an Eligible Employee or, if later, the date that the Employee would have otherwise entered the Plan had the Employee always been an Eligible Employee.

If an Employee, who has satisfied the Plan's eligibility requirements and would otherwise become a Participant, shall go from a classification of an Eligible Employee to a noneligible class of Employees, such Employee shall become a Participant in the Plan on the date such Employee again becomes an Eligible Employee, or, if later, the date that the Employee would have otherwise entered the Plan had the Employee always been an Eligible Employee.

If a former employee of one of the following entities whose employment is retained by Rockland Trust Company following the entity's acquisition becomes an Eligible Employee under the Plan effective as of the acquisition date, and such Employee satisfies the eligibility requirements under Section 3.1 of the Plan as of such date, such Employee shall become a Participant in the Plan effective as of the first payroll period beginning on or after the acquisition date:

- (a) Central Co-Operative Bank, acquired on November 9, 2012;
- (b) Mayflower Bank, acquired on November 15, 2013;
- (c) Peoples Federal Savings Bank, acquired on February 21, 2015; and
- (d) Bank of Cape Cod, acquired on November 11, 2016.

All other Eligible Employees shall become Participants in the Plan effective as of the first day of the month coinciding with or next following the date on which such Employee meets the eligibility requirements of Section 3.1 of the Plan.

If, within the six-month period following the acquisition of one of the following entities by Rockland Trust Company, a former employee of such entity becomes employed by Rockland Trust Company and that Employee satisfies the eligibility requirements under Section 3.1 of the Plan on or after the date of hire, the Employee shall become a Participant in the Plan effective as of the first payroll period beginning on or after the date of hire:

- (a) The Edgartown National Bank, acquired on May 12, 2017;
- (b) Milford National Bank & Trust Co., acquired on November 16, 2018;
- (c) Blue Hills Bank, acquired on April 1, 2019; and

- (d) East Boston Savings Bank, acquired on November 12, 2021.

All other Eligible Employees shall become Participants in the Plan effective as of the first day of the month coinciding with or next following the date on which such Employee meets the eligibility requirements of Section 3.1 of the Plan.

3.3 DETERMINATION OF ELIGIBILITY

The Administrator shall determine the eligibility of each Employee for participation in the Plan based upon information furnished by the Employer. Such determination shall be conclusive and binding upon all persons, as long as the same is made pursuant to the Plan and the Act. Such determination shall be subject to review pursuant to Section 2.9.

3.4 TERMINATION OF ELIGIBILITY

In the event a Participant shall go from a classification of an Eligible Employee to an ineligible Employee, such Former Participant shall continue to vest in the Plan for each Year of Service completed while a noneligible Employee, until such time as the Participant's Account shall be forfeited or distributed pursuant to the terms of the Plan. Additionally, the Former Participant's interest in the Plan shall continue to share in the earnings of the Trust Fund.

3.5 OMISSION OF ELIGIBLE EMPLOYEE

If, in any Plan Year, any Employee who should be included as a Participant in the Plan is erroneously omitted and discovery of such omission is not made until after a contribution by the Employer for the year has been made and allocated, then the Employer shall make a subsequent contribution, if necessary after the application of Section 4.4(e), so that the omitted Employee receives a total amount which the Employee would have received (including both Employer contributions and earnings thereon) had the Employee not been omitted. Such contribution shall be made regardless of whether it is deductible in whole or in part in any taxable year under applicable provisions of the Code.

3.6 INCLUSION OF INELIGIBLE EMPLOYEE

If, in any Plan Year, any person who should not have been included as a Participant in the Plan is erroneously included and discovery of such inclusion is not made until after a contribution for the year has been made and allocated, the Employer shall be entitled to recover the contribution made with respect to the ineligible person provided the error is discovered within twelve (12) months of the date on which it was made. Otherwise, the amount contributed with respect to the ineligible person shall constitute a Forfeiture for the Plan Year in which the discovery is made. Notwithstanding the foregoing, any Deferred Compensation made by an ineligible person shall be distributed to the person (along with any earnings attributable to such Deferred Compensation).

3.7 REHIRED EMPLOYEES

If any Participant becomes a Former Participant due to severance from employment with the Employer and is reemployed by the Employer, the Former Participant shall become a Participant as of the reemployment date.

ARTICLE IV
CONTRIBUTION AND ALLOCATION

4.1 FORMULA FOR DETERMINING EMPLOYER CONTRIBUTION

For each Plan Year, the Employer shall contribute to the Plan:

(a) The amount of the total salary reduction elections of all Participants made pursuant to Section 4.2(a), which amount shall be deemed an Employer Elective Contribution.

(b) Effective as of the Plan Year beginning January 1, 2019, the Employer shall make a Safe Harbor Non-Elective Contribution on behalf of each of its Eligible Employees for the Plan Year, regardless of whether such Eligible Employee has elected to make a salary deferral contribution pursuant to Section 4.2 of the Plan. The amount of the Safe Harbor Non-Elective Contribution shall be equal to 3% of the Eligible Employee's Compensation for such Plan Year.

With respect to those former employees of Blue Hills Bank whose employment is retained by Rockland Trust Company in conjunction with the acquisition of Blue Hills Bank, for the Plan Year ending December 31, 2019, a Participant's Compensation for purposes of the Safe Harbor Non-Elective Contribution shall include only the amount of the Participant's Compensation attributable to the period from their date of hire through December 31, 2019.

With respect to those former employees of East Boston Savings Bank whose employment is retained by Rockland Trust Company in conjunction with the acquisition of East Boston Savings Bank, for the Plan Year ending December 31, 2021, a Participant's Compensation for purposes of the Safe Harbor Non-Elective Contribution shall include only the amount of the Participant's Compensation attributable to the period from their date of hire through December 31, 2021.

(c) On behalf of each Participant who is eligible to share in Matching Contributions for the Plan Year, a Matching Contribution equal to 25% of each such Participant's Deferred Compensation (less Catch-Up Contributions made pursuant to Section 4.2(a)).

Except, however, in applying the matching percentage specified above, only salary reductions up to 6% of payroll period Compensation shall be considered.

With respect to those former employees of Blue Hills Bank whose employment is retained by Rockland Trust Company in conjunction with the acquisition of Blue Hills Bank, for the Plan Year ending December 31, 2019, a Participant's Compensation for purposes of applying the matching percentage shall include only the amount of the Participant's Compensation attributable to the period from their date of hire through December 31, 2019.

With respect to those former employees of East Boston Savings Bank whose employment is retained by Rockland Trust Company in conjunction with the acquisition of East Boston Savings Bank, for the Plan Year ending December 31, 2021, a Participant's

Compensation for purposes of applying the matching percentage shall include only the amount of the Participant's Compensation attributable to the period from their date of hire through December 31, 2021.

(d) On behalf of each Non-Highly Compensated Participant who is eligible to share in the Qualified Non-Elective Contribution for the Plan Year, a discretionary Qualified Non-Elective Contribution equal to a uniform percentage of each eligible individual's Compensation, the exact percentage, if any, to be determined each year by the Employer. Any Employer Qualified Non-Elective Contribution shall be deemed an Employer Elective Contribution.

With respect to those former employees of Blue Hills Bank whose employment is retained by Rockland Trust Company in conjunction with the acquisition of Blue Hills Bank, for the Plan Year ending December 31, 2019, a Participant's Compensation for purposes of applying any discretionary Qualified Non-Elective Contribution shall include only the amount of the Participant's Compensation attributable to the period from their date of hire through December 31, 2019.

With respect to those former employees of East Boston Savings Bank whose employment is retained by Rockland Trust Company in conjunction with the acquisition of East Boston Savings Bank, for the Plan Year ending December 31, 2021, a Participant's Compensation for purposes of applying any discretionary Qualified Non-Elective Contribution shall include only the amount of the Participant's Compensation attributable to the period from their date of hire through December 31, 2021.

(e) Employer Non-Elective Contributions:

(i) Pre-2019 Non-Elective Contribution: Notwithstanding anything else herein to the contrary, this Section 4.1(e)(i) shall only apply for Plan Years commencing prior to January 1, 2019.

Effective commencing with the first payroll period after July 1, 2006, and each payroll period thereafter, the Employer shall make a Non-Elective Contribution to the Account of each eligible Participant in an amount which is equal to the product of the following formula: 0.05 multiplied by the amount of the Participant's Compensation accrued during such payroll period. However, for the Plan Year ending December 31, 2006, a Participant's Compensation for purposes of this paragraph (i) shall include only the amount of the Participant's Compensation attributable to the period from July 1 through December 31, 2006.

With respect to former employees of one of the following entities whose employment is retained by Rockland Trust Company following such entity's acquisition, effective commencing the first payroll period after the acquisition date, and each payroll period thereafter, the Employer shall make a Non-Elective Contribution to the Account of each eligible Participant in an amount which is equal to the product of the following formula: 0.05, multiplied by the amount of the Participant's Compensation accrued during such payroll period.

- (A) Slades Bank, acquired on March 1, 2008;
- (B) Benjamin Franklin Bank, acquired on May 8, 2009;
- (C) Central Co-Operative Bank, acquired on November 9, 2012;
- (D) Mayflower Bank, acquired on November 15, 2013;
- (E) Peoples Federal Savings Bank, acquired on February 21, 2015;
- (F) Bank of Cape Cod, acquired on November 11, 2016;
- (G) The Edgartown National Bank, acquired on May 12, 2017; and
- (H) Milford National Bank & Trust Co., acquired on November 16, 2018.

However, for the Plan Year ending in the year of acquisition, a Participant's Compensation for purposes of the foregoing subparagraph shall include only the amount of the Participant's Compensation attributable to the period from the date of acquisition through the last day of the year of acquisition.

(ii) Supplemental Non-Elective Contribution: Effective commencing with the first payroll period after July 1, 2006 and each payroll period thereafter, and subject to the limits set forth in paragraphs (v) and (vi) of this Section 4.1(e), the Employer shall make an additional Non-Elective Contribution (a "Supplemental Non-Elective Contribution") to the Account of each eligible Participant in an amount which is equal to the product of the following formula: 0.05, multiplied by the amount of the Participant's Excess Compensation (as defined below) accrued during such payroll period. However, for the Plan Year ending December 31, 2006, a Participant's Compensation for purposes of this paragraph (ii) shall include only the amount of the Participant's Compensation attributable to the period from July 1 through December 31, 2006.

For purposes of this Section 4.1(e)(ii), the term "Excess Compensation" means that portion of the Participant's Compensation for the Plan Year which is in excess of the contribution and benefit base level pursuant to Section 230 of the Social Security Act at the beginning of the Plan Year (the "Integration Level").

With respect to former employees of one of the following entities whose employment is retained by Rockland Trust Company following such entity's acquisition, effective commencing the first payroll period after the acquisition date, and each payroll period thereafter, and subject to the limits set forth in paragraph (v) and (vi) of this Section 4.1(e), the Employer shall make an additional Non-Elective Contribution (a "Supplemental Non-Elective Contribution") to the Account of each eligible Participant in an amount which is equal to the product of the

following formula: 0.05, multiplied by the amount of the Participant's Excess Compensation (as defined above) accrued during such payroll period:

- (A) Slades Bank, acquired on March 1, 2008;
- (B) Benjamin Franklin Bank, acquired on May 8, 2009;
- (C) Central Co-Operative Bank, acquired on November 9, 2012;
- (D) Mayflower Bank, acquired on November 15, 2013;
- (E) Peoples Federal Savings Bank, acquired on February 21, 2015;
- (F) Bank of Cape Cod, acquired on November 11, 2016;
- (G) The Edgartown National Bank, acquired on May 12, 2017;
- (H) Milford National Bank & Trust Co., acquired on November 16, 2018; and
- (I) Blue Hills Bank, acquired on April 1, 2019.

However, for the Plan Year ending in the year of acquisition, a Participant's Excess Compensation for purposes of the foregoing subparagraph shall include only the amount of the Participant's Compensation attributable to the period from their date of hire through the last day of the year of acquisition.

Notwithstanding anything herein to the contrary, effective January 1, 2021, the Supplemental Non-Elective Contribution described in this subparagraph (e)(ii) shall be discretionary. The amount of such Supplemental Non-Elective Contribution made to the Account of each eligible Participant shall be equal to the product of the following formula: a percentage as determined in the sole discretion of the Employer, multiplied by the amount of the Participant's Excess Compensation (as defined above) accrued during such payroll period or such other period as determined by the Employer.

With respect to those former employees of East Boston Savings Bank whose employment is retained by Rockland Trust Company in conjunction with the acquisition of East Boston Savings Bank by Rockland Trust Company, for the Plan Year ending December 31, 2021, and subject to the limits set forth in paragraphs (v) and (vi) of this Section 4.(e), a Participant's Excess Compensation for purposes of this subparagraph shall include only the amount of the Participant's Excess Compensation attributable to the period from his date of hire through December 31, 2021.

(iii) New Comparability (Cross-Tested) Plan Non-Elective Contribution: Effective for Plan Years commencing on or after January 1, 2019, the Employer may make an additional Employer non-elective contribution (the "New Comparability (Cross-Tested) Plan Non-Elective Contribution") in an amount determined in the sole discretion of the Employer. The New Comparability (Cross-Tested) Plan Non-Elective Contribution may be allocated each payroll period or such other period as determined by the Employer. Each Participant shall constitute a separate allocation group for purposes of allocating New Comparability (Cross-Tested) Plan Non-Elective Contributions. The Employer will specify in written instructions to the Plan Administrator or its designee, by no later than the due date of the Employer's tax return for the year to which the New Comparability (Cross-Tested) Plan Non-Elective Contributions relate, the portion of such New Comparability (Cross-Tested) Plan Non-Elective Contributions to be allocated to each Participant's allocation group. The allocation will be made as follows: First, the total amount of New Comparability (Cross-Tested) Plan Non-Elective Contributions is allocated among the deemed aggregated allocation groups in portions determined by the Employer. A deemed aggregated allocation group consists of all of the separate allocation groups that have the same allocation rate. Second, within each deemed aggregated allocation group, the allocated portion is allocated to each Participant in the ratio that such Participant's Compensation bears to the total Compensation of all Participants in the group. In the event that a Participant is included in more than one allocation group, the Participant's share of the New Comparability (Cross-Tested) Plan Non-Elective Contributions allocated to each such group will be based on the Participant's Compensation for the part of the Plan Year the Participant was in the group. The number of eligible Non-Highly Compensated Participants to which a particular allocation rate applies must reflect a reasonable classification of Employees.

With respect to those former employees of East Boston Savings Bank whose employment is retained by Rockland Trust Company in conjunction with the acquisition of East Boston Savings Bank by Rockland Trust Company, a Participant's Compensation for purposes of this subparagraph shall include only the amount of the Participant's Compensation attributable to the period from their date of hire through December 31, 2021.

(iv) Gateway Contributions: Effective for Plan Years commencing on or after January 1, 2019, the Employer may make an additional Employer non-elective contribution (the "Gateway Contribution") in an amount necessary to satisfy the minimum allocation gateway requirement described in Treas. Reg. § 1.401(a)(4)-8(b)(1)(vi). For the purposes of this Section 4.1(e)(iv) the limitation on annual compensation limits under Treas. Reg. § 1.401(a)(17)-1 applies to both Compensation and 414(s) Compensation. With respect to any Gateway Contribution, the Employer shall allocate such contribution as follows:

(A) Eligibility for Gateway Contribution. Any Gateway Contribution made for a Plan Year will be allocated to each Non-Highly Compensated Participant who receives an allocation under Section 4.1(b) of Safe-Harbor Non-Elective Contributions. However, Participants who are disaggregated pursuant to Regulation 1.410(b)-7(c)(3) because they have not

satisfied the greatest minimum age and service conditions permissible under Code Section 410(a) shall not be eligible to receive an allocation of any Gateway Contribution unless such an allocation is necessary to satisfy Code Section 401(a)(4).

(B) Allocation Rate. The Allocation Rate for each Participant is determined by dividing (i) the total amount of all employer contributions allocated to the Participant for the Plan Year (including forfeitures but excluding Deferred Compensation) by (ii) the Participant's 414(s) Compensation. Also, when determining a Non-Highly Compensated Participant's Allocation Rate, Qualified Non-Elective Contributions which are used to satisfy the "Actual Deferral Percentage" tests shall be excluded.

(C) Amount of Gateway Contribution. The Gateway Contribution will be allocated to each Non-Highly Compensated Participant who is eligible to receive such contribution under subsection (a) above in an amount not to exceed the lesser of:

(i) 5% of the Participant's 415 Compensation, or

(ii) One-third of the highest allocation rate for any Highly Compensated Employee multiplied by the Participant's 414(s) Compensation.

However, the amount of the Gateway Contribution allocated to each Non-Highly Compensated Participant shall be reduced by the amounts allocated as Safe-Harbor Non-Elective Contributions under Section 4.1(b), New Comparability (Cross-Tested) Plan Non-Elective Contributions under Section 4.1(e)(iii) and discretionary Non-Elective Contributions under Section 4.1(f).

For purposes of subsection (i) above, 415 Compensation shall exclude amounts paid while an Employee is not a Participant in the Plan.

(v) Overall Permitted Disparity Limits:

(A) Annual overall permitted disparity limit: Notwithstanding the preceding paragraphs, for any Plan Year that this Plan benefits any Participant who benefits under another qualified plan or simplified employee pension, as defined in Section 408(k) of the Code, maintained by the Employer that provides for permitted disparity (or imputed disparity), Employer Non-Elective Contributions and Supplemental Non-Elective Contributions will be allocated to the account of each Participant who completes one Year of Service during the Plan Year in the ratio that such Participant's total Compensation bears to the total Compensation of all Participants.

(B) Cumulative permitted disparity limit: The cumulative permitted disparity limit for a Participant is 35 total cumulative permitted disparity years. Total cumulative permitted years means the number of years credited to the Participant for allocation or accrual purposes under this Plan, and any other qualified plan or simplified employee pension (whether or not terminated) ever maintained by the Employer. For purposes of determining the Participant's cumulative permitted disparity limit, all years ending in the same calendar year are treated as the same year. If the Participant has not benefited under a defined benefit or target benefit plan for any year beginning on or after January 1, 1994, the Participant has no cumulative permitted disparity limit.

(vi) Rule of Construction: This Subsection 4.1(e) is intended and shall be interpreted to comply with the Section 401(l) of the Code and the Regulations thereunder. If the formula described above exceeds permitted disparity as to contributions above the Integration Level, the Employer's Supplemental Non-Elective Contributions pursuant to paragraph (ii) shall be reduced to a percentage of the Participant's Excess Compensation that will comply with the requirements of Section 401(l) of the Code and the Regulations thereunder. If and to the extent that any provision of this Subsection 4.1(e) is incapable of being construed in a manner consistent with such Section and Regulations, such provision shall be null and void.

(vii) Limit on Investment: Any other provision hereof notwithstanding in no event shall any amount in a Participant's Combined account attributable to Non-Elective Contributions or Supplemental Non-Elective Contributions made pursuant to this Section 4.1(e) be invested in Company Stock, nor shall any such contribution be accounted for as a contribution to an ESOP. Therefore, notwithstanding Section 4.14, a Participant shall not be entitled to direct the investment of any amount in their Participant's Combined Account that is attributable to such contributions in Company Stock. The purpose of the limitation in this paragraph (v) is to clarify that Employer Non-Elective Contributions and Supplemental Non-Elective Contributions are not made to an ESOP and therefore such contributions comply with the requirements of Section 401(l) of the Code and the Regulations thereunder.

(f) A discretionary amount, which amount, if any, shall be deemed an Employer Non-Elective Contribution.

(g) Additionally, to the extent necessary, the Employer shall contribute to the Plan the amount necessary to provide the top heavy minimum contribution. All contributions by the Employer shall be made in cash or in such property as is acceptable to the Trustee.

4.2 PARTICIPANT'S SALARY REDUCTION ELECTION

(a) Each Participant may elect to defer Compensation which would have been received in the Plan Year, but for the deferral election, by up to 99%. A deferral election (or modification of an earlier election) may not be made with respect to Compensation which is currently available on or before the date the Participant executed such election. For purposes of this Section, Compensation shall be determined on a payroll period basis prior to any

reductions made pursuant to Code Sections 125, 132(f)(4), 402(e)(3), 402(h)(1)(B), 403(b), 414(v) or 457(b), and Employee contributions described in Code Section 414(h)(2) that are treated as Employer contributions.

Unless and until the Participant elects otherwise, any Participant initially hired by the employer on or after January 1, 2006, will be deemed to have made an election under the above paragraph to defer 6% of their Compensation commencing with the first payroll period following thirty (30) days of employment with the Employer. Provided, however, that no such deemed election shall be implemented unless the Administrator has given the Participant a notice that explains this automatic enrollment feature and the Participant's right to elect a different rate of deferral election (or no deferral election), including an explanation of the procedure for exercising that right, the timing for implementation of any such election, and identification of the investment option into which such deferrals shall be invested; and further provided that the Participant is given a reasonable period thereafter in which to elect a different rate of deferral election (or no deferral election). The Employer Elective Contributions made pursuant to this paragraph shall, unless and until the Participant directs otherwise in accordance with the Participant Direction Procedures in Section 4.14, be invested in the investment option designated in writing for this purpose by the Administrator.

Unless and until the Participant elects otherwise, effective as soon as administratively feasible on or after each March 1st, beginning with the 2019 Plan Year, the Employer shall automatically increase the amount of salary deferrals it makes on behalf of each Participant who is automatically enrolled in the Plan as described above. The annual increase shall be equal to an additional 1% of the Participant's Compensation per pay period. The annual increase shall occur when the rate at which the Participant contribution is less than 10% of the Participant's Compensation per pay period. Provided, however, that no such increase shall be implemented unless the Administrator has given the Participant a notice that explains this automatic increase feature and the Participant's right to elect a different rate of deferral election (or no deferral election), including an explanation of the procedure for exercising that right, the timing for implementation of any such election, and identification of the investment option into which such deferrals shall be invested; and further provided that the Participant is given a reasonable period thereafter in which to elect a different rate of deferral election (or no deferral election).

Notwithstanding the above, each Catch-Up Eligible Participant shall be eligible to make Catch-Up Contributions during the Plan Year in accordance with, and subject to the limitations of, Code Section 414(v). Such Catch-Up Contributions shall not be taken into account for purposes of Code Sections 402(g) and 415(c). Catch-Up Contributions, at the Catch-Up Eligible Participant's election, shall be a percentage of Compensation for each payroll period not to exceed the applicable dollar limit under Code Section 414(v). The Plan shall not be treated as failing to satisfy the provisions of the Plan implementing the requirements of Code Section 401(k)(3), 416 or 410(b), as applicable, by reason of the making of such Catch-Up Contributions.

The amount by which Compensation is reduced shall be that Participant's Deferred Compensation and be treated as an Employer Elective Contribution and allocated to that Participant's Elective Account.

(b) The balance in each Participant's Elective Account shall be fully Vested at all times and, except as otherwise provided herein, shall not be subject to Forfeiture for any reason.

(c) Notwithstanding anything in the Plan to the contrary, amounts held in the Participant's Elective Account may not be distributable (including any offset of loans) earlier than:

- (1) a Participant's severance from employment;
- (2) a Participant's Total and Permanent Disability;
- (3) death;
- (4) a Participant's attainment of age 59 $\frac{1}{2}$;

(5) the termination of the Plan without the existence at the time of Plan termination of another defined contribution plan or the establishment of a successor defined contribution plan by the Employer or an Affiliated Employer within the period ending twelve months after distribution of all assets from the Plan maintained by the Employer. For this purpose, a defined contribution plan does not include an employee stock ownership plan (as defined in Code Section 4975(e)(7) or 409), a simplified employee pension plan (as defined in Code Section 408(k)), or a simple individual retirement account plan (as defined in Code Section 408(p));

(6) the date of disposition by the Employer to an entity that is not an Affiliated Employer of substantially all of the assets (within the meaning of Code Section 409(d)(2)) used in a trade or business of such corporation if such corporation continues to maintain this Plan after the disposition with respect to a Participant who continues employment with the corporation acquiring such assets;

(7) the date of disposition by the Employer or an Affiliated Employer who maintains the Plan of its interest in a subsidiary (within the meaning of Code Section 409(d)(3)) to an entity which is not an Affiliated Employer but only with respect to a Participant who continues employment with such subsidiary; or

(8) the proven financial hardship of a Participant, subject to the limitations of Section 7.12.

(d) For each Plan Year, a Participant's Deferred Compensation made under this Plan and all other plans, contracts or arrangements of the Employer maintaining this Plan shall not exceed, during any calendar year of the Participant, the limitation imposed by Code Section 402(g), as in effect at the beginning of such calendar year. If such dollar limitation is exceeded, a Participant will be deemed to have notified the Administrator of such excess amount which shall be distributed in a manner consistent with Section 4.2(f). The dollar

limitation shall be adjusted annually pursuant to the method provided in Code Section 415(d) in accordance with Regulations.

(e) In the event a Participant has received a hardship distribution from the Participant's Elective Account pursuant to Section 7.12(b) or pursuant to Regulation 1.401(k)-1(d)(2)(iv) from any other plan maintained by the Employer, then such Participant shall not be permitted to elect to have Deferred Compensation contributed to the Plan for a period of six (6) months following the receipt of the distribution. Notwithstanding the foregoing, effective for hardship distributions taken on or after January 1, 2019, a Participant's contribution of Deferred Compensation to the Plan shall not be suspended following the receipt of a hardship distribution.

(f) If a Participant's Deferred Compensation under this Plan together with any elective deferrals (as defined in Regulations 1.402(g)-1(b) and 1.414(v)-1(g)(2)) under another qualified cash or deferred arrangement (as described in Code Section 401(k)), a simplified employee pension (as described in Code Section 408(k)(6)), a simple individual retirement account plan (as described in Code Section 408(p)), a salary reduction arrangement (within the meaning of Code Section 3121(a)(5)(D)), a deferred compensation plan under Code Section 457(b), or a trust described in Code Section 501(c)(18) cumulatively exceed the limitation imposed by Code Section 402(g) (as adjusted annually in accordance with the method provided in Code Section 415(d) pursuant to Regulations) for such Participant's taxable year, the Participant may, not later than March 1st following the close of the Participant's taxable year, notify the Administrator in writing of such excess and request that the Participant's Deferred Compensation under this Plan be reduced by an amount specified by the Participant. In such event, the Administrator may direct the Trustee to distribute such excess amount (and any Income allocable to such excess amount) to the Participant not later than the first April 15th following the close of the Participant's taxable year. Any distribution of less than the entire amount of Excess Deferred Compensation and Income shall be treated as a pro rata distribution of Excess Deferred Compensation and Income. The amount distributed shall not exceed the Participant's Deferred Compensation under the Plan for the taxable year (and any Income allocable to such excess amount). Any distribution on or before the last day of the Participant's taxable year must satisfy each of the following conditions:

- (1) the distribution must be made after the date on which the Plan received the Excess Deferred Compensation;
- (2) the Participant shall designate the distribution as Excess Deferred Compensation; and
- (3) the Plan must designate the distribution as a distribution of Excess Deferred Compensation.

Any distribution made pursuant to this Section 4.2(f) shall be made first from unmatched Deferred Compensation and, thereafter, from Deferred Compensation which is matched. Matching Contributions which relate to such Deferred Compensation shall be treated as a Forfeiture.

Notwithstanding any other provision of the Plan, Excess Deferred Compensation, plus any income and minus any loss allocable thereto, shall be distributed no later than April 15th to any Participant to whose Account Excess Deferred Compensation were assigned for the preceding year and who claims Excess Deferred Compensation for such taxable year. For years beginning after 2005, distribution of Excess Deferred Compensation for a year shall be made first from the Participant's Pretax Elective Account to the extent Excess Deferred Deferrals were made for the year, unless the Participant specifies otherwise. For taxable years beginning before January 1, 2006, income or loss allocable to the period between the end of the taxable year and the date of distribution (the "gap-period") could be disregarded in determining income or loss on Excess Deferred Compensation for such years. Gap-period income loss must be included in any distribution of Excess Deferred Compensation occurring in taxable years beginning in 2007, but must be excluded from any distribution of Excess Deferred Compensation occurring in taxable years beginning after 2007. Excess Deferred Compensation distributed under this Section shall be adjusted for any income or loss based on a reasonable method of computing the allocable income or loss. The method selected must be applied consistently to all Participants and used for all corrective distributions under the Plan for the Plan Year, and must be the same method that is used by the Plan for allocating income or loss to Participants' Accounts. The income allocable to Excess Deferred Compensation is equal to the allocable gain or loss through the end of the Plan Year for which the Deferrals were made.

One reasonable method treats the income and loss allocable to Excess Deferred Compensation as the sum of:

i. Income or loss allocable to the Participant's Elective Account for the taxable year, multiplied by a fraction, the numerator of which is such Participant's Excess Deferred Compensation for the year and the denominator is the Participant's Account balance attributable to Elective Deferrals without regard to any income or loss occurring during such taxable year; and

ii. Ten percent (10%) of the amount determined under (a) multiplied by the number of whole calendar months between the end of the Participant's taxable year and the date of the distribution, counting the month of distribution if distribution occurs after the 15th of such month. The Gap-period calculation is not applicable after the end of the 2007 Plan Year.

(g) Notwithstanding Section 4.2(t) above, a Participant's Excess Deferred Compensation shall be reduced, but not below zero, by any distribution and/or recharacterization of Excess Contributions pursuant to Section 4.6(a) for the Plan Year beginning with or within the taxable year of the Participant.

(h) At Normal Retirement Date, or such other date when the Participant shall be entitled to receive benefits, the fair market value of the Participant's Elective Account shall be used to provide additional benefits to the Participant or the Participant's Beneficiary.

(i) Employer Elective Contributions made pursuant to this Section may be segregated into a separate account for each Participant in a federally insured savings account, certificate of deposit in a bank or savings and loan association, money market certificate, or

other short-term debt security acceptable to the Trustee until such time as the allocations pursuant to Section 4.4 have been made.

(j) The Employer and the Administrator shall implement the salary reduction elections provided for herein in accordance with the following:

(1) A Participant must make an initial salary deferral election within a reasonable time, not to exceed thirty (30) days, after entering the Plan pursuant to Section 3.2. If the Participant fails to make an initial salary deferral election within such time, then such Participant may thereafter make an election in accordance with the rules governing modifications. The Participant shall make such an election by entering into a written salary reduction agreement with the Employer and filing such agreement with the Administrator. Such election shall initially be effective beginning with the pay period following the acceptance of the salary reduction agreement by the Administrator, shall not have retroactive effect and shall remain in force until revoked.

(2) A Participant may modify a prior election at any time during the Plan Year and concurrently make a new election by filing a written notice with the Administrator within a reasonable time before the pay period for which such modification is to be effective. Any modification shall not have retroactive effect and shall remain in force until revoked.

(3) A Participant may elect to prospectively revoke the Participant's salary reduction agreement in its entirety at any time during the Plan Year by providing the Administrator with thirty (30) days written notice of such revocation (or upon such shorter notice period as may be acceptable to the Administrator). Such revocation shall become effective as of the beginning of the first pay period coincident with or next following the expiration of the notice period. Furthermore, the termination of the Participant's employment, or the cessation of participation for any reason, shall be deemed to revoke any salary reduction agreement then in effect, effective immediately following the close of the pay period within which such termination or cessation occurs.

4.3 TIME OF PAYMENT OF EMPLOYER CONTRIBUTION

The Employer may make its contribution to the Plan for a particular Plan Year at such time as the Employer, in its sole discretion, determines. If the Employer makes a contribution for a particular Plan Year after the close of that Plan Year, the Employer will designate to the Trustee the Plan Year for which the Employer is making its contribution.

4.4 ALLOCATION OF CONTRIBUTION AND EARNINGS

(a) The Administrator shall establish and maintain an account in the name of each Participant to which the Administrator shall credit as of each Anniversary Date, or other Valuation Date, all amounts allocated to each such Participant as set forth herein.

(b) The Employer shall provide the Administrator with all information required by the Administrator to make a proper allocation of the Employer contributions for each Plan Year. Within a reasonable period of time after the date of receipt by the Administrator of such information, the Administrator shall allocate such contribution as follows:

(1) With respect to the Employer Elective Contribution made pursuant to Section 4.1(a), to each Participant's Elective Account in an amount equal to each such Participant's Deferred Compensation for the year.

(2) With respect to the Employer Safe Harbor Non-Elective Contribution made pursuant to Section 4.1(b), to each Participant's Account in accordance with Section 4.1(b).

(3) With respect to the Matching Contribution made pursuant to Section 4.1(c), to each Participant's Account in accordance with Section 4.1(c). Any Participant actively employed during the Plan Year shall be eligible to share in the Matching Contribution for the Plan Year.

(4) With respect to the Employer Qualified Non-Elective Contribution made pursuant to Section 4.1(d), to each Participant's Elective Account when used to satisfy the "Actual Deferral Percentage" tests or Participant's Account in accordance with Section 4.1(d).

Only Non-Highly Compensated Participants who have completed a Year of Service during the Plan Year and are actively employed on the last day of the Plan Year shall be eligible to share in the Qualified Non-Elective Contribution made pursuant to Section 4.1(d) for the year.

(5) With respect to the Employer discretionary Non-Elective Contribution made pursuant to Section 4.1(f), to each Participant's Account in the same proportion that each such Participant's Compensation for the Plan Year bears to the total Compensation of all Participants for such Plan Year.

Only Participants who have completed a Year of Service during the Plan Year and are actively employed on the last day of the Plan Year shall be eligible to share in the Employer discretionary Non-Elective Contribution made pursuant to Section 4.1(f) for the Plan Year.

(5) With respect to Employer Non-Elective Contributions and Supplemental Contributions made pursuant to Section 4.1(e), to each Participant's Account in proportion to the Participant's Compensation and Excess Compensation, respectively, as provided in Section 4.1(e).

(c) The Company Stock Account of each Participant shall be credited as of each Valuation Date with the Participant's allocable share of Company Stock (including fractional shares) purchased and paid for by the Plan or contributed in kind by the Employer.

(d) As of each Valuation Date, before the current valuation period allocation of Employer contributions, any earnings or losses (net appreciation or net depreciation) of the Trust Fund shall be allocated in the same proportion that each Participant's and Former Participant's nonsegregated accounts (other than each Participant's Company Stock Account) bear to the total of all Participants' and Former Participants' nonsegregated accounts (other than each Participant's Company Stock Account) as of such date. Earnings or losses with respect to a Participant's Directed Account shall be allocated in accordance with Section 4.14.

Participants' transfers from other qualified plans and after-tax voluntary Employee contributions deposited in the general Trust Fund shall share in any earnings and losses (net appreciation or net depreciation) of the Trust Fund in the same manner provided above. Each segregated account maintained on behalf of a Participant shall be credited or charged with its separate earnings and losses.

(e) On or before each Anniversary Date any amounts which became Forfeitures since the last Anniversary Date may be used to satisfy any contribution that may be required pursuant to Section 3.5 and/or 7.8, or used to pay any administrative expenses of the Plan. The remaining Forfeitures, if any, shall be used to reduce the contribution of the Employer hereunder for the Plan Year in which such Forfeitures occur.

(f) For any Top Heavy Plan Year, Non-Key Employees not otherwise eligible to share in the allocation of contributions as provided above, shall receive the minimum allocation provided for in Section 4.4(h) if eligible pursuant to the provisions of Section 4.4(j).

(g) Notwithstanding the foregoing, Participants who are not actively employed on the last day of the Plan Year due to Retirement (Early, Normal or Late), Total and Permanent Disability or death shall share in the allocation of contributions for that Plan Year.

(h) Minimum Allocations Required for Top Heavy Plan Years: Notwithstanding the foregoing, for any Top Heavy Plan Year, the sum of the Employer contributions allocated to the Participant's Combined Account of each Non-Key Employee shall be equal to at least three percent (3%) of such Non-Key Employee's "415 Compensation" (reduced by contributions and forfeitures, if any, allocated to each Non-Key Employee in any defined contribution plan included with this Plan in a Required Aggregation Group). However, if (1) the sum of the Employer contributions allocated to the Participant's Combined Account of each Key Employee for such Top Heavy Plan Year is less than three percent (3%) of each Key Employee's "415 Compensation" and (2) this Plan is not required to be included in an Aggregation Group to enable a defined benefit plan to meet the requirements of Code Section 401(a)(4) or 410, then the sum of the Employer contributions allocated to the Participant's Combined Account of each Non-Key Employee shall be equal to the largest percentage allocated to the Participant's Combined Account of any Key Employee. However, in determining whether a Non-Key Employee has received the required minimum allocation, such Non-Key Employee's Deferred Compensation shall not be taken into account.

However, no such minimum allocation shall be required in this Plan for any Non-Key Employee who participates in another defined contribution plan subject to Code Section 412 included with this Plan in a Required Aggregation Group.

(i) For purposes of the minimum allocations set forth above, the percentage allocated to the Participant's Combined Account of any Key Employee shall be equal to the ratio of the sum of the Employer contributions (excluding any Catch-Up Contributions) allocated on behalf of such Key Employee divided by the "415 Compensation" for such Key Employee.

(j) For any Top Heavy Plan Year, the minimum allocations set forth above shall be allocated to the Participant's Combined Account of all Non-Key Employees who are Participants and who are employed by the Employer on the last day of the Plan Year, including Non-Key Employees who have (1) failed to complete a Year of Service; and (2) declined to make mandatory contributions (if required) or, in the case of a cash or deferred arrangement, elective contributions to the Plan.

(k) In lieu of the above, in any Plan Year in which a Non-Key Employee is a Participant in both this Plan and a defined benefit pension plan included in a Required Aggregation Group which is top heavy, the Employer shall not be required to provide such Non-Key Employee with both the full separate defined benefit plan minimum benefit and the full separate defined contribution plan minimum allocation.

Therefore, for any Plan Year when the Plan is a Top Heavy Plan, a Non-Key Employee who is participating in this Plan and a defined benefit plan maintained by the Employer shall receive a minimum monthly accrued benefit in the defined benefit plan equal to the product of (1) one-twelfth (1/12th) of "415 Compensation" averaged over the five (5) consecutive "limitation years" (or actual "limitation years," if less) which produce the highest average and (2) the lesser of (i) two percent (2%) multiplied by years of service when the plan is top heavy or (ii) twenty percent (20%).

(l) For the purposes of this Section, "415 Compensation" in excess of \$150,000 (or such other amount provided in the Code) shall be disregarded. Such amount shall be adjusted for increases in the cost of living in accordance with Code Section 401(a)(17)(B), except that the dollar increase in effect on January 1 of any calendar year shall be effective for the Plan Year beginning with or within such calendar year. If "415 Compensation" for any prior determination period is taken into account in determining a Participant's minimum benefit for the current Plan Year, the "415 Compensation" for such determination period is subject to the applicable annual "415 Compensation" limit in effect for that prior period. For this purpose, in determining the minimum benefit in Plan Years beginning on or after January 1, 1989, the annual "415 Compensation" limit in effect for determination periods beginning before that date is \$200,000 (or such other amount as adjusted for increases in the cost of living in accordance with Code Section 415(d) for determination periods beginning on or after January 1, 1989, and in accordance with Code Section 401(a)(17)(B) for determination periods beginning on or after January 1, 1994). For determination periods beginning prior to January 1, 1989, the \$200,000 limit shall apply only for Top Heavy Plan Years and shall not be adjusted. For any short Plan Year

the "415 Compensation" limit shall be an amount equal to the "415 Compensation" limit for the calendar year in which the Plan Year begins multiplied by the ratio obtained by dividing the number of full months in the short Plan Year by twelve (12).

(m) Notwithstanding anything herein to the contrary, Participants who terminated employment for any reason during the Plan Year shall share in the salary reduction contributions made by the Employer for the year of termination without regard to the Hours of Service credited.

(n) Notwithstanding anything in this Section to the contrary, all information necessary to properly reflect a given transaction may not be available until after the date specified herein for processing such transaction, in which case the transaction will be reflected when such information is received and processed. Subject to express limits that may be imposed under the Code, the processing of any contribution, distribution or other transaction may be delayed for any legitimate business reason (including, but not limited to, failure of systems or computer programs, failure of the means of the transmission of data, force majeure, the failure of a service provider to timely receive values or prices, and the correction for errors or omissions or the errors or omissions of any service provider). The processing date of a transaction will be binding for all purposes of the Plan.

(o) Notwithstanding anything to the contrary, if this is a Plan that would otherwise fail to meet the requirements of Code Section 410(b)(1)(B) and the Regulations thereunder because Employer contributions would not be allocated to a sufficient number or percentage of Participants for a Plan Year, then the following rules shall apply:

(1) The group of Participants eligible to share in the Employer's contribution for the Plan Year shall be expanded to include the minimum number of Participants who would not otherwise be eligible as are necessary to satisfy the applicable test specified above. The specific Participants who shall become eligible under the terms of this paragraph shall be those who have not separated from service prior to the last day of the Plan Year and have completed the greatest number of Hours of Service in the Plan Year.

(2) If after application of paragraph (1) above, the applicable test is still not satisfied, then the group of Participants eligible to share in the Employer's contribution for the Plan Year shall be further expanded to include the minimum number of Participants who have separated from service prior to the last day of the Plan Year as are necessary to satisfy the applicable test. The specific Participants who shall become eligible to share shall be those Participants who have completed the greatest number of Hours of Service in the Plan Year before terminating employment.

(3) Nothing in this Section shall permit the reduction of a Participant's accrued benefit. Therefore any amounts that have previously been allocated to Participants may not be reallocated to satisfy these requirements. In such event, the Employer shall make an additional contribution equal to the amount such affected Participants would have received had they been included in the allocations, even if it exceeds the amount which would be deductible under Code Section 404. Any

adjustment to the allocations pursuant to this paragraph shall be considered a retroactive amendment adopted by the last day of the Plan Year.

(4) Notwithstanding the foregoing, if the portion of the Plan which is not a Code Section 401(k) or 401(m) plan would fail to satisfy Code Section 410(b) if the coverage tests were applied by treating those Participants whose only allocation would otherwise be provided under the top heavy formula as if they were not currently benefiting under the Plan, then, for purposes of this Section 4.4(o), such Participants shall be treated as not benefiting and shall therefore be eligible to be included in the expanded class of Participants who will share in the allocation provided under the Plan's non top heavy formula.

4.5 ACTUAL DEFERRAL PERCENTAGE TESTS

(a) **Maximum Annual Allocation:** For each Plan Year, the annual allocation derived from Employer Elective Contributions to a Highly Compensated Participant's Elective Account shall satisfy one of the following tests:

(1) The "Actual Deferral Percentage" for the Highly Compensated Participant group shall not be more than the "Actual Deferral Percentage" of the Non-Highly Compensated Participant group multiplied by 1.25, or

(2) The excess of the "Actual Deferral Percentage" for the Highly Compensated Participant group over the "Actual Deferral Percentage" for the Non-Highly Compensated Participant group shall not be more than two percentage points. Additionally, the "Actual Deferral Percentage" for the Highly Compensated Participant group shall not exceed the "Actual Deferral Percentage" for the Non-Highly Compensated Participant group multiplied by 2. The provisions of Code Section 401(k)(3) and Regulation 1.401(k)-1(b) are incorporated herein by reference.

(b) For the purposes of this Section "Actual Deferral Percentage" means, with respect to the Highly Compensated Participant group and Non-Highly Compensated Participant group for a Plan Year, the average of the ratios, calculated separately for each Participant in such group, of the amount of Employer Elective Contributions (less Catch-Up Contributions) allocated to each Participant's Elective Account for such Plan Year, to such Participant's "414(s) Compensation" for such Plan Year. The actual deferral ratio for each Participant and the "Actual Deferral Percentage" for each group shall be calculated to the nearest one-hundredth of one percent. Employer Elective Contributions (less Catch-Up Contributions) allocated to each Non-Highly Compensated Participant's Elective Account shall be reduced by Excess Deferred Compensation to the extent such excess amounts are made under this Plan or any other plan maintained by the Employer.

(c) For the purposes of Sections 4.5(a) and 4.6, a Highly Compensated Participant and a Non-Highly Compensated Participant shall include any Employee eligible to make a deferral election pursuant to Section 4.2, whether or not such deferral election was made or suspended pursuant to Section 4.2.

(d) For purposes of this Section and Code Sections 401(a)(4), 410(b) and 401(k), this Plan may not be combined with any other plan.

(e) For the purpose of this Section, when calculating the "Actual Deferral Percentage" for the Non-Highly Compensated Participant group, the current year testing method shall be used. Any change from the current year testing method to the prior year testing method shall be made pursuant to Internal Revenue Service Notice 98-1, Section VII (or superseding guidance), the provisions of which are incorporated herein by reference.

(f) Notwithstanding anything in this Section to the contrary, the provisions of this Section and Section 4.6 may be applied separately (or will be applied separately to the extent required by Regulations) to each plan within the meaning of Regulation 1.401(k)-1(g)(11). Furthermore, the provisions of Code Section 401(k)(3)(F) may be used to exclude from consideration all Non-Highly Compensated Employees who have not satisfied the minimum age and service requirements of Code Section 10(a)(1)(A).

4.6 ADJUSTMENT TO ACTUAL DEFERRAL PERCENTAGE TESTS

In the event (or if it is anticipated) that the initial allocations of the Employer Elective Contributions made pursuant to Section 4.4 do (or might) not satisfy one of the tests set forth in Section 4.5(a), the Administrator shall adjust Excess Contributions pursuant to the options set forth below:

(a) On or before the fifteenth day of the third month following the end of each Plan Year, but in no event later than the close of the following Plan Year, the Highly Compensated Participant having the largest dollar amount of Elective Contributions (less Catch-Up Contributions) shall have a portion of such Participant's Elective Contributions treated as Catch-Up Contributions and/or distributed and/or at such Participant's election recharacterized as an after-tax voluntary Employee contribution pursuant to Section 4.13 until the total amount of Excess Contributions has been treated as Catch-Up Contributions and/or distributed and/or at such Participant's election recharacterized as an after-tax voluntary Employee contribution pursuant to Section 4.13, or until the amount of such Participant's remaining Elective Contributions equals the Elective Contributions (less Catch-Up Contributions) of the Highly Compensated Participant having the second largest dollar amount of Elective Contributions (less Catch-Up Contributions). This process shall continue until the total amount of Excess Contributions has been eliminated. In determining the amount of Excess Contributions to be treated as Catch-Up Contributions and/or distributed and/or recharacterized with respect to an affected Highly Compensated Participant as determined herein, such amount shall be reduced pursuant to Section 4.2(f) by any Excess Deferred Compensation previously distributed to such affected Highly Compensated Participant for such Participant's taxable year ending with or within such Plan Year.

(1) With respect to the distribution of Excess Contributions pursuant to (a) above, such distribution:

(i) may be postponed but not later than the close of the Plan Year following the Plan Year to which they are allocable;

(ii) shall be adjusted for Income; and

(iii) shall be designated by the Employer as a distribution of Excess Contributions (and Income).

(2) With respect to the recharacterization of Excess Contributions pursuant to (a) above, such recharacterized amounts:

(i) shall be deemed to have occurred on the date on which the last of those Highly Compensated Participants with Excess Contributions to be recharacterized is notified of the recharacterization and the tax consequences of such recharacterization;

(ii) shall not exceed the amount of Deferred Compensation on behalf of any Highly Compensated Participant for any Plan Year;

(iii) shall be treated as after-tax voluntary Employee contributions for purposes of Code Section 401(a)(4) and Regulation 1.401(k)-1(b). However, for purposes of Sections 9.2 and 4.4(h), recharacterized Excess Contributions continue to be treated as Employer contributions that are Deferred Compensation. Excess Contributions (and Income attributable to such amounts) recharacterized as after-tax voluntary Employee contributions shall continue to be nonforfeitable and subject to the same distribution rules provided for in Section 4.2(c);

(iv) are not permitted if the amount recharacterized plus after-tax voluntary Employee contributions actually made by such Highly Compensated Participant, exceed the maximum amount of after-tax voluntary Employee contributions (determined prior to application of Section 4.7(a)) that such Highly Compensated Participant is permitted to make under the Plan in the absence of recharacterization; and shall be adjusted for Income.

(3) Any distribution and/or recharacterization of less than the entire amount of Excess Contributions shall be treated as a pro rata distribution and/or recharacterization of Excess Contributions and Income.

(4) Matching Contributions which relate to Excess Contributions shall be forfeited unless the related Matching Contribution is distributed as an Excess Aggregate Contribution pursuant to Section 4.8.

(b) Notwithstanding the above, within twelve (12) months after the end of the Plan Year, the Employer may make a special Qualified Non-Elective Contribution in accordance with one of the following provisions which contribution shall be allocated to the Participant's Elective Account of each Non-Highly Compensated Participant eligible to share in the allocation in accordance with such provision. The Employer shall provide the Administrator with written notification of the amount of the contribution being made and for which provision it is being made pursuant to:

(1) A special Qualified Non-Elective Contribution may be made on behalf of Non-Highly Compensated Participants in an amount sufficient to satisfy (or to prevent an anticipated failure of) one of the tests set forth in Section 4.5(a). Such contribution shall be allocated in the same proportion that each Non-Highly Compensated Participant's 414(s) Compensation for the year bears to the total 414(s) Compensation of all Non-Highly Compensated Participants for such year.

(2) A special Qualified Non-Elective Contribution may be made on behalf of Non-Highly Compensated Participants in an amount sufficient to satisfy (or to prevent an anticipated failure of) one of the tests set forth in Section 4.5(a). Such contribution shall be allocated to each Non-Highly Compensated Participant electing salary reductions pursuant to Section 4.2 in the same proportion that each such Non-Highly Compensated Participant's Deferred Compensation (less Catch-Up Contributions) for the year bears to the total Deferred Compensation (less Catch-Up Contributions) of all such Non-Highly Compensated Participants for such year.

(3) A special Qualified Non-Elective Contribution may be made on behalf of Non-Highly Compensated Participants in an amount sufficient to satisfy (or to prevent an anticipated failure of) one of the tests set forth in Section 4.5(a). Such contribution shall be allocated in equal amounts (per capita).

(4) A special Qualified Non-Elective Contribution may be made on behalf of Non-Highly Compensated Participants electing salary reductions pursuant to Section 4.2 in an amount sufficient to satisfy (or to prevent an anticipated failure of) one of the tests set forth in Section 4.5(a). Such contribution shall be allocated for the year to each Non-Highly Compensated Participant electing salary reductions pursuant to Section 4.2 in equal amounts (per capita).

(5) A special Qualified Non-Elective Contribution may be made on behalf of Non-Highly Compensated Participants in an amount sufficient to satisfy (or to prevent an anticipated failure of) one of the tests set forth in Section 4.5(a). Such contribution shall be allocated to the Non-Highly Compensated Participant having the lowest 414(s) Compensation, until one of the tests set forth in Section 4.5(a) is satisfied (or is anticipated to be satisfied), or until such Non-Highly Compensated Participant has received the maximum "annual addition" pursuant to Section 4.9. This process shall continue until one of the tests set forth in Section 4.5(a) is satisfied (or is anticipated to be satisfied).

Notwithstanding the above, at the Employer's discretion, Non-Highly Compensated Participants who are not employed at the end of the Plan Year shall not be eligible to receive a special Qualified Non-Elective Contribution and shall be disregarded.

Notwithstanding the above, if the testing method changes from the current year testing method to the prior year testing method, then for purposes of preventing the double counting of Qualified Non-Elective Contributions for the first testing year for which the change is effective, any special Qualified Non-Elective Contribution on behalf

of Non-Highly Compensated Participants used to satisfy the "Actual Deferral Percentage" or "Actual Contribution Percentage" test under the current year testing method for the prior year testing year shall be disregarded.

(c) If during a Plan Year, it is projected that the aggregate amount of Elective Contributions to be allocated to all Highly Compensated Participants under this Plan would cause the Plan to fail the tests set forth in Section 4.5(a), then the Administrator may automatically reduce the deferral amount of affected Highly Compensated Participants, beginning with the Highly Compensated Participant who has the highest deferral ratio until it is anticipated the Plan will pass the tests or until the actual deferral ratio equals the actual deferral ratio of the Highly Compensated Participant having the next highest actual deferral ratio. This process may continue until it is anticipated that the Plan will satisfy one of the tests set forth in Section 4.5(a). Alternatively, the Employer may specify a maximum percentage of Compensation that may be deferred.

(d) Any Excess Contributions (and Income) which are distributed on or after 2 1/2 months after the end of the Plan Year shall be subject to the ten percent (10%) Employer excise tax imposed by Code Section 4979.

Excess Contributions that are not recharacterized, plus any income and minus any loss allocable thereto, shall be distributed no later than twelve (12) months after the last day of each Plan Year to Highly Compensated Employees to whose Accounts such Excess Contributions were allocated for such Plan Year, except to the extent such Excess Contributions are classified as Catch-up Contributions. For years beginning after 2005, distribution of Excess Contributions for a year shall be made first from the Participant's Deferred Compensation to the extent Deferred Compensation was made for the year, unless the Participant specifies otherwise. For Plan years beginning before 2006, income or loss allocable to the period between the end of the Plan Year and the date of distribution (the "gap-period") could be disregarded in determining income or loss on Excess Aggregate Contributions for such years. Gap-period income or loss must be included in any distribution of Excess Aggregate Contributions occurring in Plan Years beginning in 2006 and 2007, but must be excluded from any distribution of Excess Aggregate Contributions occurring in Plan Years beginning after 2007.

4.7 ACTUAL CONTRIBUTION PERCENTAGE TESTS

(a) The "Actual Contribution Percentage" for the Highly Compensated Participant group shall not exceed the greater of:

(1) 125 percent of such percentage for the Non-Highly Compensated Participant group; or

(2) the lesser of 200 percent of such percentage for the Non-Highly Compensated Participant group, or such percentage for the Non-Highly Compensated Participant group plus 2 percentage points. The provisions of Code Section 401(m) and Regulation 1.401(m)-1(b) are incorporated herein by reference.

(b) For the purposes of this Section and Section 4.8, "Actual Contribution Percentage" for a Plan Year means, with respect to the Highly Compensated Participant group and Non-Highly Compensated Participant group, the average of the ratios (calculated separately for each Participant in each group and rounded to the nearest one-hundredth of one percent) of:

- (1) the sum of Matching Contributions made pursuant to Section 4.1(c), after-tax voluntary Employee contributions made pursuant to Section 4.13, Excess Contributions recharacterized as after-tax voluntary Employee contributions pursuant to Section 4.6(a) on behalf of each such Participant for such Plan Year; to
- (2) the Participant's "414(s) Compensation" for such Plan Year.

Notwithstanding the above, Matching Contributions attributable to Catch-Up Contributions are excluded from the calculation of the "Actual Contribution Percentage." Such Matching Contributions shall be treated as a Forfeiture.

(c) For purposes of determining the "Actual Contribution Percentage," only Matching Contributions contributed to the Plan prior to the end of the succeeding Plan Year shall be considered. In addition, the Administrator may elect to take into account, with respect to Employees eligible to have Matching Contributions made pursuant to Section 4.1(c) or after-tax voluntary Employee contributions pursuant to Section 4.13 allocated to their accounts, elective deferrals (as defined in Regulation 1.402(g)-1(b)) and qualified non-elective contributions (as defined in Code Section 401(m)(4)(C)) contributed to any plan maintained by the Employer. Such elective deferrals and qualified non-elective contributions shall be treated as Matching Contributions subject to Regulation 1.401(m)-1(b)(5) which is incorporated herein by reference. However, the Plan Year must be the same as the plan year of the plan to which the elective deferrals and the qualified non-elective contributions are made.

(d) For purposes of this Section and Code Sections 401(a)(4), 410(b) and 401(m), this Plan may not be combined with any other plan.

(e) For purposes of Sections 4.7(a) and 4.8, a Highly Compensated Participant and Non-Highly Compensated Participant shall include any Employee eligible to have Matching Contributions (whether or not a deferral election was made or suspended) or after-tax voluntary Employee contributions (whether or not after-tax voluntary Employee contributions are made) allocated to the Participant's account for the Plan Year.

(f) For the purpose of this Section, when calculating the "Actual Contribution Percentage" for the Non-Highly Compensated Participant group, the current year testing method shall be used. Any change from the current year testing method to the prior year testing method shall be made pursuant to Internal Revenue Service Notice 98-1, Section VII (or superseding guidance), the provisions of which are incorporated herein by reference.

(g) Notwithstanding anything in this Section to the contrary, the provisions of this Section and Section 4.8 may be applied separately (or will be applied separately to the extent required by Regulations) to each plan within the meaning of Regulation 1.401(k)-

1(g)(11). Furthermore, the provisions of Code Section 401(k)(3)(F) may be used to exclude from consideration all Non-Highly Compensated Employees who have not satisfied the minimum age and service requirements of Code Section 410(a)(1)(A).

4.8 ADJUSTMENT TO ACTUAL CONTRIBUTION PERCENTAGE TESTS

(a) In the event (or if it is anticipated) that the "Actual Contribution Percentage" for the Highly Compensated Participant group exceeds (or might exceed) the "Actual Contribution Percentage" for the Non-Highly Compensated Participant group pursuant to Section 4.7(a), the Administrator (on or before the fifteenth day of the third month following the end of the Plan Year, but in no event later than the close of the following Plan Year) shall direct the Trustee to distribute to the Highly Compensated Participant having the largest dollar amount of contributions determined pursuant to Section 4.7(b)(1), the Vested portion of such contributions (and Income allocable to such contributions) and, if forfeitable, forfeit such non-Vested Excess Aggregate Contributions attributable to Matching Contributions (and Income allocable to such forfeitures) until the total amount of Excess Aggregate Contributions has been distributed, or until the Participant's remaining amount equals the amount of contributions determined pursuant to Section 4.7(b)(1) of the Highly Compensated Participant having the second largest dollar amount of contributions. This process shall continue until the total amount of Excess Aggregate Contributions has been distributed. The distribution and/or forfeiture of Excess Aggregate Contributions shall be made in the following order:

(1) After-tax voluntary Employee contributions including Excess Contributions recharacterized as after-tax voluntary Employee contributions pursuant to Section 4.6(a)(2);

(2) Matching Contributions.

(b) Any distribution and/or forfeiture of less than the entire amount of Excess Aggregate Contributions (and Income) shall be treated as a pro rata distribution and/or forfeiture of Excess Aggregate Contributions and Income. Distribution of Excess Aggregate Contributions shall be designated by the Employer as a distribution of Excess Aggregate Contributions (and Income). Forfeitures of Excess Aggregate Contributions shall be treated in accordance with Section 4.4.

(c) Excess Aggregate Contributions attributable to amounts other than after-tax voluntary Employee contributions, including forfeited Matching Contributions, shall be treated as Employer contributions for purposes of Code Sections 404 and 415 even if distributed from the Plan.

Forfeited Matching Contributions that are reallocated to Participants' Accounts for the Plan Year in which the forfeiture occurs shall be treated as an "annual addition" pursuant to Section 4.9(b) for the Participants to whose Accounts they are reallocated and for the Participants from whose Accounts they are forfeited.

(d) The determination of the amount of Excess Aggregate Contributions with respect to any Plan Year shall be made after first determining the Excess Contributions, if any,

to be treated as after-tax voluntary Employee contributions due to recharacterization for the plan year of any other qualified cash or deferred arrangement (as defined in Code Section 401(k)) maintained by the Employer that ends with or within the Plan Year or which are treated as after-tax voluntary Employee contributions due to recharacterization pursuant to Section 4.6(a).

(e) If during a Plan Year the projected aggregate amount of Matching Contributions, after-tax voluntary Employee contributions and Excess Contributions to be recharacterized as after-tax voluntary Employee contributions to be allocated to all Highly Compensated Participants under this Plan would, by virtue of the tests set forth in Section 4.7(a), cause the Plan to fail such tests, then the Administrator may automatically reduce proportionately or in the order provided in Section 4.8(a) each affected Highly Compensated Participant's projected share of such contributions by an amount necessary to satisfy one of the tests set forth in Section 4.7(a).

(f) Notwithstanding the above, within twelve (12) months after the end of the Plan Year, the Employer may make a special Qualified Non-Elective Contribution in accordance with one of the following provisions which contribution shall be allocated to the Participant's Account of each Non-Highly Compensated Participant eligible to share in the allocation in accordance with such provision. The Employer shall provide the Administrator with written notification of the amount of the contribution being made and for which provision it is being made pursuant to:

(1) A special Qualified Non-Elective Contribution may be made on behalf of Non-Highly Compensated Participants in an amount sufficient to satisfy (or to prevent an anticipated failure of) one of the tests set forth in Section 4.7. Such contribution shall be allocated in the same proportion that each Non-Highly Compensated Participant's 414(s) Compensation for the year bears to the total 414(s) Compensation of all Non-Highly Compensated Participants for such year.

(2) A special Qualified Non-Elective Contribution may be made on behalf of Non-Highly Compensated Participants in an amount sufficient to satisfy (or to prevent an anticipated failure of) one of the tests set forth in Section 4.7. Such contribution shall be allocated to each Non-Highly Compensated Participant electing salary reductions pursuant to Section 4.2 in the same proportion that each such Non-Highly Compensated Participant's Deferred Compensation (less Catch-Up Contributions) for the year bears to the total Deferred Compensation (less Catch-Up Contributions) of all such Non-Highly Compensated Participants for such year.

(3) A special Qualified Non-Elective Contribution may be made on behalf of Non-Highly Compensated Participants in an amount sufficient to satisfy (or to prevent an anticipated failure of) one of the tests set forth in Section 4.7. Such contribution shall be allocated in equal amounts (per capita).

(4) A special Qualified Non-Elective Contribution may be made on behalf of Non-Highly Compensated Participants electing salary reductions pursuant to Section 4.2 in an amount sufficient to satisfy (or to prevent an anticipated failure of) one of the tests set forth in Section 4.7. Such contribution shall be allocated for

the year to each Non-Highly Compensated Participant electing salary reductions pursuant to Section 4.2 in equal amounts (per capita).

(5) A special Qualified Non-Elective Contribution may be made on behalf of Non-Highly Compensated Participants in an amount sufficient to satisfy (or to prevent an anticipated failure of) one of the tests set forth in Section 4.7. Such contribution shall be allocated to the Non-Highly Compensated Participant having the lowest 414(s) Compensation, until one of the tests set forth in Section 4.7 is satisfied (or is anticipated to be satisfied), or until such Non-Highly Compensated Participant has received the maximum "annual addition" pursuant to Section 4.9. This process shall continue until one of the tests set forth in Section 4.7 is satisfied (or is anticipated to be satisfied).

Notwithstanding the above, at the Employer's discretion, Non-Highly Compensated Participants who are not employed at the end of the Plan Year shall not be eligible to receive a special Qualified Non-Elective Contribution and shall be disregarded.

Notwithstanding the above, if the testing method changes from the current year testing method to the prior year testing method, then for purposes of preventing the double counting of Qualified Non-Elective Contributions for the first testing year for which the change is effective, any special Qualified Non-Elective Contribution on behalf of Non-Highly Compensated Participants used to satisfy the "Actual Deferral Percentage" or "Actual Contribution Percentage" test under the current year testing method for the prior year testing year shall be disregarded.

(g) Any Excess Aggregate Contributions (and Income) which are distributed on or after 2 1/2 months after the end of the Plan Year shall be subject to the ten percent (10%) Employer excise tax imposed by Code Section 4979.

4.9 MAXIMUM ANNUAL ADDITIONS

(a) Notwithstanding the foregoing, the maximum "annual additions" credited to a Participant's accounts for any "limitation year" shall equal the lesser of: (1) \$40,000 adjusted annually as provided in Code Section 415(d) pursuant to the Regulations, or (2) one-hundred percent (100%) of the Participant's "415 Compensation" for such "limitation year." If the Employer contribution that would otherwise be contributed or allocated to the Participant's accounts would cause the "annual additions" for the "limitation year" to exceed the maximum "annual additions," the amount contributed or allocated will be reduced so that the "annual additions" for the "limitation year" will equal the maximum "annual additions," and any amount in excess of the maximum "annual additions," which would have been allocated to such Participant may be allocated to other Participants. For any short "limitation year," the dollar limitation in (1) above shall be reduced by a fraction, the numerator of which is the number of full months in the short "limitation year" and the denominator of which is twelve (12).

(b) For purposes of applying the limitations of Code Section 415, "annual additions" means the sum credited to a Participant's accounts for any "limitation year" of (1) Employer contributions, (2) Employee contributions, (3) forfeitures, (4) amounts allocated, after March 31, 1984, to an individual medical account, as defined in Code Section 415(l)(2) which is part of a pension or annuity plan maintained by the Employer, (5) amounts derived from contributions paid or accrued after December 31, 1985, in taxable years ending after such date, which are attributable to post-retirement medical benefits allocated to the separate account of a key employee (as defined in Code Section 419A(d)(3)) under a welfare benefit plan (as defined in Code Section 419(e)) maintained by the Employer and (6) allocations under a simplified employee pension plan. Except, however, the "415 Compensation" percentage limitation referred to in paragraph (a)(2) above shall not apply to: (1) any contribution for medical benefits after separation from service (within the meaning of Code Sections 401(h) or 419A(f)(2)) which is otherwise treated as an "annual addition," or (2) any amount otherwise treated as an "annual addition" under Code Section 415(l)(1).

If the "annual additions" under the Plan would cause the maximum "annual additions" to be exceeded for any Participant, and all or a portion of the "excess amount" is treated as a Catch-Up Contribution, then any Matching Contributions which relate to such Catch-Up Contribution will be used to reduce the Employer contribution in the next "limitation year."

Effective for limitation years beginning July 1, 2007, the Plan will follow the correction method provided by the Employee Plans Compliance Resolution System (EPCRS) or other guidance as provided by applicable revenue rulings and procedures.

(c) For purposes of applying the limitations of Code Section 415, the transfer of funds from one qualified plan to another is not an "annual addition." In addition, the following are not Employee contributions for the purposes of Section 4.9(b): (1) rollover contributions (as defined in Code Sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3) and 457(e)(16)); (2) repayments of loans made to a Participant from the Plan; (3) repayments of distributions received by an Employee pursuant to Code Section 411(a)(7)(B) (cash-outs); (4) repayments of distributions received by an Employee pursuant to Code Section 411(a)(3)(D) (mandatory contributions); (5) Catch-Up Contributions; and (6) Employee contributions to a simplified employee pension excludable from gross income under Code Section 408(k)(6).

(d) For purposes of applying the limitations of Code Section 415, the "limitation year" shall be the Plan Year.

(e) For the purpose of this Section, all qualified defined benefit plans (whether terminated or not) ever maintained by the Employer shall be treated as one defined benefit plan, and all qualified defined contribution plans (whether terminated or not) ever maintained by the Employer shall be treated as one defined contribution plan.

(f) For the purpose of this Section, if the Employer is a member of a controlled group of corporations, trades or businesses under common control (as defined by Code Section 1563(a) or Code Section 414(b) and (c) as modified by Code Section 415(h)), is a member of an affiliated service group (as defined by Code Section 414(m)), or is a member of a group of

entities required to be aggregated pursuant to Regulations under Code Section 414(o), all Employees of such Employers shall be considered to be employed by a single Employer.

(g) (1) If a Participant participates in more than one defined contribution plan maintained by the Employer which have different Anniversary Dates, the maximum "annual additions" under this Plan shall equal the maximum "annual additions" for the "limitation year" minus any "annual additions" previously credited to such Participant's accounts during the "limitation year."

(2) If a Participant participates in both a defined contribution plan subject to Code Section 412 and a defined contribution plan not subject to Code Section 412 maintained by the Employer which have the same Anniversary Date, "annual additions" will be credited to the Participant's accounts under the defined contribution plan subject to Code Section 412 prior to crediting "annual additions" to the Participant's accounts under the defined contribution plan not subject to Code Section 412.

(3) If a Participant participates in more than one defined contribution plan not subject to Code Section 412 maintained by the Employer which have the same Anniversary Date, the maximum "annual additions" under this Plan shall equal the product of (A) the maximum "annual additions" for the "limitation year" minus any "annual additions" previously credited under subparagraphs (1) or (2) above, multiplied by (B) a fraction (i) the numerator of which is the "annual additions" which would be credited to such Participant's accounts under this Plan without regard to the limitations of Code Section 415 and (ii) the denominator of which is such "annual additions" for all plans described in this subparagraph.

(i) Notwithstanding anything contained in this Section to the contrary, the limitations, adjustments and other requirements prescribed in this Section shall at all times comply with the provisions of Code Section 415 and the Regulations thereunder.

Effective for Plan Years beginning on or after January 1, 2008, for purpose of IRC Section 415 limitations, Section 415 Compensation for a Limitation Year shall include compensation paid by the later of 2 1/2 months after an Employee's severance from employment with the employer maintaining the Plan or the end of the Limitation Year that includes the date of the Employee's severance from employment with the employer maintaining the Plan, if:

(1) the payment is regular compensation for services during the Employee's regular working hours, or compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments, and, absent a severance from employment, the payments would have been paid to the Employee while the Employee continued in employment with the Employer;

(2) the payment is for unused accrued bona fide sick, vacation or other leave that the Employee would have been able to use if employment had continued; or

(3) the payment is received by the Employee pursuant to a nonqualified unfunded deferred compensation plan and would have been paid at the same time if employment had continued, but only to the extent includible in gross income.

Any payments not described above shall not be considered Section 415 Compensation if paid after severance from employment, even if they are paid by the later of 2½ months after the date of severance from employment or the end of the Limitation Year that includes the date of severance from employment, except payments to an individual who does not currently perform services for the employer by reason of qualified military service (within the meaning of Section 414(u)(1) of the Code) to the extent these payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the employer rather than entering qualified military service.

4.10 ADJUSTMENT FOR EXCESSIVE ANNUAL ADDITIONS

(a) If, as a result of a reasonable error in estimating a Participant's Compensation, a reasonable error in determining the amount of elective deferrals (within the meaning of Code Section 402(g)(3)) that may be made with respect to any Participant under the limits of Section 4.9 or other facts and circumstances to which Regulation 1.415-6(b)(6) shall be applicable, the "annual additions" under this Plan would cause the maximum "annual additions" to be exceeded for any Participant, the "excess amount" will be disposed of in one of the following manners, as uniformly determined by the Administrator for all Participants similarly situated.

(1) Any after-tax voluntary Employee contributions (plus attributable gains), to the extent they would reduce the "excess amount," will be distributed to the Participant;

(2) If, after the application of subparagraph (1) above, an "excess amount" still exists, any unmatched Deferred Compensation and, thereafter, proportionately from Deferred Compensation which is matched and Matching Contributions which relate to such Deferred Compensation, will be reduced to the extent they would reduce the "excess amount." The Deferred Compensation (and any gains attributable to such Deferred Compensation) will be distributed to the Participant and the Matching Contributions (and any gains attributable to such Matching Contributions) will be used to reduce the Employer contribution in the next "limitation year;"

(3) If, after the application of subparagraphs (1) and (2) above, an "excess amount" still exists, and the Participant is covered by the Plan at the end of the "limitation year," then the "excess amount" will be used to reduce the Employer contribution for such Participant in the next "limitation year," and each succeeding "limitation year" if necessary;

(4) If, after the application of subparagraphs (1), (2) and (3) above, an "excess amount" still exists, and the Participant is not covered by the Plan at the end of the "limitation year," then the "excess amount" will be held unallocated in a "Section 415 suspense account" The "Section 415 suspense account" will be applied

to reduce future Employer contributions for all remaining Participants in the next "limitation year," and each succeeding "limitation year" if necessary;

(5) If a "Section 415 suspense account" is in existence at any time during the "limitation year" pursuant to this Section, it will not participate in the allocation of investment gains and losses of the Trust Fund. If a "Section 415 suspense account" is in existence at any time during a particular "limitation year," all amounts in the "Section 415 suspense account" must be allocated and reallocated to Participants' accounts before any Employer contributions or any Employee contributions may be made to the Plan for that "limitation year." Except as provided in (1) and (2) above, "excess amounts" may not be distributed to Participants or Former Participants.

(b) For purposes of this Article, "excess amount" for any Participant for a "limitation year" shall mean the excess, if any, of (1) the "annual additions" which would be credited to the Participant's account under the terms of the Plan without regard to the limitations of Code Section 415 over (2) the maximum "annual additions" determined pursuant to Section 4.9.

(c) For purposes of this Section, "Section 415 suspense account" shall mean an unallocated account equal to the sum of "excess amounts" for all Participants in the Plan during the "limitation year."

(d) Effective for limitation years beginning July 1, 2007, the Plan will follow the correction method provided by the Employee Plans Compliance Resolution System (EPCRS) or other guidance as provided by applicable revenue rulings and procedures.

4.11 PLAN-TO-PLAN TRANSFERS FROM QUALIFIED PLANS

(a) With the consent of the Administrator, amounts may be transferred (within the meaning of Code Section 414(l)) to this Plan from other tax qualified plans under Code Section 401(a) by Eligible Employees, provided that the trust from which such funds are transferred permits the transfer to be made and the transfer will not jeopardize the tax exempt status of the Plan or Trust or create adverse tax consequences for the Employer. Prior to accepting any transfers to which this Section applies, the Administrator may require an opinion of counsel that the amounts to be transferred meet the requirements of this Section. The amounts transferred shall be set up in a separate account herein referred to as a Participant's Transfer Account. Such account shall be fully Vested at all times and shall not be subject to Forfeiture for any reason.

Except as permitted by Regulations (including Regulation 1.411(d)-4), amounts attributable to elective contributions (as defined in Regulation 1.401(k)-1(g)(3)), including amounts treated as elective contributions, which are transferred from another qualified plan in a plan-to-plan transfer (other than a direct rollover) shall be subject to the distribution limitations provided for in Regulation 1.401(k)-1(d).

(b) Amounts in a Participant's Transfer Account shall be held by the Trustee pursuant to the provisions of this Plan and may not be withdrawn by, or distributed to the

Participant, in whole or in part, except as provided in paragraph (c) of this Section. The Trustee shall have no duty or responsibility to inquire as to the propriety of the amount, value or type of assets transferred, nor to conduct any due diligence with respect to such assets; provided, however, that such assets are otherwise eligible to be held by the Trustee under the terms of this Plan.

(c) At Normal Retirement Date, or such other date when the Participant or the Participant's Beneficiary shall be entitled to receive benefits, the Participant's Transfer Account shall be used to provide additional benefits to the Participant or the Participant's Beneficiary. Any distributions of amounts held in a Participant's Transfer Account shall be made in a manner which is consistent with and satisfies the provisions of Section 7.5, including, but not limited to, all notice and consent requirements of Code Section 411(a)(11) and the Regulations thereunder. Furthermore, such amounts shall be considered as part of a Participant's benefit in determining whether an involuntary cash-out of benefits may be made without Participant consent.

(d) The Administrator may direct that Employee transfers made after a Valuation Date be segregated into a separate account for each Participant until such time as the allocations pursuant to this Plan have been made, at which time they may remain segregated or be invested as part of the general Trust Fund or be directed by the Participant pursuant to Section 4.14.

(e) This Plan shall not accept any direct or indirect transfers (as that term is defined and interpreted under Code Section 401(a)(11) and the Regulations thereunder) from a defined benefit plan, money purchase plan (including a target benefit plan), stock bonus or profit sharing plan which would otherwise have provided for a life annuity form of payment to the Participant.

(f) Notwithstanding anything herein to the contrary, a transfer directly to this Plan from another qualified plan (or a transaction having the effect of such a transfer) shall only be permitted if it will not result in the elimination or reduction of any "Section 411(d)(6) protected benefit" as described in Section 8.1.

4.12 ROLLOVERS FROM OTHER PLANS

(a) With the consent of the Administrator, the Plan may accept a "rollover" by Eligible Employees, provided the "rollover" will not jeopardize the tax-exempt status of the Plan or create adverse tax consequences for the Employer. Prior to accepting any "rollovers" to which this Section applies, the Administrator may require the Employee to establish (by providing an opinion of counsel, or otherwise) that the amounts to be rolled over to this Plan meet the requirements of this Section. The amounts rolled over shall be set up in a separate account herein referred to as a Participant's Rollover Account. Such account shall be fully Vested at all times and shall not be subject to Forfeiture for any reason.

(b) Amounts in a Participant's Rollover Account shall be held by the Trustee pursuant to the provisions of this Plan and may not be withdrawn by, or distributed to the Participant, in whole or in part, except as provided in paragraph (c) of this Section. The Trustee shall have no duty or responsibility to inquire as to the propriety of the amount, value or type

of assets transferred, nor to conduct any due diligence with respect to such assets; provided, however, that such assets are otherwise eligible to be held by the Trustee under the terms of this Plan.

(c) The Administrator, at the election of the Participant, shall direct the Trustee to distribute all or a portion of the amount credited to the Participant's Rollover Account. Furthermore, amounts in the Participant's Rollover Account, with respect to distributions made on and after January 1, 2002 to Participants who separate from service on and after January 1, 2001 shall not be considered as part of a Participant's benefit in determining whether an involuntary cash-out of benefits may be made without Participant consent. Any distributions of amounts held in a Participant's Rollover Account shall be made in a manner which is consistent with and satisfies the provisions of Section 7.5, including, but not limited to, all notice and consent requirements of Code Section 411(a)(11) and the Regulations thereunder.

(d) The Administrator may direct that Employee "rollovers" made after a Valuation Date be segregated into a separate account for each Participant until such time as the allocations pursuant to this Plan have been made, at which time they may remain segregated or be invested as part of the general Trust Fund or be directed by the Participant pursuant to Section 4.14.

(e) For purposes of this Section the following definitions shall apply:

(1) A "rollover" means: (i) amounts transferred to this Plan directly from another "eligible retirement plan;" (ii) distributions received by an Employee from other "eligible retirement plans" which are eligible for tax-free rollover to an "eligible retirement plan" and which are transferred by the Employee to this Plan within sixty (60) days following receipt thereof; (iii) amounts transferred to this Plan from a conduit individual retirement account provided that the conduit individual retirement account has no assets other than assets which (A) were previously distributed to the Employee by another "eligible retirement plan," (B) were eligible for tax-free rollover to an "eligible retirement plan" and (C) were deposited in such conduit individual retirement account within sixty (60) days of receipt thereof; (iv) amounts distributed to the Employee from a conduit individual retirement account meeting the requirements of clause (iii) above, and transferred by the Employee to this Plan within sixty (60) days of receipt thereof from such conduit individual retirement account; (v) effective September 1, 2010, Independent Bank Corp. Stock transferred to this Plan from the Benjamin Franklin Bank Employee Stock Ownership Plan; and (vi) any other amounts which are eligible to be rolled over to this Plan pursuant to the Code.

(2) An "eligible retirement plan" means an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b) (other than an endowment contract), a qualified trust (an employees' trust described in Code Section 401(a) which is exempt from tax under Code Section 501(a)), an annuity plan described in Code Section 403(a), an eligible deferred compensation plan described in Code Section 457(b) which is maintained by an eligible employer described in Code Section 457(e)(1)(A), and an annuity contract described in Code Section 403(b).

4.13 VOLUNTARY CONTRIBUTIONS

(a) In order to allow Participants the opportunity to increase their retirement income, each Participant may, in accordance with nondiscriminatory procedures established by the Administrator, elect to make after-tax voluntary Employee contributions to the Plan, up to 10% of such Participant's Compensation. Such contributions must generally be paid to the Trustee within a reasonable period of time after being received by the Employer. The balance in each Participant's Voluntary Contribution Account shall be fully Vested at all times and shall not be subject to Forfeiture for any reason.

(b) A Participant may elect at any time to withdraw after-tax voluntary Employee contributions from such Participant's Voluntary Contribution Account and the actual earnings thereon in a manner which is consistent with and satisfies the provisions of Section 7.5, including, but not limited to, all notice and consent requirements of Code Section 411(a)(11) and the Regulations thereunder. If the Administrator maintains sub-accounts with respect to after-tax voluntary Employee contributions (and earnings thereon) which were made on or before a specified date, a Participant shall be permitted to designate which sub-account shall be the source for withdrawal. Forfeitures of Employer contributions shall not occur solely as a result of an Employee's withdrawal of after-tax voluntary Employee contributions.

Notwithstanding the above, in the event a Participant has received a hardship distribution from the Participant's Elective Account pursuant to Section 7.12(b) or pursuant to Regulation 1.401(k)-1(d)(2)(iii) from any other plan maintained by the Employer, then the Participant shall be barred from making any after-tax voluntary Employee contributions for a period of six (6) months after receipt of the distribution. Notwithstanding the foregoing, effective for hardship distributions taken on or after January 1, 2019, a Participant's after-tax voluntary Employee contributions to the Plan shall not be suspended following the receipt of a hardship distribution.

4.14 DIRECTED INVESTMENT ACCOUNT

(a) The Plan is intended to be compliant with the requirements of Section 404(c) of the Employee Retirement Income Security Act of 1974, as amended, and with the requirements of Section 401(a)(35) of the Internal Revenue Code, as added by Section 901 of the Pension Protection Act of 2006, whereby a Participant is entitled to diversify a portion of their account. Participants may, subject to a procedure established by the Administrator (the Participant Direction Procedures) and applied in a uniform nondiscriminatory manner, direct the Trustee, in writing (or in such other form which is acceptable to the Trustee), to invest all or a portion of their individual account balances in specific assets, specific funds or other investments permitted under the Plan and the Participant Direction Procedures. That portion of the interest of any Participant so directing will thereupon be considered a Participant's Directed Account.

(b) As of each Valuation Date, all Participant Directed Accounts shall be charged or credited with the net earnings, gains, losses and expenses as well as any appreciation or depreciation in the market value using publicly listed fair market values when available or appropriate as follows:

(1) to the extent that the assets in a Participant's Directed Account are accounted for as pooled assets or investments, the allocation of earnings, gains and losses of each Participant's Directed Account shall be based upon the total amount of funds so invested in a manner proportionate to the Participant's share of such pooled investment; and

(2) to the extent that the assets in the Participant's Directed Account are accounted for as segregated assets, the allocation of earnings, gains and losses from such assets shall be made on a separate and distinct basis.

(c) Investment directions will be processed as soon as administratively practicable after proper investment directions are received from the Participant. No guarantee is made by the Plan, Employer, Administrator or Trustee that investment directions will be processed on a daily basis, and no guarantee is made in any respect regarding the processing time of an investment direction. Notwithstanding any other provision of the Plan, the Employer, Administrator or Trustee reserves the right to not value an investment option on any given Valuation Date for any reason deemed appropriate by the Employer, Administrator or Trustee. Furthermore, the processing of any investment transaction may be delayed for any legitimate business reason (including, but not limited to, failure of systems or computer programs, failure of the means of the transmission of data, force majeure, the failure of a service provider to timely receive values or prices, and correction for errors or omissions or the errors or omissions of any service provider). The processing date of a transaction will be binding for all purposes of the Plan and considered the applicable Valuation Date for an investment transaction.

(d) The provisions of the above paragraphs in this Section 4.14 are also intended to satisfy the requirements of Code Section 401(a)(28)(B)(ii), concerning the diversification of investments in Company Stock.

(e) Notwithstanding the foregoing provisions of this Section 4.14 or any Participant Direction Procedures, in no event shall a Participant or Beneficiary be permitted to direct the investment of any amounts in their Participant's Combined Account that are attributable to Matching Contributions, Employer Non-Elective Contributions or Supplemental Non-Elective Contributions made pursuant to Section 4.1(e) in Company Stock or any other securities by the Company or any Affiliated Employer.

4.15 QUALIFIED MILITARY SERVICE

Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service will be provided in accordance with Code Section 414(u).

ARTICLE V
FUNDING AND INVESTMENT POLICY

5.1 INVESTMENT POLICY

(a) The portion of the Plan that is designated as an Employee Stock Ownership Plan is designed to invest primarily in Company Stock.

(b) The Plan may not obligate itself to acquire Company Stock from a particular holder thereof at an indefinite time determined upon the happening of an event such as the death of the holder.

(c) The Plan may not obligate itself to acquire Company Stock under a put option binding upon the Plan. However, at the time a put option is exercised, the Plan may be given an option to assume the rights and obligations of the Employer under a put option binding upon the Employer.

(d) All purchases of Company Stock shall be made at a price which, in the judgment of the Administrator, does not exceed the fair market value thereof. All sales of Company Stock shall be made at a price which, in the judgment of the Administrator, is not less than the fair market value thereof. The valuation rules set forth in Article VI shall be applicable.

5.2 TRANSACTIONS INVOLVING COMPANY STOCK

(a) No portion of the Trust Fund attributable to (or allocable in lieu of) Company Stock acquired by the Plan in a sale to which Code Section 1042 applies may accrue or be allocated directly or indirectly under any plan maintained by the Employer meeting the requirements of Code Section 401(a):

(1) during the "Nonallocation Period," for the benefit of:

(i) any taxpayer who makes an election under Code Section 1042(a) with respect to Company Stock,

(ii) any individual who is related to the taxpayer (within the meaning of Code Section 267(b)), or

(2) for the benefit of any other person who owns (after application of Code Section 318(a) applied without regard to the employee trust exception in Code Section 318(a)(2)(B)(i)) more than 25 percent of:

(i) any class of outstanding stock of the Employer or Affiliated Employer which issued such Company Stock, or

(ii) the total value of any class of outstanding stock of the Employer or Affiliated Employer.

(b) Except, however, subparagraph (a)(1)(ii) above shall not apply to lineal descendants of the taxpayer, provided that the aggregate amount allocated to the benefit of all such lineal descendants during the "Nonallocation Period" does not exceed more than five (5) percent of the Company Stock (or amounts allocated in lieu thereof) held by the Plan which are attributable to a sale to the Plan by any person related to such descendants (within the meaning of Code Section 267(c)(4)) in a transaction to which Code Section 1042 is applied.

(c) A person shall be treated as failing to meet the stock ownership limitation under paragraph (a)(2) above if such person fails such limitation:

(1) at any time during the one (1) year period ending on the date of sale of Company Stock to the Plan, or

(2) on the date as of which Company Stock is allocated to Participants in the Plan,

(d) For purposes of this Section, "Nonallocation Period" means the period beginning on the date of the sale of the Company Stock and ending on the date which is ten (10) years after the date of sale.

ARTICLE VI
VALUATIONS

6.1 VALUATION OF THE TRUST FUND

The Administrator shall direct the Trustee, as of each Valuation Date, to determine the net worth of the assets comprising the Trust Fund as it exists on the Valuation Date. In determining such net worth, the Trustee shall value the assets comprising the Trust Fund at their fair market value (or their contractual value in the case of a Contract or Policy) as of the Valuation Date and shall deduct all expenses for which the Trustee has not yet obtained reimbursement from the Employer or the Trust Fund. The Trustee may update the value of any shares held in the Participant Directed Account by reference to the number of shares held by that Participant, priced at the market value as of the Valuation Date.

6.2 METHOD OF VALUATION

Valuations must be made in good faith and based on all relevant factors for determining the fair market value of securities. In the case of a transaction between a Plan and a disqualified person, value must be determined as of the date of the transaction. For all other Plan purposes, value must be determined as of the most recent Valuation Date under the Plan. An independent appraisal will not in itself be a good faith determination of value in the case of a transaction between the Plan and a disqualified person. However, in other cases, a determination of fair market value based on at least an annual appraisal independently arrived at by a person who customarily makes such appraisals and who is independent of any party to the transaction will be deemed to be a good faith determination of value. Company Stock not readily tradable on an established securities market shall be valued by an independent appraiser meeting requirements similar to the requirements of the Regulations prescribed under Code Section 170(a)(1).

ARTICLE VII
DETERMINATION AND DISTRIBUTION OF BENEFITS

7.1 DETERMINATION OF BENEFITS UPON RETIREMENT

Every Participant may terminate employment with the Employer and retire for the purposes hereof on the Participant's Normal Retirement Date or Early Retirement Date. However, a Participant may postpone the termination of employment with the Employer to a later date, in which event the participation of such Participant in the Plan, including the right to receive allocations pursuant to Section 4.4, shall continue until such Participant's Late Retirement Date. Upon a Participant's Retirement Date or attainment of Normal Retirement Date without termination of employment with the Employer, or as soon thereafter as is practicable, the Trustee shall distribute, at the election of the Participant, all amounts credited to such Participant's Combined Account in accordance with Sections 7.5 and 7.6.

7.2 DETERMINATION OF BENEFITS UPON DEATH

(a) Upon the death of a Participant before the Participant's Retirement Date or other termination of employment, all amounts credited to such Participant's Combined Account shall become fully Vested. If elected, distribution of the Participant's Combined Account shall commence not later than one (1) year after the close of the Plan Year in which such Participant's death occurs. The Administrator shall direct the Trustee, in accordance with the provisions of Sections 7.5 and 7.6, to distribute the value of the deceased Participant's accounts to the Participant's Beneficiary.

(b) Upon the death of a Former Participant, the Administrator shall direct the Trustee, in accordance with the provisions of Sections 7.5 and 7.6, to distribute any remaining Vested amounts credited to the accounts of a deceased Former Participant to such Former Participant's Beneficiary.

(c) Any security interest held by the Plan by reason of an outstanding loan to the Participant or Former Participant shall be taken into account in determining the amount of the death benefit.

(d) The Administrator may require such proper proof of death and such evidence of the right of any person to receive payment of the value of the account of a deceased Participant or Former Participant as the Administrator may deem desirable. The Administrator's determination of death and of the right of any person to receive payment shall be conclusive.

(e) The Beneficiary of the death benefit payable pursuant to this Section shall be the Participant's spouse. Except, however, the Participant may designate a Beneficiary other than the spouse if:

(1) the spouse has waived the right to be the Participant's Beneficiary, or

(2) the Participant is legally separated or has been abandoned (within the meaning of local law) and the Participant has a court order to such effect (and there is no "qualified domestic relations order" as defined in Code Section 414(p) which provides otherwise), or

(3) the Participant has no spouse, or

(4) the spouse cannot be located.

In such event, the designation of a Beneficiary shall be made on a form satisfactory to the Administrator. A Participant may at any time revoke a designation of a Beneficiary or change a Beneficiary by filing written (or in such other form as permitted by the Internal Revenue Service) notice of such revocation or change with the Administrator. However, the Participant's spouse must again consent in writing (or in such other form as permitted by the Internal Revenue Service) to any change in Beneficiary unless the original consent acknowledged that the spouse had the right to limit consent only to a specific Beneficiary and that the spouse voluntarily elected to relinquish such right.

(f) In the event no valid designation of Beneficiary exists, or if the Beneficiary is not alive at the time of the Participant's death, the death benefit will be paid in the following order of priority to:

(1) the Participant's surviving spouse;

(2) the Participant's children, including adopted children, per stirpes;

(3) the Participant's surviving parents in equal shares; or

(4) the Participant's estate.

If the Beneficiary does not predecease the Participant, but dies prior to distribution of the death benefit, the death benefit will be paid to the Beneficiary's estate.

(g) Notwithstanding anything in this Section to the contrary, if a Participant has designated the spouse as a Beneficiary, then a divorce decree or a legal separation that relates to such spouse shall revoke the Participant's designation of the spouse as a Beneficiary unless the decree or a qualified domestic relations order (within the meaning of Code Section 414(p)) provides otherwise.

(h) Any consent by the Participant's spouse to waive any rights to the death benefit must be in writing (or in such other form as permitted by the Internal Revenue Service), must acknowledge the effect of such waiver, and be witnessed by a Plan representative or a notary public. Further, the spouse's consent must be irrevocable and must acknowledge the specific nonspouse Beneficiary.

7.3 DETERMINATION OF BENEFITS IN EVENT OF DISABILITY

In the event of a Participant's Total and Permanent Disability prior to the Participant's Retirement Date or other termination of employment, all amounts credited to such Participant's Combined Account shall become fully Vested. In the event of a Participant's Total and Permanent Disability, the Administrator, in accordance with the provisions of Sections 7.5 and 7.6, shall direct the distribution to such Participant of all Vested amounts credited to such Participant's Combined Account. If such Participant elects, distribution shall commence not later than one (1) year after the close of the Plan Year in which Total and Permanent Disability occurs.

7.4 DETERMINATION OF BENEFITS UPON TERMINATION

(a) If a Participant's employment with the Employer is terminated for any reason other than death, Total and Permanent Disability or retirement, then such Participant shall be entitled to such benefits as are provided hereinafter pursuant to this Section 7.4.

If a portion of a Participant's Account is forfeited, Company Stock allocated to the Participant's Company Stock Account must be forfeited only after the Participant's Other Investments Account has been depleted. If interest in more than one class of Company Stock has been allocated to a Participant's Account, the Participant must be treated as forfeiting the same proportion of each such class.

Distribution of the funds due to a Terminated Participant shall be made on the occurrence of an event which would result in the distribution had the Terminated Participant remained in the employ of the Employer (upon the Participant's death, Total and Permanent Disability, Early or Normal Retirement). However, at the election of the Participant, the Administrator shall direct the Trustee that the entire Vested portion of the Terminated Participant's Combined Account to be payable to such Terminated Participant as soon as administratively feasible after termination of employment. Any distribution under this paragraph shall be made in a manner which is consistent with and satisfies the provisions of Section 7.5 and 7.6, including, but not limited to, all notice and consent requirements of Code Section 411(a)(11) and the Regulations thereunder.

If the value of a Terminated Participant's Vested benefit derived from Employer and Employee contributions does not exceed \$5,000, then the Administrator shall direct the Trustee to cause the entire Vested benefit to be paid to such Participant in a single lump sum as soon as administratively feasible after termination of employment.

In the event of a mandatory distribution greater than \$1,000 that is made in accordance with the provisions of the Plan providing for an automatic distribution to a Participant without the Participant's consent, if the Participant does not elect to have such distribution paid directly to an "eligible retirement plan" specified by the Participant in a direct rollover (in accordance with the direct rollover provisions of the Plan) or to receive the distribution directly, then the Administrator shall pay the distribution in a direct rollover to an individual retirement plan designated by the Administrator.

(b) A Participant shall become fully Vested immediately upon entry into the Plan.

(c) The computation of a Participant's nonforfeitable percentage of such Participant's interest in the Plan shall not be reduced as the result of any direct or indirect amendment to this Plan. In the event that the Plan is amended to change or modify any vesting schedule, or if the Plan is amended in any way that directly or indirectly affects the computation of the Participant's nonforfeitable percentage, or if the Plan is deemed amended by an automatic change to a top heavy vesting schedule, then each Participant with at least three (3) Years of Service as of the expiration date of the election period may elect to have such Participant's nonforfeitable percentage computed under the Plan without regard to such amendment or change. If a Participant fails to make such election, then such Participant shall be subject to the new vesting schedule. The Participant's election period shall commence on the adoption date of the amendment and shall end sixty (60) days after the latest of:

- (1) the adoption date of the amendment,
- (2) the effective date of the amendment, or
- (3) the date the Participant receives written notice of the amendment from the Employer or Administrator.

7.5 DISTRIBUTION OF BENEFITS

(a) The Administrator, pursuant to the election of the Participant, shall direct the Trustee to distribute to a Participant or such Participant's Beneficiary any amount, subject to Section 7.5(b), to which the Participant is entitled under the Plan in one or more of the following methods:

- (1) One lump-sum payment.
- (2) Payments over a period certain in monthly, quarterly, semiannual, or annual installments. The period over which such payment is to be made shall not extend beyond the earlier of the Participant's life expectancy (or the joint life expectancy of the Participant and the Participant's "designated Beneficiary") or the limited distribution period provided for in Section 7.5(b).
- (3) Partial payment. This payment method is available only with respect to terminated Participants whose Participant Account Balance is in excess of \$5,000.

(b) Unless the Participant elects in writing (or such other form as permitted by the Internal Revenue Service) a longer distribution period, distributions to a Participant or the Participant's Beneficiary attributable to Company Stock shall be in substantially equal monthly, quarterly, semiannual, or annual installments over a period not longer than five (5) years. In the case of a Participant with an account balance attributable to Company Stock in excess of \$800,000, the five (5) year period shall be extended one (1) additional year (but not more than five (5) additional years) for each \$160,000 or fraction thereof by which such balance exceeds \$800,000. The dollar

limits shall be adjusted at the same time and in the same manner as provided in Code Section 415(d).

(c) Any distribution to a Participant who has a benefit which exceeds \$5,000, shall require such Participant's written (or in such other form as permitted by the Internal Revenue Service) consent if such distribution commences prior to the time the benefit is "immediately distributable." A benefit is "immediately distributable" if any part of the benefit could be distributed to the Participant (or surviving spouse) before the Participant attains (or would have attained if not deceased) the later of the Participant's Normal Retirement Age or age 62. With regard to this required consent:

(1) The Participant must be informed of the right to defer receipt of the distribution. If a Participant fails to consent, it shall be deemed an election to defer the commencement of payment of any benefit. However, any election to defer the receipt of benefits shall not apply with respect to distributions which are required under Section 7.5(f).

(2) Notice of the rights specified under this paragraph shall be provided no less than thirty (30) days and no more than ninety (90) days before the date the distribution commences.

(3) Written (or such other form as permitted by the Internal Revenue Service) consent of the Participant to the distribution must not be made before the Participant receives the notice and must not be made more than ninety (90) days before the date the distribution commences.

(4) No consent shall be valid if a significant detriment is imposed under the Plan on any Participant who does not consent to the distribution.

Any such distribution may commence less than thirty (30) days after the notice required under Regulation 1.411(a)-11(c) is given, provided that: (1) the Administrator clearly informs the Participant that the Participant has a right to a period of at least thirty (30) days after receiving the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option), and (2) the Participant, after receiving the notice, affirmatively elects a distribution.

(d) Notwithstanding anything herein to the contrary, the Administrator may direct that cash dividends on shares of Company Stock allocable to Participants' Company Stock Accounts be:

(1) Paid by the Employer directly in cash to the Participants in the Plan or their Beneficiaries.

(2) Paid to the Plan and distributed in cash to Participants in the Plan or their Beneficiaries no later than ninety (90) days after the close of the Plan Year in which paid.

(3) Paid in accordance with paragraph (1) or (2) above, or paid to the Plan and reinvested in Company Stock; provided, however, that if cash dividends are reinvested in Company Stock, then Company Stock allocated to the Participant's Company Stock Account shall have a fair market value not less than the amount of cash dividends which would have been allocated to such Participant's Other Investment Account for the year.

(4) At the election of Participants or their Beneficiaries, paid in accordance with paragraph (1), (2) or (3) above. In the event a Participant does not make a dividend election, the dividends will be paid to the Plan and reinvested in Company Stock. In the event a Participant makes a new dividend election after a dividend is declared, but prior to the dividend being paid, the Participant's election immediately prior to the new election will control the payment of the dividends, and the new dividend election will be effective for subsequent dividends. This section will be effective for dividends declared after June 30, 2005.

(5) Allocated to Participants' Other Investment Accounts. This option is not part of and is not to be construed as part of the Participant's election referred to in (d)(3) above.

(e) Any part of a Participant's benefit which is retained in the Plan after the Anniversary Date on which the Participant's participation ends will continue to be treated as a Company Stock Account or as an Other Investments Account (subject to Section 7.4(a)) as provided in Article IV. However, neither account will be credited with any further Employer contributions.

(f) Notwithstanding any provision in the Plan to the contrary, the distribution of a Participant's benefits will be made in accordance with the following requirements and will otherwise comply with Code Section 401(a)(9) and the Regulations thereunder, the provisions of which are incorporated herein by reference:

(1) A Participant's benefits will be distributed not later than April 1st of the calendar year following the later of (i) the calendar year in which the Participant attains age 70 1/2 or (ii) the calendar year in which the Participant retires, provided, however, that this clause (ii) shall not apply in the case of a Participant who is a "five (5) percent owner" at any time during the Plan Year ending with or within the calendar year in which such owner attains age 70 1/2. Such distribution shall be equal to or greater than any required distribution.

Alternatively, distributions to a Participant must begin no later than the applicable April 1st as determined above and must be made over a period certain measured by the Life Expectancy of the Participant (or joint Life Expectancies of the Participant and the Participant's "designated Beneficiary") in accordance with Regulations. Such distributions will be equal to or greater than any required distribution.

(2) Distributions to a Participant and the Participant's Beneficiaries will only be made in accordance with the incidental death benefit requirements of Code Section 401(a)(9)(G) and the Regulations thereunder.

(3) Unless the Participant's interest is distributed in a single sum on or before the required beginning date specified in (1) above, the minimum amount that will be distributed for each Distribution Calendar Year (including the first Distribution Calendar Year and the Distribution Calendar Year that includes the Participant's date of death) is the lesser of:

(i) the quotient obtained by dividing the Participant's Account Balance by the distribution period in the Uniform Lifetime Table set forth in Regulation 1.401(a)(9)-9, using the Participant's age as of the Participant's birthday in the Distribution Calendar Year; or

(ii) if the Participant's sole "designated Beneficiary" for the Distribution Calendar Year is the Participant's spouse, the quotient obtained by dividing the Participant's Account Balance by the number in the Joint and Last Survivor Table set forth in Regulation 1.401(a)(9)-9, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the Distribution Calendar Year.

Participants with a required beginning date of April 1, 2010 or earlier are not required to take a 2009 required minimum distribution. Instead, the first required minimum distribution for those Participants will be their 2010 required minimum distribution, which must be made by December 31, 2010. The 2009 required minimum distribution relief also applies to the five-year rule applicable to beneficiaries when a Participant dies before their required beginning date and the death occurred before January 1, 2009.

(g) Notwithstanding any provision in the Plan to the contrary, distributions upon the death of a Participant will be made in accordance with the following requirements and will otherwise comply with Code Section 401(a)(9) and the Regulations thereunder, the provisions of which are incorporated by reference.

(1) If the Participant dies on or after the date distributions begin and there is a "designated Beneficiary," then the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the longer of the remaining Life Expectancy of the Participant or the remaining Life Expectancy of the Participant's "designated Beneficiary," determined as follows:

(i) The Participant's remaining Life Expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(ii) If the Participant's surviving spouse is the Participant's sole "designated Beneficiary," then the remaining Life Expectancy of the surviving spouse is calculated for each Distribution Calendar Year after the

year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For Distribution Calendar Years after the year of the surviving spouse's death, the remaining Life Expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

(iii) If the Participant's surviving spouse is not the Participant's sole "designated Beneficiary," then the "designated Beneficiary's" remaining Life Expectancy is calculated using the age of the beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

However, if there is no "designated Beneficiary" as of September 30th of the year after the year of the Participant's death, then the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the Participant's remaining Life Expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(2) If a Participant dies before the date distributions begin, then the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(i) If the Participant's surviving spouse is the Participant's sole "designated Beneficiary," then distributions to the surviving spouse will begin by December 31st of the calendar year immediately following the calendar year in which the Participant died, or by December 31st of the calendar year in which the Participant would have attained age 70 1/2, if later.

(ii) If the Participant's surviving spouse is not the Participant's sole "designated Beneficiary," then the Participant's entire interest will be distributed to the "designated Beneficiary," by December 31st of the calendar year containing the fifth anniversary of the Participant's death (the "5-year rule").

(iii) If there is no "designated Beneficiary" as of September 30th of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31st of the calendar year containing the fifth anniversary of the Participant's death.

(iv) If the Participant is survived by a "designated Beneficiary," then the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the remaining Life Expectancy of the Participant's "designated Beneficiary," determined as provided in Section 7.5(g)(1).

(v) If the Participant's surviving spouse is the Participant's sole "designated Beneficiary" and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, then this Section 7.5(g)(2), other than Section 7.5(g)(2)(i), will apply as if the surviving spouse were the Participant.

(3) For purposes of this Section 7.5(g), the Participant's death benefit will be distributed to the Participant's Beneficiaries subject to the following rules:

(i) Distributions are considered to begin on the Participant's required beginning date. However, if Section 7.5(g)(2)(v) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse.

(ii) Unless the Participant's interest is distributed in a single sum on or before the required beginning date, as of the first Distribution Calendar Year distributions will be made in accordance with Section 7.5(g).

(h) Except as limited by Sections 7.5 and 7.6, whenever the Trustee is to make a distribution or to commence a series of payments, the distribution or series of payments may be made or begun on such date or as soon thereafter as is practicable. However, unless a Former Participant elects in writing to defer the receipt of benefits (such election may not result in a death benefit that is more than incidental), the payment of benefits shall begin not later than the sixtieth (60th) day after the close of the Plan Year in which the latest of the following events occurs:

(i) the date on which the Participant attains the earlier of age 65 or the Normal Retirement Age specified herein;

(ii) the tenth (10th) anniversary of the year in which the Participant commenced participation in the Plan; or

(iii) the date the Participant terminates their service with the Employer.

(i) The restrictions imposed by this Section shall not apply if a Participant has, prior to January 1, 1984, made a written designation to have retirement benefits paid in an alternative method acceptable under Code Section 401(a)(9) as in effect prior to the enactment of the Tax Equity and Fiscal Responsibility Act of 1982.

(j) Subject to the spouse's right of consent afforded under the Plan, the restrictions imposed by this Section shall not apply if a Participant has, prior to January 1, 1984, made a written designation to have death benefits paid in an alternative method acceptable under Code Section 401(a)(9) as in effect prior to the enactment of the Tax Equity and Fiscal Responsibility Act of 1982.

(k) A Participant ordered or called to active duty for a period in excess of 179 days or for an indefinite period after September 11, 2001, by reason of being a member of a reserve component (as defined in section 101 of title 37, United States Code), shall be eligible to elect to receive a Qualified Reservist Distribution. For purposes of this subparagraph, a "Qualified Reservist Distribution" means a distribution from the Participant's Account of amounts attributable to Deferral Contributions, provided such distribution is made during the period beginning on the date of the order or call to active duty and ending at the close of the active duty period.

7.6 HOW PLAN BENEFIT WILL BE DISTRIBUTED

(a) Distribution of a Participant's benefit attributable to the Participant's Other Investments Account shall be made in cash. Distribution of a Participant's benefit attributable to the Participant's Company Stock Account may be made in cash or Company Stock or both, provided, however, that if a Participant or Beneficiary so demands, such benefit shall be distributed only in the form of Company Stock. Prior to making a distribution of benefits, the Administrator shall advise the Participant or the Participant's Beneficiary, in writing (or such other form as permitted by the Internal Revenue Service), of the right to demand that benefits attributable to the Company Stock Account be distributed solely in Company Stock.

(b) If a Participant or Beneficiary demands that benefits attributable to the Company Stock Account be distributed solely in Company Stock distribution of such benefit will be made entirely in whole shares or other units of Company Stock. Any fractional unit value unexpended will be distributed in cash. If Company Stock is not available for purchase by the Trustee, then the Trustee shall hold such balance until Company Stock is acquired and then make such distribution, subject to Sections 7.5(h) and 7.5(f).

(c) The Trustee will make distribution from the Trust only on instructions from the Administrator.

(d) Notwithstanding anything contained herein to the contrary, if the Employer charter or by-laws restrict ownership of substantially all shares of Company Stock to Employees and the Trust Fund, as described in Code Section 409(h)(2)(B)(ii)(1), then the Administrator shall distribute a Participant's Combined Account entirely in cash without granting the Participant the right to demand distribution in shares of Company Stock.

(e) Except as otherwise provided herein, Company Stock distributed by the Trustee may be restricted as to sale or transfer by the by-laws or articles of incorporation of the Employer, provided restrictions are applicable to all Company Stock of the same class. If a Participant is required to offer the sale of Company Stock to the Employer before offering to sell Company Stock to a third party, in no event may the Employer pay a price less than that offered to the distributee by another potential buyer making a bona fide offer and in no event shall the Trustee pay a price less than the fair market value of the Company Stock.

7.7 DISTRIBUTION FOR MINOR OR INCOMPETENT BENEFICIARY

In the event a distribution is to be made to a minor or incompetent Beneficiary, then the Administrator may direct that such distribution be paid to the legal guardian, or if none in the case of a minor Beneficiary, to a parent of such Beneficiary or a responsible adult with whom the Beneficiary maintains residence, or to the custodian for such Beneficiary under the Uniform Gift to Minors Act or Gift to Minors Act, if such is permitted by the laws of the state in which said Beneficiary resides. Such a payment to the legal guardian, custodian or parent of a minor Beneficiary shall fully discharge the Trustee, Employer, and Plan from further liability on account thereof.

7.8 LOCATION OF PARTICIPANT OR BENEFICIARY UNKNOWN

In the event that all, or any portion, of the distribution payable to a Participant or Beneficiary hereunder shall, at the later of the Participant's attainment of age 62 or Normal Retirement Age, remain unpaid solely by reason of the inability of the Administrator, after sending a registered letter, return receipt requested, to the last known address, and after further diligent effort, to ascertain the whereabouts of such Participant or Beneficiary, the amount so distributable shall be treated as a Forfeiture pursuant to the Plan. Notwithstanding the foregoing, if the value of a Participant's Vested benefit derived from Employer and Employee contributions does not exceed \$5,000, then the amount distributable may, in the sole discretion of the Administrator, either be treated as a Forfeiture, or be paid directly to an individual retirement account described in Code Section 408(a) or individual retirement annuity described in Code Section 408(b) at the time it is determined that the whereabouts of the Participant or the Participant's Beneficiary cannot be ascertained. In the event a Participant or Beneficiary is located subsequent to the Forfeiture, such benefit shall be restored, first from Forfeitures, if any, and then from an additional Employer contribution if necessary. However, regardless of the preceding, a benefit which is lost by reason of escheat under applicable state law is not treated as Forfeiture for purposes of this Section nor as an impermissible forfeiture under the Code.

7.9 STOCK CERTIFICATE LEGEND

Certificates for shares distributed pursuant to the Plan shall contain the following legend:

"The shares represented by this certificate are transferable only upon compliance with the terms of ROCKLAND TRUST COMPANY EMPLOYEE SAVINGS, PROFIT SHARING AND STOCK OWNERSHIP PLAN effective as of July 1, 2005, as amended, which grants to Rockland Trust Company a right of first refusal, a copy of said Plan being on file in the office of the Company."

All shares of the Company Stock distributed by the Trustee(s), except those that are publicly traded shall be subject to "Right of First Refusal". Such Right of First Refusal shall provide that, prior to any subsequent transfer, the shares must first be offered by written offer to the Company and Trust in any order of priority. In the event the proposed transfer constitutes a gift or such other transfer at less than fair market value, the Company shall so advise the Trustee(s) and the price per share shall be determined by the Trustee(s) as of the most recent valuation date. Alternatively, in the case of a transaction between the Plan and a disqualified

person as defined in IRC Section 4975(e)(2), as of the date of the transaction. In the event of a proposed purchase by a prospective bona fide purchaser, the offer to the Trust shall be the greater of fair market value, as determined above by the Company or the price offered by the prospective bona fide purchaser. The Trust may accept the offer at any time during a period not exceeding fourteen (14) days after the security holder gives written notice to the Trustee(s) that an offer by a third (3rd) party to purchase the Company Stock has been received or that a transfer of any sort is to occur.

7.10 PUT OPTION

(a) If Company Stock is distributed to a Participant and such Company Stock is not readily tradable on an established securities market, a Participant has a right to require the Employer to repurchase the Company Stock distributed to such Participant under a fair valuation formula. Such Stock shall be subject to the provisions of Section 7.10(b).

(b) The put option must be exercisable only by a Participant, by the Participant's donees, or by a person (including an estate or its distributee) to whom the Company Stock passes by reason of a Participant's death. (Under this paragraph Participant or Former Participant means a Participant or Former Participant and the beneficiaries of the Participant or Former Participant under the Plan.) The put option must permit a Participant to put the Company Stock to the Employer. Under no circumstances may the put option bind the Plan. However, it shall grant the Plan an option to assume the rights and obligations of the Employer at the time that the put option is exercised. If it is known at the time a loan is made that Federal or State law will be violated by the Employer honoring such put option, the put option must permit the Company Stock to be put, in a manner consistent with such law, to a third party (e.g., an affiliate of the Employer or a shareholder other than the Plan) that has substantial net worth at the time the loan is made and whose net worth is reasonably expected to remain substantial.

The put option shall commence as of the day following the date the Company Stock is distributed to the Former Participant and end sixty (60) days thereafter and if not exercised within such sixty (60) day period, an additional sixty (60) day option shall commence on the first day of the fifth month of the Plan Year next following the date the stock was distributed to the Former Participant (or such other sixty (60) day period as provided in Regulations). However, in the case of Company Stock that is publicly traded without restrictions when distributed but ceases to be so traded within either of the sixty (60) day periods described herein after distribution, the Employer must notify each holder of such Company Stock in writing on or before the tenth day after the date the Company Stock ceases to be so traded that for the remainder of the applicable sixty (60) day period the Company Stock is subject to the put option. The number of days between the tenth day and the date on which notice is actually given, if later than the tenth day, must be added to the duration of the put option. The notice must inform distributees of the term of the put options that they are to hold. The terms must satisfy the requirements of this paragraph.

The put option is exercised by the holder notifying the Employer in writing that the put option is being exercised; the notice shall state the name and address of the holder and the number of shares to be sold. The period during which a put option is exercisable does

not include any time when a distributee is unable to exercise it because the party bound by the put option is prohibited from honoring it by applicable Federal or State law. The price at which a put option must be exercisable is the value of the Company Stock determined in accordance with Section 6.2. Payment under the put option involving a "Total Distribution" shall be paid in substantially equal monthly, quarterly, semiannual or annual installments over a period certain beginning not later than thirty (30) days after the exercise of the put option and not extending beyond five (5) years. The deferral of payment is reasonable if adequate security and a reasonable interest rate on the unpaid amounts are provided. The amount to be paid under the put option involving installment distributions must be paid not later than thirty (30) days after the exercise of the put option. Payment under a put option must not be restricted by the provisions of a loan or any other arrangement, including the terms of the Employer articles of incorporation, unless so required by applicable state law.

For purposes of this Section, "Total Distribution" means a distribution to a Participant or the Participant's Beneficiary within one (1) taxable year of the entire Vested Participant's Combined Account.

(c) An arrangement involving the Plan that creates a put option must not provide for the issuance of put options other than as provided under this Section. The Plan (and the Trust Fund) must not otherwise obligate itself to acquire Company Stock from a particular holder thereof at an indefinite time determined upon the happening of an event such as the death of the holder.

(d) Notwithstanding the above, the protections and rights regarding the put options and buy-sell arrangements are non-terminable in accordance with Regulation section 54.4975-11(a)(3)(ii).

7.11 PRE-RETIREMENT DISTRIBUTION

Unless otherwise provided, at such time as a Participant shall have attained the age of 59 1/2 years, the Administrator, at the election of the Participant who has not severed employment with the Employer, shall direct the Trustee to distribute all or a portion of the amount then credited to the accounts maintained on behalf of the Participant. In the event that the Administrator makes such a distribution, the Participant shall continue to be eligible to participate in the Plan on the same basis as any other Employee. Any distribution made pursuant to this Section shall be made in a manner consistent with Sections 7.5 and 7.6, including, but not limited to, all notice and consent requirements of Code Section 411(a)(11) and the Regulations thereunder.

Notwithstanding the above, pre-retirement distributions from a Participant's Elective Account shall not be permitted prior to the Participant attaining age 59 1/2 except as otherwise permitted under the terms of the Plan.

7.12 ADVANCE DISTRIBUTION FOR HARDSHIP

(a) The Administrator, at the election of the Participant, shall direct the Trustee to distribute to any Participant in any one Plan Year up to the lesser of 100% of the Participant's Elective Account (including associated earnings) and Participant's

Account (including associated earnings) and Participant's Transfer/Rollover Account (including associated earnings) valued as of the last Valuation Date or the amount necessary to satisfy the immediate and heavy financial need of the Participant. Any distribution made pursuant to this Section shall be deemed to be made as of the first day of the Plan Year or, if later, the Valuation Date immediately preceding the date of distribution, and the Participant's Elective Account and Participant's Account and Participant's Transfer/Rollover Account shall be reduced accordingly. Withdrawal under this Section is deemed to be on account of an immediate and heavy financial need of the Participant only if the withdrawal is for:

(1) Medical expenses described in Code Section 213(d) incurred by the Participant, the Participant's spouse, any of the Participant's dependents (as defined in Code Section 152) or the Participant's primary beneficiary under the Plan, or necessary for these persons to obtain medical care as described in Code Section 213(d);

(2) The costs directly related to the purchase (excluding mortgage payments) of a principal residence for the Participant;

(3) Payment of tuition, related educational fees, and room and board expenses, for up to the next 12 months of post-secondary education for the Participant, or the Participant's spouse, children, dependents (as defined in Code section 152, and without regard to Code sections 152(b)(1), (b)(2) and (d)(1)(B)) or for the Participant's primary beneficiary under the Plan;

(4) Payments necessary to prevent the eviction of the Participant from the Participant's principal residence or foreclosure on the mortgage on that residence;

(5) Payments for burial or funeral expenses for the Participant's deceased parent, spouse, children, dependents (as defined in Code section 152, and without regard to Code section 152(d)(1)(B)) or the Participant's primary beneficiary under the Plan; or

(6) Expenses for the repair of damage to the Participant's principal residence that would qualify for the casualty deduction under Code section 165 (determined without regard to whether the loss exceeds 10% of adjusted gross income); or

(7) Expenses and losses (including loss of income) incurred by the Participant on account of a disaster declared by the Federal Emergency Management Agency (FEMA) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 100-707, provided that the Participant's principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster.

(b) No distribution shall be made pursuant to this Section unless the Administrator, based upon the Participant's representation and such other facts as are known to the Administrator, determines that all of the following conditions are satisfied:

(1) The distribution is not in excess of the amount of the immediate and heavy financial need of the Participant. The amount of the immediate and heavy financial need may include any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution; and

(2) The Participant has obtained all distributions, other than hardship distributions or loans, currently available under all plans maintained by the Employer.

(c) Notwithstanding the above, distributions from the Participant's Elective Account pursuant to this Section shall be limited, as of the date of distribution, to the Participant's Elective Account as of the end of the last Plan Year ending before July 1, 1989, plus the total Participant's Deferred Compensation after such date, plus associated earnings, reduced by the amount of any previous distributions pursuant to this Section and Section 7.11.

(d) Any distribution made pursuant to this Section shall be made in a manner which is consistent with and satisfies the provisions of Sections 7.5 and 7.6, including, but not limited to, all notice and consent requirements of Code Section 411(a)(11) and the Regulations thereunder.

For purposes of this Section 7.12, a "primary beneficiary under the Plan" is an individual who is named as a beneficiary under the Plan and has an unconditional right to all or a portion of the Participant's Account upon the death of the Participant.

7.13 QUALIFIED DOMESTIC RELATIONS ORDER DISTRIBUTION

All rights and benefits, including elections, provided to a Participant in this Plan shall be subject to the rights afforded to any "alternate payee" under a "qualified domestic relations order." Furthermore, a distribution to an "alternate payee" shall be permitted if such distribution is authorized by a "qualified domestic relations order," even if the affected Participant has not separated from service and has not reached the "earliest retirement age" under the Plan. For the purposes of this Section, "alternate payee," "qualified domestic relations order" and "earliest retirement age" shall have the meaning set forth under Code Section 414(p).

7.14 DIRECT ROLLOVER

(a) Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election under this Section 7, a Distributee may elect, at the time and in the manner prescribed by the Administrator, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover. A Distributee who is a non-spouse beneficiary may elect to have an eligible rollover distribution made in the form of a direct trustee-to-trustee transfer to an individual retirement account established on behalf of such non-spouse beneficiary.

(b) For purposes of this Section the following definitions shall apply:

(1) "Eligible Rollover Distribution" shall mean any distribution of all or any portion of the balance to the credit of the Distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated Beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; any hardship distribution described in Section 401(k)(2)(B)(i)(IV) of the Code; and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities). In the case of a Distributee who is a non-spouse beneficiary, an eligible rollover distribution is a direct trustee-to-trustee transfer of any portion of a distribution from an eligible retirement plan to an individual retirement account that is established, for the purpose of receiving the distribution, on behalf of the designated beneficiary who is a non-spouse beneficiary. Although a non-spouse beneficiary may directly transfer a distribution to an Individual Retirement Account as provided above, the distribution is not subject to the direct rollover requirements of Code Section 401(a)(31), the notice requirements of Code Section 402(f) or the mandatory withholding requirements of Code Section 3405(c). If a non-spouse beneficiary receives a distribution from the Plan, the distribution is not eligible for a 60-day (non-direct) rollover. If the Participant's named Beneficiary is a trust, the Plan may make a direct rollover to an IRA on behalf of the trust, provided the trust satisfies the requirements to be a designated beneficiary within the meaning of Code Section 401(a)(9)(E).

Notwithstanding the above, a portion of a distribution shall not fail to be an "eligible rollover distribution" merely because the portion consists of after-tax Employee contributions which are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in Code Section 408(a) or (b), or to a qualified defined contribution plan described in Code Section 401(a) or 403(a) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(2) "Eligible Retirement Plan" shall mean an individual retirement account or annuity described in Code Section 408, a Roth IRA described in Code Section 408A, a tax-sheltered annuity plan described in Code Section 403(b), an annuity plan described in Code Section 403(a), a qualified plan described in Code Section 401(a), or an eligible governmental deferred compensation plan described in Code Section 457(b) which agrees to account separately for amounts transferred to such plan by this Plan; provided that the account, annuity, plan or trust (as the case may be) agrees to accept such rollover distribution. In the case of an eligible

rollover distribution to a distributee who is a non-spouse beneficiary, an eligible retirement plan is an individual retirement account.

(3) "Distributee" shall mean an employee, a former employee and a non-spouse beneficiary for purposes of Code Section 402(c). In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, are Distributees with regard to the interest of the spouse or former spouse.

(4) A "direct rollover" is a payment by the Plan to the "eligible retirement plan" specified by the "distributee."

ARTICLE VIII
AMENDMENT, TERMINATION, MERGERS AND LOANS

8.1 AMENDMENT

(a) The Employer shall have the right at any time to amend this Plan subject to the limitations of this Section. However, any amendment which affects the rights, duties or responsibilities of the Trustee or Administrator, may only be made with the Trustee's or Administrator's written consent. Any such amendment shall become effective as provided therein upon its execution. The Trustee shall not be required to execute any such amendment unless the amendment affects the duties of the Trustee hereunder.

(b) No amendment to the Plan shall be effective if it authorizes or permits any part of the Trust Fund (other than such part as is required to pay taxes and administration expenses) to be used for or diverted to any purpose other than for the exclusive benefit of the Participants or their Beneficiaries or estates; or causes any reduction in the amount credited to the account of any Participant; or causes or permits any portion of the Trust Fund to revert to or become property of the Employer.

(c) Except as permitted by Regulations (including Regulation 1.411(d)-4) or other IRS guidance, no Plan amendment or transaction having the effect of a Plan amendment (such as a merger, plan transfer or similar transaction) shall be effective if it eliminates or reduces any "Section 411(d)(6) protected benefit" or adds or modifies conditions relating to "Section 411(d)(6) protected benefits" which results in a further restriction on such benefit unless such "Section 411(d)(6) protected benefits" are preserved with respect to benefits accrued as of the later of the adoption date or effective date of the amendment. "Section 411(d)(6) protected benefits" are benefits described in Code Section 411(d)(6)(A), early retirement benefits and retirement-type subsidies, and optional forms of benefit. A Plan amendment that eliminates or restricts the ability of a Participant to receive payment of the Participant's interest in the Plan under a particular optional form of benefit will be permissible if the amendment satisfies the conditions in (1) and (2) below:

(1) The amendment provides a single-sum distribution form that is otherwise identical to the optional form of benefit eliminated or restricted. For purposes of this condition (1), a single-sum distribution form is otherwise identical only if it is identical in all respects to the eliminated or restricted optional form of benefit (or would be identical except that it provides greater rights to the Participant) except with respect to the timing of payments after commencement.

(2) The amendment is not effective unless the amendment provides that the amendment shall not apply to any distribution with an annuity starting date earlier than the earlier of: (i) the ninetieth (90th) day after the date the Participant receiving the distribution has been furnished a summary that reflects the amendment and that satisfies the Act requirements at 29 CFR 2520.104b-3 (relating to a summary of material modifications) or (ii) the first day of the second Plan Year following the Plan Year in which the amendment is adopted.

8.2 TERMINATION

(a) The Employer shall have the right at any time to terminate the Plan by delivering to the Trustee and Administrator written notice of such termination. Upon any full or partial termination, all amounts credited to the affected Participants' Combined Accounts shall become 100% Vested as provided in Section 7.4 and shall not thereafter be subject to forfeiture, and all unallocated amounts, including Forfeitures, shall be allocated to the accounts of all Participants in accordance with the provisions hereof.

(b) Upon the full termination of the Plan, the Employer shall direct the distribution of the assets of the Trust Fund to Participants in a manner which is consistent with and satisfies the provisions of Sections 7.5 and 7.6. Except as permitted by Regulations, the termination of the Plan shall not result in the reduction of "Section 411(d)(6) protected benefits" in accordance with Section 8.1(c).

8.3 MERGER, CONSOLIDATION OR TRANSFER OF ASSETS

This Plan and Trust may be merged or consolidated with, or its assets and/or liabilities may be transferred to any other plan and trust only if the benefits which would be received by a Participant of this Plan, in the event of a termination of the Plan immediately after such transfer, merger or consolidation, are at least equal to the benefits the Participant would have received if the Plan had terminated immediately before the transfer, merger or consolidation, and such transfer, merger or consolidation does not otherwise result in the elimination or reduction of any "Section 411(d)(6) protected benefits" in accordance with Section 8.1(c).

8.4 LOANS TO PARTICIPANTS

(a) The Trustee may, in the Trustee's discretion, make loans to Participants and Beneficiaries under the following circumstances: (1) loans shall be made available to all Participants and Beneficiaries on a reasonably equivalent basis; (2) loans shall bear a reasonable rate of interest; (3) loans shall be adequately secured; (4) loans shall provide for periodic repayment over a reasonable period of time; and (5) loans shall not be made available to Highly Compensated Employees in an amount greater than the amount made available to other Participants and Beneficiaries.

(b) Loans made pursuant to this Section (when added to the outstanding balance of all other loans made by the Plan to the Participant) may, in accordance with a uniform and nondiscriminatory policy established by the Administrator, be limited to the lesser of:

- (1) \$50,000 reduced by the excess (if any) of the highest outstanding balance of Loans from the Plan to the Participant during the one year period ending on the day before the date on which such loan is made, over the outstanding balance of loans from the Plan to the Participant on the date on which such loan was made, or

(2) one-half (1/2) of the present value of the non-forfeitable accrued benefit of the Participant under the Plan.

For purposes of this limit, all plans of the Employer shall be considered one plan. Additionally, with respect to any loan made prior to January 1, 1987, the \$50,000 limit specified in (1) above shall be unreduced.

(c) Loans shall provide for level amortization with payments to be made not less frequently than quarterly over a period not to exceed five (5) years. However, loans used to acquire any dwelling unit which, within a reasonable time, is to be used (determined at the time the loan is made) as a "principal residence" of the Participant shall provide for periodic repayment over a reasonable period of time that may exceed five (5) years. For this purpose, a "principal residence" has the same meaning as a "principal residence" under Code Section 1034. Loan repayments may be suspended under this Plan as permitted under Code Section 414(u)(4).

(d) Any loans granted or renewed shall be made pursuant to a Participant loan program. Such loan program shall be established in writing and must include, but need not be limited to, the following:

- (1) the identity of the person or positions authorized to administer the Participant loan program;
- (2) a procedure for applying for loans;
- (3) the basis on which loans will be approved or denied;
- (4) limitations, if any, on the types and amounts of loans offered;
- (5) the procedure under the program for determining a reasonable rate of interest;
- (6) the types of collateral which may secure a Participant loan; and
- (7) the events constituting default and the steps that will be taken to preserve Plan assets.

Such Participant loan program shall be contained in a separate written document which, when properly executed, is hereby incorporated by reference and made a part of the Plan. Furthermore, such Participant loan program may be modified or amended in writing from time to time without the necessity of amending this Section.

(e) Notwithstanding anything in this Plan to the contrary, if a Participant or Beneficiary defaults on a loan made pursuant to this Section, then the loan default will be a distributable event to the extent permitted by the Code and Regulations.

(f) Notwithstanding anything in this Section to the contrary, any loans made prior to the date this amendment and restatement is adopted shall be subject to the terms of the plan in effect at the time such loan was made.

(g) The foregoing provisions of this Section 8.4 notwithstanding, pursuant to an exempt loan as defined in Section 54.4975-7(b)(1)(iii), the failure of the Plan to follow the exempt loan rules under section 54.4975-7(b) results in the loan being non-exempt and subject to the prohibited transaction tax. An exempt loan is defined under Section 54.4975-7(b)(1)(iii) to include the following:

- i. Must include a reasonable interest rate.
- ii. Must be a specific term and not payable on demand.
- iii. Must be primarily for the benefit of Participants.
- iv. Proceeds used only to acquire QES, repay loan or prior loan.
- v. Securities cannot be subject to a put, call or other option or buy/sell arrangement.
- vi. Must be without recourse and only collateral = QES acquired with loan(s).
- vii. No person has the right to assets other than collateral, contributions and earnings on collateral.
- viii. Payments made on exempt loans must not exceed an amount equal to the sum of such contributions/earnings received during or prior to the year less such payments in prior years.
- ix. Contributions and earnings must be accounted for separately until loan is repaid.
- x. Securities acquired with proceeds must be added/maintained in suspense account.
- xi. Shares are released from encumbrance using general rule or special rule.

ARTICLE IX
TOP HEAVY

9.1 TOP HEAVY PLAN REQUIREMENTS

For any Top Heavy Plan Year, the Plan shall provide the special vesting requirements of Code Section 416(b) pursuant to Section 7.4 of the Plan and the special minimum allocation requirements of Code Section 416(c) pursuant to Section 4.4 of the Plan.

9.2 DETERMINATION OF TOP HEAVY STATUS

(a) This Plan shall be a Top Heavy Plan for any Plan Year in which, as of the "determination date," (1) the Present Value of Accrued Benefits of Key Employees and (2) the sum of the Aggregate Accounts of Key Employees under this Plan and all plans of an Aggregation Group, exceeds sixty percent (60%) of the Present Value of Accrued Benefits and the Aggregate Accounts of all Key and Non-Key Employees under this Plan and all plans of an Aggregation Group.

If any Participant is a Non-Key Employee for any Plan Year, but such Participant was a Key Employee for any prior Plan Year, such Participant's Present Value of Accrued Benefit and/or Aggregate Account balance shall not be taken into account for purposes of determining whether this Plan is a Top Heavy Plan (or whether any Aggregation Group which includes this Plan is a Top Heavy Group). In addition, if a Participant or Former Participant has not performed any services for any Employer maintaining the Plan at any time during the one-year period ending on the "determination date," any accrued benefit for such Participant or Former Participant shall not be taken into account for the purposes of determining whether this Plan is a Top Heavy Plan.

(b) Aggregate Account: A Participant's Aggregate Account as of the "determination date" is the sum of:

(1) the Participant's Combined Account balance as of the most recent valuation occurring within a twelve (12) month period ending on the "determination date." However, with respect to Employees not performing services for the Employer during the year ending on the "determination date," the Participant's Combined Account balance as of the most recent valuation occurring within a twelve (12) month period ending on the "determination date" shall not be taken into account for purposes of this Section.

(2) an adjustment for any contributions due as of the "determination date," Such adjustment shall be the amount of any contributions actually made after the Valuation Date but due on or before the "determination date," except for the first Plan Year when such adjustment shall also reflect the amount of any contributions made after the "determination date" that are allocated as of a date in that first Plan Year.

(3) any Plan distributions made within the Plan Year that includes the "determination date" or, with respect to distributions made for a reason other than

severance from service, disability or death, within the five (5) preceding Plan Years. The preceding sentence shall also apply to distributions under a terminated plan which, had it not been terminated, would have been aggregated with the Plan under Code Section 416(g)(2)(A)(i). In the case of distributions made after the Valuation Date and prior to the "determination date," such distributions are not included as distributions for top heavy purposes to the extent that such distributions are already included in the Participant's Aggregate Account balance as of the Valuation Date.

(4) any Employee contributions, whether voluntary or mandatory. However, amounts attributable to tax deductible qualified voluntary employee contributions shall not be considered to be a part of the Participant's Aggregate Account balance.

(5) with respect to unrelated rollovers and plan-to-plan transfers (ones which are both initiated by the Employee and made from a plan maintained by one employer to a plan maintained by another employer), if this Plan provides the rollovers or plan-to-plan transfers, it shall always consider such rollovers or plan-to-plan transfers as a distribution for the purposes of this Section. If this Plan is the plan accepting such rollovers or plan-to-plan transfers, it shall not consider such rollovers or plan-to-plan transfers as part of the Participant's Aggregate Account balance. However, rollovers or plan-to-plan transfers accepted prior to January 1, 1984 shall be considered as part of the Participant's Aggregate Account balance.

(6) with respect to related rollovers and plan-to-plan transfers (ones either not initiated by the Employee or made to a plan maintained by the same employer), if this Plan provides the rollover or plan-to-plan transfer, it shall not be counted as a distribution for purposes of this Section. If this Plan is the plan accepting such rollover or plan-to-plan transfer, it shall consider such rollover or plan-to-plan transfer as part of the Participant's Aggregate Account balance, irrespective of the date on which such rollover or plan-to-plan transfer is accepted.

(7) For the purposes of determining whether two employers are to be treated as the same employer in (5) and (6) above, all employers aggregated under Code Section 414(b), (c), (m) and (o) are treated as the same employer.

(c) "Aggregation Group" means either a Required Aggregation Group or a Permissive Aggregation Group as hereinafter determined.

(1) Required Aggregation Group: In determining a Required Aggregation Group hereunder, each plan of the Employer in which a Key Employee is a participant in the Plan Year containing the Determination Date or any of the four preceding Plan Years, and each other plan of the Employer which enables any plan in which a Key Employee participates to meet the requirements of Code Sections 401(a)(4) or 410, will be required to be aggregated. Such group shall be known as a Required Aggregation Group.

In the case of a Required Aggregation Group, each plan in the group will be considered a Top Heavy Plan if the Required Aggregation Group is a Top Heavy Group. No plan in the Required Aggregation Group will be considered a Top Heavy Plan if the Required Aggregation Group is not a Top Heavy Group.

(2) Permissive Aggregation Group: The Employer may also include any other plan not required to be included in the Required Aggregation Group, provided the resulting group, taken as a whole, would continue to satisfy the provisions of Code Sections 401(a)(4) and 410. Such group shall be known as a Permissive Aggregation Group.

In the case of a Permissive Aggregation Group, only a plan that is part of the Required Aggregation Group will be considered a Top Heavy Plan if the Permissive Aggregation Group is a Top Heavy Group. No plan in the Permissive Aggregation Group will be considered a Top Heavy Plan if the Permissive Aggregation Group is not a Top Heavy Group.

(3) Only those plans of the Employer in which the Determination Dates fall within the same calendar year shall be aggregated in order to determine whether such plans are Top Heavy Plans.

(4) An Aggregation Group shall include any terminated plan of the Employer if it was maintained within the last five (5) years ending on the Determination Date.

(d) "Determination date" means (a) the last day of the preceding Plan Year, or (b) in the case of the first Plan Year, the last day of such Plan Year.

(e) Present Value of Accrued Benefit: In the case of a defined benefit plan, the Present Value of Accrued Benefit for a Participant other than a Key Employee, shall be as determined using the single accrual method used for all plans of the Employer and Affiliated Employers, or if no such single method exists, using a method which results in benefits accruing not more rapidly than the slowest accrual rate permitted under Code Section 411(b)(1)(C). The determination of the Present Value of Accrued Benefit shall be determined as of the most recent valuation date that falls within or ends with the 12-month period ending on the Determination Date except as provided in Code Section 416 and the Regulations thereunder for the first and second plan years of a defined benefit plan.

(f) "Top Heavy Group" means an Aggregation Group in which, as of the Determination Date, the sum of:

(1) the Present Value of Accrued Benefits of Key Employees under all defined benefit plans included in the group, and

(2) the Aggregate Accounts of Key Employees under all defined contribution plans included in the group, exceeds sixty percent (60%) of a similar sum determined for all Participants.

ARTICLE X
MISCELLANEOUS

10.1 PARTICIPANT'S RIGHTS

This Plan shall not be deemed to constitute a contract between the Employer and any Participant or to be a consideration or an inducement for the employment of any Participant or Employee. Nothing contained in this Plan shall be deemed to give any Participant or Employee the right to be retained in the service of the Employer or to interfere with the right of the Employer to discharge any Participant or Employee at any time regardless of the effect which such discharge shall have upon the Employee as a Participant of this Plan.

10.2 ALIENATION

(a) Subject to the exceptions provided below, and as otherwise permitted by the Code and Act, no benefit which shall be payable out of the Trust Fund to any person (including a Participant or the Participant's Beneficiary) shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, or charge the same shall be void; and no such benefit shall in any manner be liable for, or subject to, the debts, contracts, liabilities, engagements, or torts of any such person, nor shall it be subject to attachment or legal process for or against such person, and the same shall not be recognized by the Trustee, except to such extent as may be required by law.

(b) Subsection (a) shall not apply to the extent a Participant or Beneficiary is indebted to the Plan by reason of a loan made pursuant to Section 8.4, as a result of a loan from the Plan. At the time a distribution is to be made to or for a Participant's or Beneficiary's benefit, such proportion of the amount to be distributed as shall equal such indebtedness shall be paid to the Plan, to apply against or discharge such indebtedness. Prior to making a payment, however, the Participant or Beneficiary must be given written notice by the Administrator that such indebtedness is to be so paid in whole or part from the Participant's Combined Account. If the Participant or Beneficiary does not agree that the indebtedness is a valid claim against the Vested Participant's Combined Account, the Participant or Beneficiary shall be entitled to a review of the validity of the claim in accordance with procedures provided in Sections 2.8 and 2.9.

(c) Subsection (a) shall not apply to a "qualified domestic relations order" defined in Code Section 414(p), and those other domestic relations orders permitted to be so treated by the Administrator under the provisions of the Retirement Equity Act of 1984. The Administrator shall establish a written procedure to determine the qualified status of domestic relations orders and to administer distributions under such qualified orders. Further, to the extent provided under a "qualified domestic relations order," a former spouse of a Participant shall be treated as the spouse or surviving spouse for all purposes under the Plan.

(d) Subsection (a) shall not apply to an offset to a Participant's accrued benefit against an amount that the Participant is ordered or required to pay the Plan with respect to a judgment, order, or decree issued, or a settlement entered into, on or after August 5, 1997, in accordance with Code Sections 401(a)(13)(C) and (O).

10.3 CONSTRUCTION OF PLAN

This Plan and Trust shall be construed and enforced according to the Code, the Act and the laws of the Commonwealth of Massachusetts, other than its laws respecting choice of law, to the extent not pre-empted by the Act.

10.4 GENDER AND NUMBER

Wherever any words are used herein in the masculine, feminine or neuter gender, they shall be construed as though they were also used in another gender in all cases where they would so apply, and whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in the other form in all cases where they would so apply.

10.5 LEGAL ACTION

In the event any claim, suit, or proceeding is brought regarding the Trust and/or Plan established hereunder to which the Trustee, the Employer or the Administrator may be a party, and such claim, suit, or proceeding is resolved in favor of the Trustee, the Employer or the Administrator, they shall be entitled to be reimbursed from the Trust Fund for any and all costs, attorney's fees, and other expenses pertaining thereto incurred by them for which they shall have become liable.

10.6 PROHIBITION AGAINST DIVERSION OF FUNDS

(a) Except as provided below and otherwise specifically permitted by law, it shall be impossible by operation of the Plan or of the Trust, by termination of either, by power of revocation or amendment, by the happening of any contingency, by collateral arrangement or by any other means, for any part of the corpus or income of any Trust Fund maintained pursuant to the Plan or any funds contributed thereto to be used for, or diverted to, purposes other than the exclusive benefit of Participants, Former Participants, or their Beneficiaries.

(b) In the event the Employer shall make an excessive contribution under a mistake of fact pursuant to Act Section 403(c)(2)(A), the Employer may demand repayment of such excessive contribution at any time within one (1) year following the time of payment and the Trustees shall return such amount to the Employer within the one (1) year period. Earnings of the Plan attributable to the contributions may not be returned to the Employer but any losses attributable thereto must reduce the amount so returned.

(c) Except for Sections 3.5, 3.6, and 4.1(e), any contribution by the Employer to the Trust Fund is conditioned upon the deductibility of the contribution by the Employer under the Code and, to the extent any such deduction is disallowed, the Employer may, within one (1) year following the final determination of the disallowance, whether by agreement with the Internal Revenue Service or by final decision of a competent jurisdiction, demand repayment of such disallowed contribution and the Trustee shall

return such contribution within one (1) year following the disallowance. Earnings of the Plan attributable to the contribution may not be returned to the Employer, but any losses attributable thereto must reduce the amount so returned.

10.7 EMPLOYER'S AND TRUSTEE'S PROTECTIVE CLAUSE

The Employer, Administrator and Trustee, and their successors, shall not be responsible for the validity of any Contract issued hereunder or for the failure on the part of the insurer to make payments provided by any such Contract, or for the action of any person which may delay payment or render a Contract null and void or unenforceable in whole or in part.

10.8 RECEIPT AND RELEASE FOR PAYMENTS

Any payment to any Participant, the Participant's legal representative, Beneficiary, or to any guardian or committee appointed for such Participant or Beneficiary in accordance with the provisions of the Plan, shall, to the extent thereof, be in full satisfaction of all claims hereunder against the Trustee and the Employer, either of whom may require such Participant, legal representative, Beneficiary, guardian or committee, as a condition precedent to such payment, to execute a receipt and release thereof in such form as shall be determined by the Trustee or Employer.

10.9 ACTION BY THE EMPLOYER

Whenever the Employer under the terms of the Plan is permitted or required to do or perform any act or matter or thing, it shall be done and performed by a person duly authorized by its legally constituted authority.

10.10 NAMED FIDUCIARIES AND ALLOCATION OF RESPONSIBILITY

The "named Fiduciaries" of this Plan are (1) the Employer, (2) the Administrator and (3) the Trustee, and (4) any Investment Manager appointed hereunder. The named Fiduciaries shall have only those specific powers, duties, responsibilities, and obligations as are specifically given them under the Plan including, but not limited to, any agreement allocating or delegating their responsibilities, the terms of which are incorporated herein by reference. In general, the Employer shall have the sole responsibility for making the contributions provided for under Section 4.1; and shall have the authority to appoint and remove the Trustee and the Administrator; to formulate the Plan's "funding policy and method;" and to amend or terminate, in whole or in part, the Plan. The Administrator shall have the sole responsibility for the administration of the Plan, including, but not limited to, the items specified in Article II of the Plan, as the same may be allocated or delegated thereunder. The Trustee shall have the sole responsibility of management of the assets held under the Trust, except to the extent directed pursuant to Article II or with respect to those assets, the management of which has been assigned to an Investment Manager, who shall be solely responsible for the management of the assets assigned to it, all as specifically provided in the Plan. Each named Fiduciary warrants that any directions given, information furnished, or action taken by it shall be in accordance with the provisions of the Plan, authorizing or providing for such direction, information or action. Furthermore, each named Fiduciary may rely upon any such direction, information or action of another named Fiduciary as being proper under the Plan, and is not required under the Plan to

inquire into the propriety of any such direction, information or action. It is intended under the Plan that each named Fiduciary shall be responsible for the proper exercise of its own powers, duties, responsibilities and obligations under the Plan as specified or allocated herein. No named Fiduciary shall guarantee the Trust Fund in any manner against investment loss or depreciation in asset value. Any person or group may serve in more than one Fiduciary capacity.

10.11 HEADINGS

The headings and subheadings of this Plan have been inserted for convenience of reference and are to be ignored in any construction of the provisions hereof.

10.12 APPROVAL BY INTERNAL REVENUE SERVICE

Notwithstanding anything herein to the contrary, if, pursuant to an application for qualification filed by or on behalf of the Plan by the time prescribed by law for filing the Employer's return for the taxable year in which the Plan is adopted, or such later date that the Secretary of the Treasury may prescribe, the Commissioner of Internal Revenue Service or the Commissioner's delegate should determine that the Plan does not initially qualify as a tax-exempt plan under Code Sections 401 and 501, and such determination is not contested, or if contested, is finally upheld, then if the Plan is a new plan, it shall be void ab initio and all amounts contributed to the Plan by the Employer, less expenses paid, shall be returned within one (1) year and the Plan shall terminate, and the Trustee shall be discharged from all further obligations. If the disqualification relates to an amended plan, then the Plan shall operate as if it had not been amended.

10.13 UNIFORMITY

All provisions of this Plan shall be interpreted and applied in a uniform, nondiscriminatory manner. In the event of any conflict between the terms of this Plan and any Contract purchased hereunder, the Plan provisions shall control.

10.14 SECURITIES AND EXCHANGE COMMISSION APPROVAL

The Employer may request an interpretative letter from the Securities and Exchange Commission stating that the transfers of Company Stock contemplated hereunder do not involve transactions requiring a registration of such Company Stock under the Securities Act of 1933. In the event that a favorable interpretative letter is not obtained, the Employer reserves the right to amend the Plan and Trust retroactively to their Effective Dates in order to obtain a favorable interpretative letter or to terminate the Plan.

10.15 VOTING COMPANY STOCK

The Trustee shall vote all Company Stock held by it as part of the Plan assets at such time and in such manner as the Administrator shall direct. Provided, however, that if any agreement entered into by the Trust provides for voting of any shares of Company Stock pledged as security for any obligation of the Plan, then such shares of Company Stock shall be voted in accordance with such agreement. If the Administrator fails or refuses to give the Trustee timely instructions as to how to vote any Company Stock as to which the Trustee otherwise has the right to vote, the Trustee

shall not exercise its power to vote such Company Stock and shall consider the Administrator's failure or refusal to give timely instructions as an exercise of the Administrator's rights and a directive to the Trustee not to vote said Company Stock.

Notwithstanding the foregoing, if the Employer has a registration-type class of securities each Participant or Beneficiary shall be entitled to direct the Trustee as to the manner in which the Company Stock which is entitled to vote and which is allocated to the Company Stock Account of such Participant or Beneficiary is to be voted. If the Employer does not have a registration-type class of securities, each Participant or Beneficiary in the Plan shall be entitled to direct the Trustee as to the manner in which voting rights on shares of Company Stock which are allocated to the Company Stock Account of such Participant or Beneficiary are to be exercised with respect to any corporate matter which involves the voting of such shares with respect to the approval or disapproval of any corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution, sale of substantially all assets of a trade or business, or such similar transaction as prescribed in Regulations. For purposes of this Section the term "registration-type class of securities" means: (A) a class of securities required to be registered under Section 12 of the Securities Exchange Act of 1934; and (B) a class of securities which would be required to be so registered except for the exemption from registration provided in subsection (g)(2)(H) of such Section 12.

If the Employer does not have a registration-type class of securities and the by-laws of the Employer require the Plan to vote an issue in a manner that reflects a one-man, one-vote philosophy, each Participant or Beneficiary shall be entitled to cast one vote on an issue and the Trustee shall vote the shares held by the Plan in proportion to the results of the votes cast on the issue by the Participants and Beneficiaries.

ARTICLE XI
QUALIFIED RESERVIST'S RIGHTS

The following provisions apply to a Qualified Reservist's rights to contributions and allocations under the Plan:

11.1 DEFINITIONS

(a) Deemed Deferrals. The term Deemed Deferrals means, to the extent the Employer elects to make contributions to the Plan, the amount of Post-Tax or Pre-Tax Employee Contributions a Participant is deemed to have made during their period of Qualified Military Service. Deemed Deferrals will be equal to the lesser of (a) the average actual Post-Tax or Pre-Tax Employee Contributions he or she made to the Plan during the 12-month period immediately preceding their Qualified Military Service; or (b) if the Participant had less than 12 months of service with the Employer before commencing Qualified Military Service, the average Post-Tax or Pre-Tax Employee Contributions the Participant made during their actual length of continuous service with the Employer.

(b) Differential Wage Payment. The term Differential Wage Payments means any payment as defined in Code §3401(h) which is made by the Employer for a remuneration period after December 31, 2008 which (a) is made to an individual with respect to any period during which an individual is performing service in the uniformed services (as defined in chapter 43 of title 38, United States Code) while on active duty for a period of more than 30 days; and (b) represents all or a portion of the remuneration such individual would have received from the Employer if the individual was performing services for the Employer.

(c) Post-Tax or Pre-Tax Employee Contributions. The term Post-Tax or Pre-Tax Employee Contributions means any Elective Deferrals and/or Employee Voluntary Contributions permitted under the terms of the Plan which a Participant performing Qualified Military Service would be entitled to make if the Participant was performing services for the Employer.

(d) Qualified Military Service. The term Qualified Military Service means any service in the uniformed services (as defined in chapter 43 of title 38, United States Code) by any individual if such individual is entitled to USERRA Reemployment Rights under such chapter with respect to such service.

(e) Qualified Reservist. The term Qualified Reservist means an individual who is a member of a reserve component (as defined in §101 of title 37, United States Code) and who is ordered or called to active duty after September 11, 2001 either for a period in excess of 179 days or for an indefinite period.

(f) Qualified Reservist Distribution. The term Qualified Reservist Distribution means a distribution of Elective Deferrals made from a 401(k) plan to a Qualified Reservist made during the period beginning on the date of the call-up order and ending at the close of the active duty period.

(g) USERRA Reemployment Rights. The term USERRA Reemployment Rights means the rights and benefits to which an individual covered under USERRA is entitled upon their return from Qualified Military Service. An individual will not be entitled to USERRA Reemployment Rights if (a) such individual did not provide advance notice of their military service to the Employer; or (b) such individual had more than five years of cumulative Qualified Military Service measured from their date of hire to their date of return to employment with the Employer.

11.2 DEATH BENEFITS

(a) Deemed Reemployment Date. A Participant who dies on or after January 1, 2007 while performing Qualified Military Service will be deemed (i) to have resumed employment with the Employer as of the day preceding the date of their death (the "Deemed Reemployment Date" for purposes of this Section); and (ii) to have Terminated Employment on the date of their death.

(b) Additional Benefits. To the extent the Plan provides for (i) accelerated vesting upon a Participant's death, (ii) ancillary life insurance benefits, and (iii) any other benefits that are contingent upon the Participant's death, then an individual described in Section 11.2(a) will be provided with such benefits. Such benefits must be provided to all such similarly-situated individuals in a uniform, non-discriminatory manner.

(c) Employer Contributions. An individual described in Section 11.2(a) will not receive any additional contributions under the terms of the Plan.

(d) Vesting Service. An individual who is described in Section 11.2(a) will, upon their Deemed Reemployment Date, receive credit for Vesting purposes with respect to their period of Qualified Military Service.

11.3 DISABILITY BENEFITS

(a) Deemed Reemployment Date. Effective January 1, 2010, a Participant who suffers a Disability while performing Qualified Military Service will be deemed (a) to have resumed employment with the Employer as of the day preceding the date of their Disability (the "Deemed Reemployment Date" for purposes of this Section); and (b) to have Terminated Employment on the date of their Disability.

(b) Employer Contributions. An individual described in Section 11.3(a) will not receive any additional contributions under the terms of the Plan.

(c) Vesting Service. An individual described in Section 11.3(a) will not be entitled to credit for vesting purposes with respect to the period of Qualified Military Service.

11.4 DIFFERENTIAL WAGE PAYMENTS

(a) Employee Status. Effective January 1, 2009, an individual receiving Differential Wage Payments from the Employer will be treated as an Employee of the Employer making such Differential Wage Payments, except as otherwise provided under Section 11.5 below.

(b) Compensation. The term Compensation as used in the Plan will not include any amounts paid by the Employer as a Differential Wage Payment, and the Plan's definition of Compensation will not fail to satisfy Code §414(s) merely because such payments are excluded from the Plan's definition of Compensation.

(c) Code §415(c)(3) Compensation. Effective January 1, 2009, the term Code §415(c)(3) Compensation as used in the Plan will include any amounts paid by the Employer as a Differential Wage Payment (but only to the extent the payments do not exceed the amount the individual would have received had he or she continued to perform services for the Employer).

11.5 SPECIAL DISTRIBUTION RULES

(a) Qualified Reservist Distributions. Qualified Reservist Distributions may be made from the Plan, effective January 1, 2010, and all references in the Plan restricting Qualified Reservist Distributions to individuals ordered or called to active duty before December 31, 2007 are removed effective December 31, 2007.

(b) Active Duty Severance Distributions. Effective January 1, 2010, an individual performing service in the uniformed services (as defined in chapter 43 of title 38, United States Code) while on active duty for a period of more than 30 days will be treated as having incurred a severance from employment under Code §401(k)(2)(B)(i)(I), and may elect a distribution of some or all of their Elective Deferral accounts, subject to the following provisions:

(i) If a Participant receives a distribution pursuant to this 11.5(b), he or she will be barred from making Elective Deferrals and/or Employee Contributions for a period of 6 months after the distribution.

(ii) An individual who is considered an Employee because he or she is receiving Differential Wage Payments will be treated as having incurred a severance from employment for purposes of this Section 11.5(b).

(iii) The availability of such distribution shall not cause any Participant to be treated as having incurred a severance from employment for any other purpose under the Plan or any other Code section.

(iv) If a Participant who takes a distribution pursuant to this Section 11.5(b) is considered to have Terminated Employment under the terms of the Plan, such individual is eligible for all distribution options available upon Termination of Employment under the Plan, and not this Section 11.5(b).

(v) If a Participant is eligible to receive a Qualified Reservist Distribution and a distribution under this Section 11.5(b), any distribution of some or all of their Elective Deferral Accounts that meets the definition of a Qualified Reservist Distribution will be treated as a Qualified Reservist Distribution rather than a distribution under this Section 11.5(b).

(vi) Any distribution made pursuant to this Section 11.5(b) is an Eligible Rollover Distribution under the terms of the Plan unless one of the exceptions (other than the exception for hardship distributions under Code §401(k)(2)(B)(i)(IV)) listed under Code §402(c)(4) applies.

(vii) Nothing contained in this Section will affect a Participant's right to take other in-service distributions (including hardship distributions) to the extent he or she is eligible for such distributions under the terms of the Plan.

ARTICLE XII
ROTH CONTRIBUTIONS

12.1 GENERAL APPLICATION

- (a) This article will apply to contributions beginning on or after October 1, 2016.
- (b) As of the effective date under Section 12.1(a) above, the Plan will accept Roth elective deferrals made on behalf of participants. A participant's Roth elective deferrals will be allocated to a separate account maintained for such deferrals as described in Section 12.2.
- (c) Unless specifically stated otherwise, Roth elective deferrals will be treated as elective deferrals for all purposes under the Plan.

12.2 SEPARATE ACCOUNTING

- (a) Contributions and withdrawals of Roth elective deferrals will be credited and debited to the Roth elective deferral account maintained for each participant.
- (b) The Plan will maintain a record of the amount of Roth elective deferrals in each participant's account.
- (c) Gains, losses, and other credits or charges must be separately allocated on a reasonable and consistent basis to each participant's Roth elective deferral account and the participant's other accounts under the Plan.
- (d) No contributions other than Roth elective deferrals and properly attributable earnings will be credited to each participant's Roth elective deferral account.

12.3 DIRECT ROLLOVERS

- (a) Notwithstanding Section 7.14 of the Plan, a direct rollover of a distribution from a Roth elective deferral account under the Plan will only be made to another Roth elective deferral account under an applicable retirement plan described in Code Section 402A(e)(1) or to a Roth IRA described in Code Section 408A, and only to the extent the rollover is permitted under the rules of Code Section 402(c).
- (b) Notwithstanding Section 4.12 of the Plan, the Plan will accept a rollover contribution to a Roth Rollover account only if it is a direct rollover from another Roth elective deferral account under an applicable retirement plan described in Code Section 402A(e)(1) and only to the extent the rollover is permitted under the rules of Code Section 402(c).
- (c) The Plan will not provide for a direct rollover (including an automatic rollover) for distributions from a participant's Roth elective deferral account if the amount of the distributions that are eligible rollover distributions are reasonably expected to total less than \$200 during a year. In addition, any distribution from a participant's Roth elective deferral account is not taken into account in determining whether distributions from a participant's other accounts are reasonably expected to total less than \$200 during a year.

However, eligible rollover distributions from a participant's Roth elective deferral account are taken into account in determining whether the total amount of the participant's account balances under the Plan exceeds \$1,000 for purposes of mandatory distributions from the Plan.

12.4 CORRECTION OF EXCESS CONTRIBUTIONS

- (a) The Plan will distribute pre-tax elective deferrals first.

12.5 DEFINITION

- (a) Roth Elective Deferrals. A Roth elective deferral is an elective deferral that is:

- (1) Designated irrevocably by the participant at the time of the cash or deferred election as a Roth elective deferral that is being made in lieu of all or a portion of the pre-tax elective deferrals the participant is otherwise eligible to make under the Plan;
- (2) Treated by the Employer as includible in the participant's income at the time the participant would have received that amount in cash if the participant had not made a cash or deferred election; and
- (3) Eligible for Matching Contributions.

IN WITNESS WHEREOF, the Employer has adopted this Plan as of the 14th day of December, 2024

ROCKLAND TRUST COMPANY (the "Employer")

/s/ Maria Harris

By: Maria Harris, SVP/Director of Human Resources

INDEPENDENT BANK CORP. AND ROCKLAND TRUST COMPANY
SECOND AMENDED AND RESTATED
NONQUALIFIED DEFERRED COMPENSATION PLAN

Independent Bank Corp. and Rockland Trust Company has approved this Second Amended and Restated Non-Qualified Deferred Compensation Plan (the "Plan"), effective January 1, 2024, to revise the plan originally adopted effective as of January 1, 2014 and restated effective as of January 1, 2018. This Plan is intended to comply with Internal Revenue Code Section 409A and any regulatory or other guidance issued under that Section. Capitalized items used in this Plan have the meanings set forth below in Article VIII, Definitions. For the avoidance of doubt, no change made by this version of the Plan shall have the effect of changing the time or form of distribution of any amount deferred prior to the effective date of this Plan.

ARTICLE I - ELIGIBILITY AND VESTING

- 1.1 **Eligibility.** The Plan is available to a select group of management or highly compensated employees of the Company and/or the Bank, within the meaning of ERISA and as determined by the Administrator. Selection as a Participant for one calendar year does not guarantee selection as a Participant in the future.
- 1.2 **Annual Enrollment.** Each Participant who is eligible to participate in the Plan for any calendar year shall enroll by executing a Participation Agreement and completing all other forms as the Administrator may request. Participation in the Plan shall commence as of the date specified in the Participation Agreement.
- 1.3 **Vesting; Clawback.** The Participant's Account shall be fully vested at all times. Amounts deferred under this Plan from incentive compensation, however, may be subject to the Claw Back Policy if a Participant is subject to the Claw Back Policy. If the Claw Back Policy is triggered and applicable to a Participant the Company and/or the Bank may recover from the Account any amounts due from the Participant pursuant to the Claw Back Policy. Any Base Salary deferrals are not subject to clawback.

ARTICLE II - DEFERRALS; EARNINGS

- 2.1 **Deferral Elections.** Participants may elect to defer receipt of all or any portion of their Base Salary or Incentive Compensation, subject to the deferral election timing rules set forth below.
 - (a) **Base Salary Deferral Elections.**
 - (1) **General Rule.** Before the beginning of a Plan Year, any Participant who wishes to defer receipt of any amount of Base Salary must elect the amount of Base Salary to be deferred under the Plan for the upcoming Plan Year by completing a Participation Agreement. A Base Salary deferral election shall expire at the end of that calendar year (i.e., Base Salary deferral elections are not "evergreen") and a new election must be made for each new calendar year. Deferral elections cannot be revoked or changed for a calendar year once the year has begun.
 - (2) **Special Rule for Initial Eligibility to Participate in the Plan.** Within the first 30 days after a Participant is first eligible to participate in the Plan, the Participant may elect to

defer Base Salary that has not yet been earned in the current Plan Year by completing the Participation Agreement provided by the Plan Administrator. The Base Salary deferral election shall expire at the end of that calendar year (i.e., Base Salary deferral elections are not “evergreen”) and a new election must be made for each new calendar year. Deferral elections cannot be revoked or changed for a calendar year once the year has begun.

(b) Incentive Compensation Deferral Elections.

(1) A Participant may elect to defer Incentive Compensation on or before the date that is six months before the end of the performance period for the Incentive Compensation, provided that (i) the performance period is at least 12 months long; (ii) the Participant performs services continuously from the later of (X) the beginning of the performance period or (Y) the date the performance criteria are established, through the date the deferral election is made; and (iii) the election to defer performance-based compensation is not made after such compensation has become “readily ascertainable” within the meaning of Treasury Regulation Section 1.409A-2(a)(8). The Incentive Compensation deferral election shall expire at the end of that calendar year (i.e., Incentive Compensation deferral elections are not “evergreen” and a new election must be made for each new calendar year). Deferral elections for performance-based compensation cannot be revoked or changed for a calendar year after the date that is six months before the end of the performance period.

(2) Special Rule for Initial Eligibility to Participate in the Plan. Within the first 30 days after a Participant is first eligible to participate in the Plan, or if later, up to the date that is six months before the end of the performance period, the Participant may elect to defer Incentive Compensation that has not yet been earned in the current calendar year. The Incentive Compensation deferral election shall expire at the end of that calendar year (i.e., Incentive Compensation deferral elections are not “evergreen”) and a new election must be made for each new calendar year. Deferral elections cannot be revoked or changed for a calendar year once the year has begun.

(3) Examples. The following examples illustrate how deferral rules are applied. Both examples assume that Incentive Compensation was earned for the calendar year, that the performance targets for the Incentive Compensation were set on March 1, and that no amount of the Incentive Compensation is readily ascertainable at the time the deferral election is being made by the Participant.

Example 1: A Participant is hired before March 1 (i.e., the date performance targets are set). He can make an election to defer his entire Incentive Compensation on or before June 30 (i.e., the date that is six months before the end of the performance period). He is able to use the six-month exception because he will be performing services continuously from the later of (a) the beginning of the performance period (i.e., January 1) or (b) the date the performance criteria are established (i.e., March 1), through the date the election is made (i.e., June 30).

Example 2: A Participant is hired after March 1 (i.e. the date the performance targets are set). She cannot wait until June 30 (i.e., the date that is six months before the end of the performance period) and use the six-month exception to make an election to defer the

Incentive Compensation because she will not be performing services continuously from the later of (a) the beginning of the performance period (i.e., January 1) or (b) the date the performance criteria are established (i.e., March 1) through the date the election would be made. Accordingly, she can elect to defer her Incentive Compensation only if the election is made within 30 days after the date of hire (using the initial eligibility rule) and, the election can relate only to the portion of her Incentive Compensation that relates to the post-election period.

2.2 Account Credits.

- (a) Crediting of Contributions. The Administrator shall credit each Participant's Account under this Plan with the amount set forth in the Participant's Base Salary Election and/or Incentive Compensation Election, as specified on such Participant's applicable Participation Agreement, at the time that such amount would otherwise have been payable to the Participant. The Administrator will establish separate accounts for Base Salary deferrals and Incentive Compensation deferrals for any Participant who is subject to the Claw Back Policy.
- (b) Investments. Participants shall have the right to direct the investment of their Accounts by choosing from among the investment alternatives made available by the Administrator. The Administrator shall credit each Participant's Account with earnings or losses as reported to the Administrator by the trustee of the rabbi trust (if any) or as reported from an investment source. If the Participant does not provide timely or proper investment directions, the Administrator shall select a default investment in the sole discretion of the Administrator.
 - (1) Investment of Base Salary Deferrals. Participants may not direct the investment of Base Salary deferrals under this Plan in any investment alternative which provides for actual or deemed investment in whole or in part in Company common stock.
 - (2) Incentive Compensation Deferrals. Notwithstanding anything in the Plan to the contrary, if a Participant's Incentive Compensation is awarded in Company Stock, that portion of the Participant's Account shall remain invested in Company Stock and shall be distributed in Company Stock (even if the Plan or Participation Agreement otherwise states that distributions will be made in cash). If a Participant's Incentive Compensation is awarded in Company Stock, any cash dividends paid on the Company Stock during the deferral period will be invested as per the direction of the Participant in the investment alternatives made available by the Administrator from time to time.

ARTICLE III - BENEFIT PAYMENTS

3.1 Benefit Payment Dates.

- (a) Initial Selection of Benefit Payment Dates. The Participant shall specify his Benefit Payment Date(s) on his Participation Agreement with respect to amounts deferred for a calendar year. Benefits will be paid in cash, less applicable withholdings, no later than 60 days after each of the specified Benefit Payment Dates, unless the Participant elects

annual installments on the Participation Agreement (and to the extent any portion of the Participant's Account is invested in Company Stock, it shall be paid in Company Stock).

- (b) Delaying Benefit Payment Dates. A Participant may delay the timing of any Benefit Payment Date, provided that such change:
- (i) must take effect not less than twelve (12) months after the date on which the change is made;
 - (ii) except for payments upon the Participant's death, or Disability, the first of a stream of payments for which the subsequent election is made shall be deferred for a period of not less than five (5) years from the date on which such payment would otherwise have been made; and;
 - (iii) for payments scheduled to be made on a specified date or to commence under a fixed schedule, the subsequent election must be made at least 12 months before the date of the first scheduled payment; and
 - (iv) may not accelerate the time or schedule of any distribution.

- 3.2 Separation from Service. With respect to amounts initially deferred under this Plan prior to January 1, 2024, if the Participant has a Separation from Service before the Participant's next scheduled Benefit Payment Date, other than due to death, the Participant shall be paid the Participant's Account in the manner set forth in this paragraph. Such amount shall be paid in a cash lump sum no later than 60 days after the Participant's Separation from Service date unless the Participant timely and properly elected annual installments on his Participation Agreement (but may be delayed until 6 months after Separation from Service if the Participant is a Specified Employee). If a Participant elected annual installments and such installments have commenced (i.e., the Benefit Payment Date has occurred prior to Separation from Service), then the installments will continue in accordance with the schedule selected by the Participant. If a Participant elected annual installments and the installments have not yet commenced (i.e., the Benefit Payment Date occurs after the Separation from Service), then such installment distributions will commence no later than 60 days after the Participant's Separation from Service without regard to the previously elected Benefit Payment Date (but such payment(s) may be delayed until 6 months after Separation from Service if the Participant is a Specified Employee). To the extent any portion of the Participant's Account is invested in Company Stock, it shall be paid in Company Stock, together with any cash dividends paid on the Company Stock during the deferral period. The Participant's Account shall continue to be credited with earnings until paid to the Participant.

With respect to amounts initially deferred under this Plan on or after January 1, 2024, if the Participant has a Separation of Service before the next scheduled Benefit Payment Date, other than due to death (addressed in Plan Section 3.3) or Normal Retirement, the Participant shall be paid the Participant's Account in the manner set forth in this paragraph. Such amount shall be paid in a cash lump sum (without regard to whether the Participant elected lump sum or installment distributions and without regard to whether installment distributions have already commenced), less applicable withholdings, no later than 60 days after the Participant's

Separation from Service (but such payment may be delayed until 6 months after Separation from Service, to the extent necessary, if the Participant is a Specified Employees). Notwithstanding the foregoing, if the Participant has a Separation from Service due to Normal Retirement, and has timely and properly elected annual installments on his Participation Agreement, the Participant's Account shall be paid in accordance with the Participant's installment election, less applicable withholdings, provided however, that any installment distribution elections for which the Benefit Payment Date selected by the Participant is after the Separation from Service date shall be accelerated and shall commence, less applicable withholdings, no later than 60 days after the Participant's Separation from Service (but such payment may be delayed until 6 months after Separation from Service, to the extent necessary, if the Participant is a Specified Employees). Notwithstanding anything to the contrary herein, if a Participant is determined to be Disabled prior to Separation from Service but after the Participant qualifies for Normal Retirement, the Disability provisions set forth in Section 3.4 shall control the distribution of the Participant's benefits. To the extent any portion of the Participant's Account is invested in Company Stock, it shall be paid in Company Stock, together with any cash dividends paid on the Company Stock during the deferral period. The Participant's Account shall continue to be credited with earnings until paid to the Participant.

Notwithstanding the foregoing, if a Participant is a Specified Employee and payment of his or her Account is triggered due to Separation from Service (other than due to death), then solely to the extent necessary to avoid penalties under Code Section 409A, no payment shall be made during the first six (6) months following the Participant's Separation from Service. Rather, any payment which would otherwise be paid to the Participant during such period shall be accumulated and paid to the Participant in a lump sum on the first day of the seventh month following the Separation from Service. All subsequent payments of the Participant's Account shall be paid in the manner specified in the Plan.

- 3.3 Death Benefit. With respect to amounts deferred prior to January 1, 2024, if a Participant dies while employed at the Company or the Bank, the Participant's Beneficiary shall be entitled to payment of the Participant's Account, which shall be paid as a cash lump sum, less applicable withholdings, no later than 60 days after the Participant's date of death, unless the Participant elects annual installments on the Participation Agreement (provided that, to the extent any portion of the Participant's Account is invested in Company Stock, it shall be paid in Company Stock, together with any cash dividends paid on the Company stock during the deferral period). If a Participant who has elected annual installments for amounts deferred prior to January 1, 2024, dies prior to Separation from Service, such installments shall be paid to the Participant's beneficiary following the Participant's death. If a Participant dies following Separation from Service but prior to receiving all payments under the Plan, the Participant's Beneficiary shall be paid all remaining payments as a lump sum, less applicable withholdings, no later than 60 days after the Participant's date of death.

With respect to amounts deferred on or after January 1, 2024, if a Participant dies prior to Separation from Service or following Separation from Service but prior to receiving all payments under the Plan, the Participant's Beneficiary shall be entitled to payment of the Participant's Account (or remaining Account), which shall be paid in a lump sum, in cash, less applicable withholdings, no later than 60 days after the Participant's date of death (provided that, to the extent any portion of the Participant's Account is invested in Company Stock, it shall be paid in Company Stock, together with any cash dividends paid on the Company Stock

during the deferral period).

- 3.4 Disability Benefit. With respect to amounts deferred prior to January 1, 2024, if a Participant becomes Disabled while employed at the Company or the Bank, the Participant shall be entitled to receive payment of that portion of his Account attributable to such deferrals, including earnings thereon, calculated at time of the Disability determination and paid in a lump sum, less applicable withholdings, no later than 60 days after the date of the Disability determination, unless the Participant elected annual installments on his Participation Agreement. If a Participant elected to receive benefits in annual installments on the Participation Agreement, then such payments shall continue in annual installments until the Participant's death.¹ To the extent any portion of the Participant's Account is invested in Company Stock, it shall be paid in Company Stock, together with any cash dividends paid on the Company Stock during the deferral period.

Notwithstanding the foregoing, with respect to amounts deferred on and after January 1, 2024, if a Participant becomes Disabled while employed at the Company or the Bank, the Participant shall receive payment of that portion of his Account attributable to such deferrals, including earnings thereon, calculated at time of the Disability determination and paid in a lump sum, less applicable withholdings, no later than 60 days after the date of the Disability determination, without regard to whether the Participant has elected installment distributions and without regard to whether the Participant would otherwise be eligible for a distribution on Normal Retirement. In the event the Participant dies before receiving the Participant's Account balance attributable to amounts deferred on or after January 1, 2024, the Participant's Account balance attributable to such amounts shall be paid in accordance with Section 3.3 above. To the extent any portion of the Participant's Account is invested in Company Stock, it shall be paid in Company Stock, together with any cash dividends paid on the Company Stock during the deferral period.

- 3.5 Code Section 409A. The Plan shall be interpreted to comply with or be exempt from Code Section 409A, and all provisions of the Plan shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Code Section 409A. With respect to amounts deferred prior to January 1, 2018, each installment payment that is payable pursuant to this Plan is intended to constitute a "separate payment" for purposes of Treasury Regulation Section 1.409A-2(b)(ii). With respect to installment payments from the Plan attributable to amounts deferred on or after January 1, 2018, such payments will be treated as a "single payment" for purposes of the rules on subsequent deferral elections made in accordance with this Plan.

ARTICLE IV - ADMINISTRATION

- 4.1 Administrator's Duties. This Plan shall be administered by the Administrator. The Administrator shall have the authority to make, amend, interpret, and enforce all appropriate rules and regulations for the administration of this Plan and decide or resolve any and all

¹ Deleted because this is misleading. In the event of Separation from Service after Disability, in both of the 2014 Plan and the 2017 Plan documents, the benefits would continue as installments, per Section 3.2. However, in the event of death after Separation from Service, even where benefits are payable as Disability benefits until death, the remaining benefits are paid in a lump sum to the Beneficiary.

questions, including interpretations of this Plan, as may arise.

- 4.2 Agents. The Administrator may, from time to time, employ other agents and delegate to them such administrative duties as it sees fit, and may from time to time consult with counsel who may be counsel to the Company or the Bank.
- 4.3 Binding Effect of Decisions. The decision or action of the Administrator in respect to any question arising out of or in connection with the administration, interpretation, and application of the Plan and the rules of regulations under this Plan shall be final, conclusive, and binding upon all persons having any interest in the Plan.
- 4.4 Indemnification. The Bank and the Company shall indemnify and hold harmless all individuals acting as the Administrator against any and all claims, loss, damage, expense, or liability arising from any action or failure to act with respect to this Plan, except in the case of gross negligence or willful misconduct.

ARTICLE VI - CLAIMS PROCEDURE

- 5.1 Claim. Any person claiming a benefit, requesting an interpretation or ruling under the Plan, or requesting information under the Plan shall present the request in writing to the Administrator, which shall respond in writing within 30 days.
- 5.2 Denial of Claim. If the claim or request is denied, the written notice of denial shall state:
 - (a) The reasons for denial, with specific reference to the Plan provisions on which the denial is based.
 - (b) A description of any additional material or information required and an explanation of why it is necessary.
 - (c) An explanation of the Plan's claim review procedure.
- 5.3 Review of Claim. Any person whose claim or request is denied, or who has not received a response within 30 days, may request review by notice given in writing to the Administrator. The claim or request shall be reviewed by the Administrator who may, but shall not be required to, grant the claimant a hearing. On review, the claimant may have representation, examine pertinent documents, and submit issues and comments in writing.
- 5.4 Final Decision. The decision on review shall normally be made within 60 days. If an extension of time is required for a hearing or other special circumstances, the claimant shall be notified and the time limit shall be 120 days. The decision shall be in writing and shall state the reasons and the relevant Plan provisions.
- 5.5 Arbitration. If a claimant continues to dispute the benefit denial based upon completed performance of this Plan and the Participation Agreement or the meaning and effect of the terms and conditions of them, then the claimant may submit the dispute to mediation, administered by the American Arbitration Association ("AAA") (or a mediator selected by the parties) in accordance with the AAA's Commercial Mediation Rules. If mediation is not

successful in resolving the dispute, it shall be settled by arbitration administered by the AAA under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction.

ARTICLE VI - AMENDMENT AND TERMINATION OF PLAN

- 6.1 Amendment. Notwithstanding anything contained in this Plan to the contrary, the Board reserves the exclusive right to freeze or to amend this Plan at any time, provided that no amendment to the Plan shall decrease or restrict any amount accrued prior to the amendment date.
- 6.2 Complete Termination. Subject to the requirements of Code Section 409A, in the event of complete termination of the Plan, the Plan shall cease to operate and the Bank shall pay out to each Participant his or her entire Account as of the date of termination of the Plan. A complete termination of the Plan shall occur only under the following circumstances and conditions:
- (a) The Board may terminate the Plan within 12 months of a corporate dissolution taxed under Code Section 331, or with approval of a bankruptcy court pursuant to 11 U.S.C. §503(b)(1)(A), provided that the amounts deferred under the Plan are included in the Participant's gross income in the latest of: (i) the calendar year in which the Plan terminates; (ii) the calendar year in which the amount is no longer subject to a substantial risk of forfeiture; or (iii) the first calendar year in which the payment is administratively practicable.
 - (b) The Board may terminate the Plan by irrevocable action within the 30 days preceding, or 12 months following, a Change in Control, provided that the Plan shall only be treated as terminated if all substantially similar arrangements sponsored by the Company and the Bank are terminated so that the Participant and all participants under substantially similar arrangements are required to receive all amounts of compensation deferred under the terminated arrangements within 12 months of the date of the irrevocable termination of the arrangements.
 - (c) The Board may terminate the Plan provided that: (i) the termination and liquidation does not occur proximate to a downturn in the financial health of the Company or the Bank; (ii) all arrangements sponsored by the Company or the Bank that would be aggregated with this Plan under Treasury Regulations Section 1.409A-1(c) if the Participants covered by this Plan were also covered by any of those other arrangements are also terminated; (iii) no payments other than payments that would be payable under the terms of the arrangement if the termination had not occurred are made within 12 months of the termination of the arrangement; (iv) all payments are made within 24 months of the termination of the arrangements; and (v) the Company and the Bank do not adopt a new arrangement that would be aggregated with any terminated arrangement under Treasury Regulations Section 1.409A-1(c) if the Participants participated in both arrangements, at any time within three years following the date of termination of the arrangement.

ARTICLE VII - MISCELLANEOUS

- 7.1 Unfunded Plan. This Plan is intended to be an unfunded plan maintained primarily to provide deferred compensation benefits for a select group of management or highly compensated

employees, within the meaning of ERISA. This Plan is not intended to create an investment contract, but to provide tax planning opportunities and retirement benefits to eligible individuals who participate in the Plan. Participants are select officers who, by virtue of their position with the Bank, are uniquely informed as to the Bank's operations and have the ability to materially affect the Bank's profitability and operations.

At no time shall any Participant be deemed to have any lien, right, title or interest in or to any specific investment or asset of the Company or the Bank. The rights of the Participants, any Beneficiary, or any other person claiming through the Participant under this Plan, shall be solely those of an unsecured general creditor of the Company and the Bank. The Participants, the Beneficiary, or any other person claiming through the Participant, shall only have the right to receive from the Company or the Bank those payments so specified under this Plan. Neither the Participants nor any Beneficiary under this Plan shall have any power or right to transfer, assign, anticipate, hypothecate, mortgage, commute, modify or otherwise encumber in advance any benefits payable, nor shall any of said benefits be subject to seizure for the payment of any debts, judgments, alimony, or separate maintenance owed by the Participants or their Beneficiaries, nor be transferable by operation of law in the event of bankruptcy, insolvency, or otherwise.

- 7.2 Unsecured Creditor. The Participant's interest in his or her Account is limited to the right to receive payments under the Plan, and the Participant's position is that of a general unsecured creditor of the Company and the Bank. Notwithstanding the foregoing, the Administrator, in its discretion, may elect to establish a fund containing assets equal to the amounts credited to the Participant's Account, and may elect in its discretion to designate a trustee and/or custodian to hold the fund in trust, provided, however that the fund shall remain a general asset of the Company or the Bank, subject to the rights of creditors of the Company and the Bank.
- 7.3 Trust Fund. The Company or the Bank shall be responsible for the payment of all benefits provided under the Plan. At its discretion, the Company or the Bank may establish one or more rabbi trusts, with such trustees as the Board may approve, for the purpose of providing for the payment of such benefits. Such rabbi trust or trusts may be irrevocable, but the assets thereof shall be subject to the claims of the Company's or the Bank's creditors. To the extent any benefits provided under the Plan are actually paid from any such trust, the Company or the Bank shall have no further obligation with respect to them, but to the extent not so paid, such benefits shall remain the obligation of, and shall be paid by, the Company or the Bank.
- 7.4 Payment to Participant, Legal Representative or Beneficiary. Any payment to any Participant or the legal representative, Beneficiary, or to any guardian or committee appointed for the Participant or Beneficiary shall, to the extent thereof, be in full satisfaction of all claims hereunder against the Company or the Bank, which may require the Participant, legal representative, Beneficiary, guardian or committee, as a condition precedent to such payment, to execute a receipt and release in a form as shall be determined by the Company or the Bank.
- 7.5 Nonassignability. Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, hypothecate or convey in advance of actual receipt any amounts, payable which are, and all rights to which are, expressly declared to be un-assignable and nontransferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure or sequestration for the payment of any debts, judgments, alimony, or separate

maintenance owed by an Participant or any other person, nor be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency.

- 7.6 Validity. In case any provision of this Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of this Plan, but this Plan shall be construed and enforced as if such illegal and invalid provision had never been included.
- 7.7 Notice. Any notice or filing required or permitted to be given to the Administrator under the Plan shall be sufficient if in writing and hand delivered, or sent by registered or certified mail, to the Administrator. Such notice shall be deemed given as of the date of receipt.
- 7.8 Successors. The provisions of this Plan shall bind and inure to the benefit of the Company, the Bank, and their successors and assigns. The term "successors" as used shall include any corporate or other business entity which shall, whether by merger, consolidation, purchase or otherwise acquire all or substantially all of the business and assets of the Company or the Bank, and successors of any such corporation or other business entity.
- 7.9 Payment of Employment and Code Section 409A Taxes. Any distribution under this Plan shall be reduced by the amount of any taxes required to be withheld from such distribution. This Plan shall permit the acceleration of the time or schedule of a payment to pay employment related taxes as permitted under Treasury Regulation Section 1.409A-3(j) or to pay any taxes that may become due at any time that the arrangement fails to meet the requirements of Code Section 409A and the regulations and other guidance promulgated thereunder. In the latter case, such payments shall not exceed the amount required to be included in income as the result of the failure to comply with the requirements of Code Section 409A.
- 7.10 Acceleration of Payments. Except as specifically permitted by this Plan, no acceleration of the time or schedule of any payment may be made. Notwithstanding the foregoing, payments may be accelerated by the Bank, in accordance with the provisions of Treasury Regulation Section 1.409A-3(j)(4) and any subsequent guidance issued by the United States Department of the Treasury. Accordingly, payments may be accelerated, in accordance with requirements and conditions of the Treasury Regulations (or subsequent guidance) in the following circumstances: (i) as a result of certain domestic relations orders; (ii) in compliance with ethics agreements with the federal government; (iii) in compliance with ethics laws or conflicts of interest laws; (iv) in limited cash-outs (but not in excess of the limit under Code Section 402(g)(1)(B)); (v) to apply certain offsets in satisfaction of a debt of the Participant to the Bank; (vi) in satisfaction of certain bona fide disputes between the Participant and the Bank; or (vii) for any other purpose set forth in the Treasury Regulations and subsequent guidance.
- 7.11 Required Provisions. Any payments made to the Participant pursuant to this Plan or otherwise are subject to and conditioned upon compliance with 12 U.S.C. § 1828(k) and 12 C.F.R. Part 359 Golden Parachute and Indemnification Payments or any other rules and regulations promulgated under them.
- 7.12 Governing Law. The Plan is established under, and will be construed according to, the laws of the Commonwealth of Massachusetts, to the extent such laws are not preempted by federal law.

- 7.13 **Severability and Interpretation of Provisions.** The Company and/or the Bank shall have full power and authority to interpret, construe and administer this Plan and the interpretation and construction thereof and actions thereunder shall be binding and conclusive on all persons for all purposes. No employee or representative of the Company or the Bank shall be liable to any person for any actions taken or omitted in connection with the interpretation and administration of this Plan unless attributable to his own willful misconduct or lack of good faith. In the event that any of the provisions of this Plan or portion hereof are held to be inoperative or invalid by any court of competent jurisdiction, or in the event that any provision is found to violate Code Section 409A and would subject a Participant to additional taxes and interest on the amounts deferred hereunder, or in the event that any legislation adopted by any governmental body having jurisdiction over the Company or the Bank would be retroactively applied to invalidate this Plan or any provision hereof or cause the benefits under this Plan to be taxable, then: (1) insofar as is reasonable, effect will be given to the intent manifested in the provisions held invalid or inoperative, and (2) the validity and enforceability of the remaining provisions will not be affected thereby. In the event that the intent of any provision shall need to be construed in a manner to avoid taxability, this construction shall be made by the Administrator in a manner that would manifest to the maximum extent possible the original meaning of such provisions.

ARTICLE VIII - DEFINITIONS

The following words and phrases shall have the meanings below unless the context clearly indicates otherwise:

- 8.1 “Account” means the amount credited to a Participant, including any gains or losses thereon.
- 8.2 “Administrator” means the Compensation Committee of the Board.
- 8.3 “Bank” means Rockland Trust Company.
- 8.4 “Base Salary” means the base salary which a Participant is paid by the Company and/or the Bank.
- 8.5 “Base Salary Deferral Election” means an election to defer all, a fixed percentage or a fixed dollar amount of a Participant’s Base Salary to the Participant’s Account for a particular Plan Year. The Base Salary Deferral Election shall be set forth in the Participant’s Participation Agreement(s) under this Plan.
- 8.6 “Beneficiary” means the person or persons (and their heirs) designated as Beneficiary by the Participant to whom the deceased Participant’s benefits are payable. Such beneficiary designation shall be made on a form filed with the Plan Administrator. If no Beneficiary is so designated, then the Participant’s estate will be deemed the Beneficiary. The Participant shall make an initial designation of primary and secondary Beneficiaries upon execution of his or her Participation Agreement and shall have the right to change such designation, at any subsequent time, by submitting a form to the Administrator. Any Beneficiary designation made subsequent to execution of the Participation Agreement shall become effective only when receipt is

acknowledged in writing by the Administrator.

- 8.7 “Benefit Payment Date” means each of the dates set forth in a Participant’s Participation Agreement.
- 8.8 “Board” means the Board of Directors of the Company.
- 8.9 “Change in Control” means a change in ownership of the Company under paragraph (a) below, or a change in effective control of the Company under paragraph (b) below, or a change in the ownership of a substantial portion of the assets of the Company under paragraph (c) below:
- (a) Change in ownership of the Company. A change in ownership of the Company shall occur on the date that any one person or more than one person acting as a group acquires ownership of stock of the Company that, together with any stock already held, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company; or
- (b) Change in the effective control of the Company. A change in the effective control of the Company shall occur on the date that either (i) any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing 30% or more of the total voting power of the stock of the Company; or (ii) a majority of members of the Company’s Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election; or
- (c) Change in the ownership of a substantial portion of the Company’s assets. A change in the ownership of a substantial portion of the Company’s assets shall occur on the date that any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. There is no Change in Control event under this paragraph (c) when there is a transfer to an entity that is controlled by the shareholders of the transferring corporation immediately after the transfer.
- For all purposes hereunder, the definition of Change in Control shall be construed to be consistent with the requirements of Treasury Regulation Section 1.409A-3(i)(5), except to the extent modified herein.
- 8.10 “Claw Back Policy” means the Company’s Incentive Compensation Recovery Policy and/or any revisions to it that the Company may subsequently adopt.
- 8.11 “Code” means the Internal Revenue Code of 1986, as amended.
- 8.12 “Company” means Independent Bank Corp.

- 8.13 “Company Stock” means Independent Bank Corp. common stock.
- 8.14 “Disability” or “Disabled” means the first to occur of the following, where the Participant is (i) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, or (ii) by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under the disability insurance, if any, covering employees of the Company, or (iii) determined to be totally disabled by the Social Security Administration.
- 8.15 “ERISA” means the Employer Retirement Income Security Act of 1974, as amended.
- 8.16 “Incentive Compensation” means the Participant’s annual incentive compensation earned under a cash incentive plan which the Company or the Bank has adopted.
- 8.17 “Incentive Compensation Election” means an election to defer, all, a fixed percentage or a fixed dollar amount of a Participant’s Incentive Compensation to the Participant’s Account for a particular Plan Year. The Incentive Compensation Election shall be set forth in the Participant’s Participation Agreement and shall apply only to that portion of the Participant’s Incentive Compensation that has not become readily ascertainable at the time of the Participant’s deferral election. Notwithstanding anything herein to the contrary, if the fixed dollar amount selected is greater than a Participant’s actual Incentive Compensation earned for the year (or greater than the amount that was not readily ascertainable when the Incentive Compensation Election was made), then the maximum amount of such Incentive Compensation payable (or the maximum amount that was not readily ascertainable at the time that the election was made) shall be contributed to the Plan.
- 8.18 “Normal Retirement” means, for Plan Years commencing on or after January 1, 2024, separation from service on or after attaining age 65 with 10 years of service, as measured from a Participant’s date of hire.
- 8.19 “Participant” means any officer who has been selected to participate in this Plan and has executed a Participation Agreement.
- 8.20 “Participation Agreement” means the agreement or agreements between Participant and the Company or the Bank which sets forth the particulars of Participant’s benefits under the Plan.
- 8.21 “Plan” means this Independent Bank Corp. and Rockland Trust Company Second Amended and Restated Nonqualified Deferred Compensation Plan.
- 8.22 “Plan Year” shall mean a calendar year for which a Participant may make an election to defer all or any portion of the Participant’s Base Salary and/or Incentive Compensation.
- 8.23 “Separation from Service” means Participant’s death, retirement or other termination of employment with the Company or the Bank within the meaning of Code Section 409A. No

Separation from Service shall be deemed to occur due to military leave, sick leave, or other bona fide leave of absence if the period of such leave does not exceed six months or, if longer, so long as Participant's right to reemployment is provided by law or contract. If the leave exceeds six months and Participant's right to reemployment is not provided by law or by contract, then Participant shall have a Separation from Service on the first date immediately following such six-month period.

Whether a Separation from Service has occurred is determined based on whether the facts and circumstances indicate that the employer and employee reasonably anticipated that no further services would be performed after a certain date or that the level of bona fide services the employee would perform after such date (whether as an employee or as an independent contractor) would permanently decrease to less than 50% of the average level of bona fide services performed over the immediately preceding 36 months (or such lesser period of time in which Participant performed services for the Company or the Bank). The determination of whether an Participant has had a Separation from Service shall be made by applying the presumptions set forth in the Treasury Regulations under Code Section 409A.

- 8.24 "Specified Employee" means a "Key Employee" as such term is defined in Code Section 416(i) without regard to paragraph 5 thereof. Notwithstanding anything to the contrary herein, in the event a Participant is a Specified Employee and becomes entitled to a payment hereunder due to Separation from Service for any reason (other than death), the payments to the Participant shall not commence until the first day of the seventh month following such Separation from Service. Whether and the extent to which a person is a Specified Employee shall be determined on the "Specified Employee Determination Date" which shall be December 31 of each calendar year and shall be applicable commencing on the following April 1, in accordance with the rules set forth in the Treasury Regulations under Code Section 409A.

INDEPENDENT BANK CORP.

By: /s/ PatriciaM. Natale
Patricia M. Natale, General Counsel

ROCKLAND TRUST COMPANY

By: /s/ Maria Harris
Maria Harris, Chief Human Resources Officer

EMPLOYMENT AGREEMENT**Parties and Effective Date**

This employment agreement (the "**Agreement**") is dated and effective as of May 1, 2017 (the "**Effective Date**") by and between Rockland Trust Company, a Massachusetts trust company (the "**Company**") which is the wholly-owned subsidiary of Independent Bank Corp. (the "**Holding Company**"), and Maria Harris (the "**Executive**"). Capitalized terms used in this Agreement have the meaning set forth in the Section below entitled "Definitions."

Summary of Key Terms

Term	Location	Summary Description
Effective Date of Agreement	Above	May 1, 2017
Name of Executive	Above	Maria Harris
Position	§ 1(b)	Senior Vice President, Director of Human Resources
Base Salary	§ 3	\$211,000.00
Incentive Based Compensation & Clawback	§ 4(g)	Yes
Reasons for Severance Payments	§ 5(b) & (c)	Involuntary Termination without Cause; Resignation for Good Reason, including after Change in Control
Change in Control Payment	§ 5(c)	Double Trigger, 280G Cutback
Non-Compete Requirement	§ 6(b)	Yes. On Compensable Termination other than after Change in Control
Release of Claims	§ 8(b)	Yes. On Compensable Termination other than after Change in Control

Employment Agreement

In consideration of the mutual covenants contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

1. Employment; Position and Duties; Exclusive Services

(a) Employment. The Company agrees to employ the Executive, and the Executive agrees to be employed by the Company, upon the terms and conditions in this Agreement.

(b) Position and Duties/Company. The Executive agrees to serve as Senior Vice President, Director of Human Resources for the Company, and to perform all reasonable duties assigned by the Chief Executive Officer. The Executive shall report to the Chief Executive Officer of the Company or in the future, to the Chief Operating Officer, should this position be formed in the future.

(c) Exclusive Services. Except for illness or incapacity, the Executive shall devote all business time, attention, skill and efforts exclusively to the business and affairs of the Company, and its affiliates, shall not be engaged in any other business activity, and shall perform and discharge well and faithfully the duties which may be assigned from time to time; provided, however, that nothing in this Agreement shall preclude the Executive from devoting reasonable time during reasonable periods required for any or all of the following:

(i) serving, in accordance with the Company's policies and with the prior approval of the Company, as a director or member of a committee of any other company or organization involving no actual or potential conflict of interest with the Company, or any of its subsidiaries or affiliates; and,

(ii) investing personal assets in businesses in which the Executive's participation is solely that of a passive investor in such form or manner as will not require any services on the part of the Executive in the operation or affairs of such businesses and in such form or manner which will not create any conflict of interest with, or create the appearance of any conflict of interest with, the Executive's duties at the Company provided, however, that such activities in the aggregate shall not materially adversely affect or interfere with the performance of the Executive's duties and obligations to the Company.

2. Term of Employment

The term of this Agreement shall begin on the Effective Date and end either "at will" by either party upon written notice of termination by one party given to the other at least fourteen (14) days prior to the termination date specified in the notice or as otherwise specified in Section 5 of this Agreement (the "Term").

3. Cash Compensation

As compensation to the Executive for all services to be rendered in any capacity the Company shall, commencing May 1, 2017, pay the Executive an annual base salary of Two Hundred Eleven Thousand Dollars (\$211,000.00) per annum, payable no less frequently than bi-weekly ("Base Salary"). The Company may at its discretion review the compensation provisions of this Agreement and shall have the authority to pay an increased Base Salary, or bonus, or other additional compensation to the Executive.

4. Benefits

(a) Travel and Business-Related Expenses. The Executive shall be reimbursed in accordance with the policies of the Company for travel and other reasonable expenses incurred in the performance of the business of the Company.

(b) Group Life Insurance. The Company agrees to include the Executive under the Company's group term life insurance policy in accordance with the policies of the Company. The Company shall pay all premiums for such coverage.

(c) Sick Leave/Disability. The Executive will enjoy the same sick leave and short-term and long-term disability coverage as in effect for employees of the Company generally.

(d) Retirement Plans. The Executive will be eligible to participate in the Company's qualified retirement benefit plans each in accordance with the terms of such plans as in effect.

(e) Vacation/Holidays. The Executive will receive four (4) weeks paid vacation, on an "as earned" basis each year and will receive ten (10) holidays each year.

(f) Insurance. During the Term, the Executive shall participate in all insurance programs (medical, dental, surgical, hospital) adopted by the Company, including dependent coverage, to the same extent as other executives of the Company.

(g) Incentive Compensation Plan. The Executive shall be eligible to participate in any executive incentive compensation plan in accordance with its terms. The Executive understands and acknowledges incentive compensation payments are subject to any incentive compensation recovery or "clawback" policy adopted by the Board, applicable federal or state laws and/or issued by regulatory agency having jurisdiction over the Company or Holding Company.

(h) Taxes. Except as otherwise specifically provided, the Executive recognizes that some or all of the foregoing benefits and those set forth in Section 3 may give rise to a federal and/or state income tax liability and agrees to be responsible for any tax liability.

(i) Non-Qualified Retirement Plan. The Executive will participate in any non-qualified retirement plan which the Company has adopted or may adopt at a benefits level comparable to the benefits made available to similarly situated executives.

5. Termination of Employment

(a) Termination For Cause: Resignation Without Good Reason

(i) If the Executive's employment is terminated by the Company for Cause or if the Executive resigns from employment for any reason other than for Good Reason or after a Change of Control, the Executive shall have no right to receive compensation or other benefits except as may be required by law and except that the Executive's rights to exercise stock options or vest in restricted stock in the event employment terminates shall be governed by the relevant equity-based compensation plan (the "Equity Plan") and the relevant stock option or restricted stock agreement.

(ii) The Company may terminate the Executive for Cause by giving the Executive thirty (30) business days' prior written notice, during which period the Company shall give the Executive an opportunity to cure and a reasonable opportunity to be heard by the Compensation Committee of the Board to show just cause for his actions, and to have the Compensation Committee of the Board, in its discretion, reverse or rescind the prior action of the Company terminating the Executive for Cause. During the thirty (30) notice period, the Executive may at the discretion of the Company be suspended without pay in the case of a pending termination pursuant to clauses (B), (C), or (D) within the definition of Cause (with all pay withheld during the suspension period to be reinstated retroactively if the pending termination is rescinded) or be placed on administrative leave with pay in the case of a pending termination pursuant to clauses (A), (E), (F), or (G) within the definition of Cause.

(iii) The Executive may resign without Good Reason by giving the Company at least fourteen (14) days prior written notice.

(iv) The date of termination of employment by the Company for purposes of Section 5(a) shall be the date specified by the Company in its written notice of termination to the Executive, which shall be given to the Executive in accordance with Section 5(a)(ii). The date of a resignation by the Executive for purposes of Section 5 shall be the later of the date specified in the written notice of resignation from the Executive to the Company or the date notice is received by the Company.

(b) Termination Without Cause; Resignation for Good Reason If during the term of this Agreement either (A) the Executive's employment with the Company and/or any of its parent, subsidiaries, or affiliates ("**Affiliated Companies**") is terminated by the Company or any of its Affiliated Companies for any reason other than death, disability, or for Cause, or (B) the Executive resigns for Good Reason from employment with the Company and/or any of its Affiliated Companies, the Executive shall, subject to the provisions of Sections 8(b) and 17 of this Agreement, be entitled to:

(i) receive then current Base Salary for a period of twelve (12) months from the termination or resignation date (as determined in Section 5(a)(iv)), payable at such times as such Base Salary would be payable as if no such termination or resignation had occurred; and

(ii) receive a gross bonus payment in an amount which, after payment of all applicable federal and state income and employment taxes, will equal the pre-tax cost to the Company of the Executive's participation in the plans and arrangements described in clauses (b) and (f) of Section 4 for a period of twelve (12) months, less any portion which the Company has already paid on behalf of the Executive. The gross bonus payment shall be payable in a lump sum within forty-five (45) days after the Executive's termination of employment, or if earlier on the eighth (8th) day after Executive executes and does not revoke the Release required by Section 8(b) of this Agreement.

The Executive may resign for Good Reason by giving the Company thirty (30) business days' prior written notice and, during that thirty-day period, an opportunity to cure. The subsequent death, disability, or obtaining of a new position by the Executive does not mitigate or terminate the obligations of the Company under this Section 5(b). The Company may terminate the Executive's employment without Cause by giving the Executive written notice. If the provisions of Section 5(c) are applicable to any termination or resignation of employment because a Change of Control has occurred, the Executive's rights shall be governed by Section 5(c).

(c) Change in Control.

(i) If during the term of this Agreement, any of the events constituting a Change of Control shall be deemed to have occurred, and following such Change of Control, either (A) the Executive's employment with the Company and/or any of its Affiliated Companies, or successors by merger or otherwise as a result of the Change of Control, is terminated for any reason, other than death, disability, or for Cause, or (B) the Executive resigns for Good Reason from employment with the Company and/or any of Affiliated Companies, or successors by merger or otherwise, the Executive shall, subject to the provisions of Section 17 of this Agreement, be entitled to:

(A) receive three (3) times the executive's then current Base Salary and to receive an amount equal to three (3) times the greater of (a) the aggregate amount of discretionary cash bonus and/or incentive payments made to the Executive during the twelve (12) months preceding the date of termination of this Agreement without "**Cause**" or resignation for Good Reason, or (b) the aggregate amount of discretionary cash bonus and/or incentive payments made to the Executive during the twelve (12) months preceding the Change of Control, or (c) the Executive's target award under any incentive compensation plan, payable in an immediate, lump sum cash payment;

(B) receive a gross bonus payment in an amount which, after payment of all applicable federal and state income and employment taxes, will equal the pre-tax cost to the Company of the Executive's participation in the plans and arrangements described in clauses (b) and (f) of Section 4 for a period of thirty six (36) months, less any portion which the Company has already paid on behalf of the Executive, payable to the Executive immediately upon the date of termination. Nothing in this Section shall be construed to prevent the Executive from making an election to continue the health benefit coverage in which the Executive and the Executive's dependents were participating under the health plans of the Company or its Affiliated Companies, or substantially similar health plans maintained by its or their successors by merger for the period required by applicable federal and state laws; and to

(C) receive any change of control benefits as provided in and in accordance with the terms of the non-qualified retirement plan if the Executive is a participant in the non-qualified retirement plan.

(ii) In the event any amount payable as compensation to the Executive under this Agreement when aggregated with any other amounts payable as compensation to the Executive other than pursuant to this Agreement would constitute a Parachute Payment, the amount payable as compensation under Section 5(c)(i) of this Agreement shall be reduced (but not below zero) to the largest amount which is not a Parachute Payment when aggregated with any other amounts payable as compensation to the Executive other than pursuant to this Agreement. The initial determination of amounts that constitute Parachute Payments shall be made in good faith by the Company. Notwithstanding the foregoing, if the Executive proves to the satisfaction of the Compensation Committee of the Company's Board (if no Compensation Committee then is in existence, then any other committee of the Board then performing the functions of a compensation committee) with clear and convincing evidence that all or any portion of the amount of the reduction provided in the preceding sentence would not constitute a Parachute Payment and that the Company's tax reporting position in regard to the payment is overwhelmingly not likely to be sustained, then the reduction provided in the preceding sentence shall be adjusted to permit payment of so much of such reduction as the Compensation Committee determines will result in the largest amount which would not constitute a Parachute Payment.

(d) Mitigation: Legal Fees. The Executive shall not be required to mitigate the amount of any payment provided for in either Section 5(b) or Section 5(c)(i) by seeking other employment or otherwise, nor shall the amount of any payment or benefit provided for in Section 5(b) or Section 5(c)(i) be reduced by any compensation earned by the Executive as a result of self-employment or employment by another employer, by retirement benefits or by offset against any amount claimed to be owed by the Executive to the Company or otherwise. Following a Change of Control, the Company agrees to pay, as incurred, all legal fees and expenses which the Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Executive about the amount of any payment pursuant to this Agreement) plus in each case interest on any delayed payment at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code.

(e) Termination By Reason of Death or Disability

(i) Notwithstanding anything to the contrary contained in this Agreement, the employment of the Executive shall be automatically terminated upon the death of the Executive after which time the Company shall have no further obligation to the Executive or his estate for any compensation or benefits, except to the extent any compensation or benefits are due to the Executive or his estate for any period prior to his death, provided, however, that this Section 5(e)(i) shall not affect in any manner any other benefits to which the Executive or his estate may be entitled or which may vest or accrue upon his death under any arrangement, plan or program (other than this Agreement) with the Company or any of its Affiliated Companies, by law or otherwise.

(ii) Notwithstanding anything to the contrary contained in this Agreement, the employment hereunder of the Executive may be terminated by reason of disability, upon written notice to the Executive, in the event of the inability of the Executive to substantially perform the duties contemplated by this Agreement by reason of injury (physical or mental), illness (physical or mental) or otherwise, incapacitating the Executive for a continuous period exceeding one hundred and eighty (180) days, as certified by a physician selected by the Company in good faith, and the Company shall have no further obligation under this Agreement to the Executive for any compensation or benefits, except to the extent any compensation or benefits are due to the Executive for any period prior to his termination by reason of disability, provided, however, that this Section 5(e)(ii) shall not affect in any manner other benefits to which the Executive may be entitled or which may accrue or vest upon his disability and the Executive shall be entitled to receive that compensation and benefits during and after such period of disability as the Company's policies and procedures in effect from time to time provide for similarly situated executives, as if the Executive and the Company had not entered into this Agreement.

The Executive's rights to exercise his stock options or to vest in restricted stock in the event of termination of his employment by reason of his death or disability (as defined in the Equity Plan) shall be governed by the Equity Plan and the relevant stock option agreement or restricted stock agreement.

6. Confidentiality, Non-Competition and Non-Solicitation

(a) Confidentiality. The Executive recognizes and acknowledges as an employee of the Company the Executive will have access to, become acquainted with, and obtain financial information and knowledge relating to the business, financial condition, methods of operation and other aspects of the Company and its Affiliated Companies and their customers, employees and suppliers, some of which information and knowledge is confidential and proprietary and that the Executive could substantially detract from the value and business prospects of the Company

and its Affiliated Companies in the event, while employed by the Company or any time thereafter, the Executive were to disclose to any person not related to Company or its Affiliated Companies or use such information and knowledge for the Executive or any other person's advantage. Accordingly, the Executive agrees not to disclose to any person, other than directors, officers, employees, accountants, lawyers, consultants, advisors, agents and representative of, or other persons related to, the Company or its Affiliated Companies on a need to know basis in the course of carrying out the Executive's duties, any knowledge or information of a confidential nature pertaining to the Company or its Affiliated Companies, or their successors and assigns, including without limitation, all unpublished matters relating to the business, properties, accounts, books and records, business plan and customers, except with the prior written approval of the Board, or except as may be required by law or as the Executive reasonably determines to be necessary to defend or enforce the Executive's rights under this Agreement.

(b) Non-Competition. The Executive covenants and agrees that, for a period of one (1) year following his termination of employment without Cause or his resignation for Good Reason (in both cases other than following a Change in Control) for which the Executive receives severance benefits under Section 5(b), the Executive shall not, without the written consent of the Company, either directly or indirectly become an officer, employee, consultant, director, independent contractor, agent, joint venturer, partner, shareholder or trustee of any trust company, savings and loan association, savings and loan holding company, credit union, bank or bank holding company, insurance company or agency, any mortgage or loan broker or any other entity that competes with the business of the Company or its Affiliated Companies, that: (i) has a headquarters or offices within fifteen (15) miles of any location(s) in which the Company has business operations or has filed an application for regulatory approval to establish an office at the time of the Executive's termination of employment (the "**Restricted Territory**") or (ii) has one or more offices, but is not headquartered, within the Restricted Territory, but in the latter case, only if the Executive would be employed, conduct business or have other responsibilities or duties within the Restricted Territory. Notwithstanding the foregoing, the Executive shall not be precluded from owning shares in an entity that competes with the Company or its Affiliated Companies, provided, that the Executive is a passive shareholder and owns less than one percent (1%) of the outstanding shares of such entity.

(c) Non-Solicitation. For a period of one (1) year after the Executive receives any compensation pursuant to this Agreement the Executive will not (i) with the exception of mass mailings or other broad based marketing efforts, directly or indirectly, solicit, divert or take away, any Major Customer of the Company or its Affiliated Companies or other successors and assigns. "**Major Customer**" shall mean any customer of the Company or its Affiliated Companies who either has maintained an average deposit balance of at least \$100,000 or has maintained or obtained a credit facility of at least \$100,000 from the Company or its Affiliated Companies during the term of this Agreement, or (ii) directly or indirectly induce or attempt to influence any employee of the Company or its Affiliated Companies, or their successors and assigns, to terminate employment.

(d) Enforceability. The covenants on the part of the Executive contained in this Section 6 shall be construed as an agreement independent of any other provision in this Agreement, and the existence of any claim or cause of action by the Executive against the Company or its Affiliated Companies, whether predicated on this Agreement or otherwise, shall not constitute a defense to their enforcement by the Company or its Affiliated Companies. This Section 6 shall survive the termination of this Agreement. The period and the scope of the restrictions on the Executive are divisible so that if any provision of this Section 6 is invalid, that provision shall be automatically modified to the extent necessary to make it valid.

(e) Equitable and Other Relief. The Executive acknowledges and agrees (i) that the provisions of this Section 6 are reasonable and necessary for the protection of the Company and

its Affiliated Companies or its or their successors and assigns, and (ii) that the remedy at law for any breach of the provisions of this Section 6 will be inadequate and, accordingly, the Executive agrees that in the case of any such breach (x) the Company, the Affiliated Companies or its or their successors and assigns shall be entitled to injunctive relief to restrain the violation by the Executive, and to the extent applicable, the Executive's partners, agents, servants, employers, employees and all persons acting for or with the Executive, in addition to any other remedy they may have, and (y) the Executive shall forfeit any future payments or benefits to which the Executive might be entitled. With respect to the non-compete covenant at Section 6(b), Executive represents and admits that the Executive's experience and capabilities are such that the Executive can obtain employment in a business engaged in other lines of business and/or of a different nature than the Company, and that the enforcement of a remedy by way of injunction will not prevent the Executive from earning a livelihood. Nothing herein will be construed as prohibiting the Company from pursuing any other remedies available to it for breach or threatened breach, including the recovery from the Executive of any severance payments paid to the Executive upon termination of employment or other damages.

(f) Jurisdiction. Subject to Section 7, the Executive submits to the exclusive jurisdiction of the courts of Massachusetts and the Federal courts of the United States of America located in Massachusetts in respect to the interpretation and enforcement of the provisions of this Section 6, and subject to Section 7, the Executive waives, and agrees not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement of this Section 6, that the Executive is not subject to jurisdiction or that any action, suit, or proceeding may not be brought or is not maintainable in those courts or that this Agreement may not be enforced in or by those courts or that the Executive's property is exempt or immune from execution, that the suit, action or proceeding is brought in an inconvenient forum, or that venue is improper.

7. Disputes

(a) Any dispute relating to this Agreement, or to the breach of this Agreement, arising between the Executive and the Company shall be settled by arbitration in accordance with the commercial arbitration rules of the American Arbitration Association ("**AAA**"), which arbitration may be initiated by any party by written notice to the other of such party's desire to arbitrate the dispute. The arbitration proceedings, including the rendering of an award, shall take place in Boston, Massachusetts, and shall be administered by the AAA.

(b) The arbitrator shall be appointed within thirty (30) days of the notice of dispute, and shall be chosen by the parties from the names of available arbitrators furnished to the parties in list form by the AAA. The parties may review and reject names of available arbitrators from up to an aggregate of three lists furnished to the parties by the AAA. If, after having been furnished three lists of arbitrators, the parties cannot agree on one available arbitrator, either party may request that the AAA appoint an arbitrator to arbitrate the dispute.

(c) The award of the arbitrator shall be final except as otherwise provided by the laws of the Commonwealth of Massachusetts and the federal laws of the United States, to the extent applicable. Judgment upon such award may be entered by the prevailing party in any state or federal court sitting in Boston, Massachusetts.

(d) No arbitration proceedings shall be binding upon or in any way affect the interests of any party other than the Company, or its successors and the Executive, with respect to such arbitration.

(e) Notwithstanding the foregoing, the Company shall have the right to apply to any court of competent jurisdiction for a temporary restraining order, preliminary, injunction or other

interim equitable relief to which it may be entitled in connection with any alleged violations of Section 6 of this Agreement.

8. Indemnification; Release of Claims

(a) Indemnification. The Company shall indemnify the Executive to the full extent permitted by Massachusetts law, which indemnification may require the advance of expenses, including legal fees, to the Executive, if and to the extent permitted by law. In the event of any claim for indemnification by the Executive, the Executive shall deliver written notice of any claim promptly upon the claim being made known to the Executive. The Company shall have the right to undertake the defense of any claim with counsel of its choice. The Company shall make its election to defend the claim with counsel of its choosing within 15 business days of receipt of notice. If the Company does not so elect, then Executive is free to engage in counsel. If the Company has a conflict between executives as a result of the claim, then Executive shall have right to have independent counsel. During the Term and thereafter for so long as the Executive shall be subject to suit for liability for acts or omissions in connection with service as an officer or director of the company or service in other capacities at its request, the Company shall cause the Executive to be covered under any policy or contract of insurance obtained by it to insure its directors and officers against personal liability for acts or omissions. The coverage provided to the Executive pursuant to this Section 8 shall be of the same scope and on the same terms and conditions as the coverage (if any) then provided to other officers or directors of the Company.

(b) Release of Claims. Any payments or benefits payable to the Executive under Section 5(b) of this Agreement upon termination without Cause or the Executive's resignation for Good Reason shall be contingent on the Executive's execution and non-revocation of a release (the "**Release**"), satisfactory to the Company, of all claims that the Executive or any of the Executive's affiliates or beneficiaries may have against the Company and its Affiliated Companies, and their officers, directors, successors and assigns, releasing those persons from any and all claims, rights, demands, causes of action, suits, arbitrations or grievances relating to the Executive's employment relationship, including claims under the Age Discrimination in Employment Act ("ADEA"), but not including claims for benefits under tax-qualified plans or other benefit plans in which the 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. In order to comply with the requirements of Section 409A of the Code and the ADEA, the release must be provided to the Executive no later than the date of the Executive's Separation from Service and the Executive and the Company must execute the Release within twenty-one (21) days after the date of termination without subsequent revocation by the Executive within seven (7) days after execution of the Release.

9. Non-Disclosure Commitments

Other than as to the Company, the Executive represents and warrants that the Executive is not a party to or otherwise bound by any contracts, agreements, or arrangements which contain covenants limiting the freedom of the Executive to compete in any line of business or with any person or entity, or which provide that the Executive must maintain the confidentiality of, or prohibit the Executive from using, any information in the context of his professional or personal activities. The Executive further represents and warrants that neither the execution nor delivery of this Agreement nor the Executive's performance of duties will cause any breach of any contract, agreement, or arrangement to which the Executive is a party or by which the Executive is bound.

10. Arm's Length Negotiations; Representation By Counsel

The parties to this Agreement agree that this Agreement has been negotiated by each in an arm's length transaction. The Executive acknowledges that the Executive has had the opportunity to be represented by legal counsel in connection with this Agreement.

11. Tax Withholding

Payments to the Executive of all compensation contemplated under this Agreement shall be subject to all applicable legal requirements with respect to the withholding of taxes and other deductions required by law.

12. Non-Assignability; Binding Agreement

Neither this Agreement nor any right, duty, obligation or interest under this Agreement shall be assignable or delegable by the Executive without the Company's prior written consent; provided, however, that (i) nothing in this Section shall preclude the Executive from designating any of his beneficiaries to receive any benefits payable upon his death or disability, or his executors, administrators, or other legal representatives, from assigning any rights to the person or persons entitled to any benefits, and (ii) any successor to the Company pursuant to any merger or consolidation involving the Company, and any purchaser of all or substantially all the assets of the Company, shall succeed to the rights and assume the obligations of the Company under this Agreement, and the Company covenants that it will not enter into or consummate any such transaction which does not make express provision for assumption of this Agreement. Subject to the foregoing, this Agreement shall be binding upon, and inure to the benefit of, the parties, any successors to or assigns of the Company, the Executive's heirs, and the personal representatives of the Executive's estate.

13. Amendment; Waiver

This Agreement may not be modified, amended, or waived in any manner except by an instrument in writing signed by the parties. The waiver by any party of compliance with any provision of this Agreement by the other party shall not operate or be construed as a waiver of any provision of this Agreement.

14. Notices

Any notice by either party to the other shall be either mailed by registered or certified mail (return receipt requested), sent by properly addressed electronic mail delivery, or sent by reputable overnight delivery or courier service to the other party at the address set forth below or to any other address a party may specify in the future by written notice. All notices shall be deemed effective upon delivery.

(i) To the Company Rockland Trust Company
288 Union Street
Rockland, MA 02370
Attention: Chief Executive Officer

With a copy to:

Rockland Trust Company
288 Union Street
Rockland, MA 02370
Attention: General Counsel

- (ii) To the Executive: Maria Harris
5 Hidden Acres
East Bridgewater, MA 02333

15. Governing Law

This Agreement is to be governed by and interpreted in accordance with the laws of the Commonwealth of Massachusetts. If under Massachusetts law any portion of this Agreement is at any time deemed to be in conflict with any applicable statute, rule, regulation or ordinance, that portion shall be deemed to be modified or altered to conform to applicable law or, if that is not possible, to be omitted from this Agreement, and the invalidity of any portion shall not affect the force, effect, and validity of the remainder of this Agreement.

16. Supersedes Previous Agreements

This Agreement constitutes the entire understanding between the Company and the Executive relating to the employment of the Executive by the Company and supersedes and cancels all prior written and oral agreements and understandings with respect to the subject matter of this Agreement.

17. Section 409A

(a) This Agreement is intended to comply with and be interpreted in accordance with Section 409A of the Code and implementing regulations and guidance (collectively **Section 409A**). Each payment in a series of payments provided to the Executive pursuant to this Agreement will be deemed a separate payment for purposes of Section 409A. If any amount payable under this Agreement upon a termination of employment is determined by the Company to constitute nonqualified deferred compensation for purposes of Section 409A (after taking into account the short-term deferral exception and the involuntary separation pay exception of the regulations promulgated under Section 409A which are incorporated by reference), that amount shall not be paid unless and until the Executive's termination of employment also constitutes a "separation from service" from the Company for purposes of Section 409A.

(b) In the event that the Executive is determined by the Company to be a "specified employee" for purposes of Section 409A at the time of separation from service, any payments of nonqualified deferred compensation (after giving effect to any exemptions available under Section 409A) otherwise payable to the Executive during the first six (6) months following separation from service shall be delayed and paid in a lump sum (with interest from the date the Executive's employment terminates at a rate of interest equal to the 6-month Treasury Bill rate in effect on the date of termination) upon the earlier of (x) the Executive's date of death, or (y) the first day of the seventh month following the Executive's separation from service, and the balance of the installments (if any) will be payable in accordance with their original schedule.

(c) To the extent any expense, reimbursement, or in-kind benefit provided to the Executive constitutes nonqualified deferred compensation for purposes of Section 409A, (i) the amount of any expense eligible for reimbursement or the provision of any in-kind benefit with respect to any calendar year shall not affect the amount of expense eligible for reimbursement or the amount of in-kind benefit provided to the Executive in any other calendar year, (ii) the reimbursements for expenses for which the Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred, and (iii) the right to payment or reimbursement or in-kind benefits may not be subject to liquidation for any other benefit.

18. Definitions

The capitalized terms used in this Agreement have the meanings set forth below:

"AAA" has the meaning set forth in Section 7 of this Agreement.

"Affiliated Companies" has the meaning set forth in Section 5 of this Agreement.

"Agreement" means this Employment Agreement.

"Base Salary" has the meaning set forth in Section 3 of this Agreement.

"Board" means the Rockland Trust Company Board of Directors or one of its duly appointed committees.

"Cause" shall refer to the Company's termination of the Executive's service with the Company at any time because the Executive has: (A) refused or failed, in any material respect, other than due to illness, injury, or absence authorized by the Company or required by law, to devote his full normal working time, skills, knowledge, and abilities to the business of the Company and its Affiliated Companies, and in promotion of their respective interests; or (B) engaged in (1) activities involving his personal profit as a result of his dishonesty, incompetence, willful misconduct, willful violation of any law, rule or regulation or breach of fiduciary duty, or (2) dishonest activities involving the Executive's relations with the Company or its Affiliated Companies or any of their respective employees, customers or suppliers; or (C) committed larceny, embezzlement, conversion or any other act involving the misappropriation of Company or customer funds in the course of his employment; or (D) been convicted of any crime which reasonably could affect in a materially adverse manner the reputation of the Company or the Executive's ability to perform the duties required hereunder; or (E) committed an act involving gross negligence on the part of the Executive in the conduct of his duties hereunder; or (F) evidenced a drug addiction or dependency; or (G) otherwise materially breached this Agreement.

"Change of Control" shall mean if during the Term of this Agreement (A) any "Person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (other than the Holding Company, any of its subsidiaries, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan or trust of Holding Company or any of its subsidiaries), together with all "affiliates" and "associates" (as such terms are defined in Rule 12b-2 under the Exchange Act) of such person, shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of either (x) a majority of the outstanding common stock of the Holding Company or the Company, or (y) securities of either the Holding Company or the Company representing a majority of the combined voting power of the then outstanding voting securities ("**Voting Securities**") of either the Holding Company or the Company, respectively; or (B) during any period of two consecutive years following the date hereof, individuals who at the beginning of that year period constitute the Board of the Holding Company cease, at any time after the beginning of such period, for any reason to constitute a majority of the Board of the Holding Company, unless the election of each new director was nominated or approved by at least two thirds of the directors of the Board then still in office who were either directors at the beginning of the two year period or whose election or whose nomination for election was previously so approved; or (C) the consummation of a merger or consolidation or sale or other disposition of all or substantially all of the assets of the Holding Company (a "**Corporate Transaction**"); excluding a Corporate Transaction in which the stockholders of the Holding Company immediately prior to the Corporate Transaction, would, immediately after the Corporate Transaction, beneficially own (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, shares representing, in the aggregate, more than majority of

the voting shares of the corporation issuing cash or securities in the Corporate Transaction (or of its ultimate parent corporation, if any); or (D) the approval of the Holding Company's stockholders of any plan or proposal for the liquidation or dissolution of the Holding Company. Notwithstanding anything herein to the contrary, this definition shall be construed to be consistent with the requirements of Section 280G of the Code and, to the extent applicable, the requirements of Section 409A.

"Code" means the Internal Revenue Code of 1986, as currently amended and as may be amended and in effect in the future.

"Company" means Rockland Trust Company.

"Effective Date" has the meaning set forth in the paragraph of this Agreement entitled "Parties and Effective Date."

"Equity Plan" has the meaning set forth in Section 5 of this Agreement.

"Executive" has the meaning set forth in the paragraph of this Agreement entitled "Parties and Effective Date."

"Good Reason" means the resignation of the Executive within four (4) months after (A) the Company, without the express written consent of the Executive, materially breaches this Agreement to the substantial detriment of the Executive; or (B) the Company, without Cause, substantially changes the Executive's core duties or removes the Executive's responsibility for those core duties, so as to effectively cause the Executive to no longer be performing the duties of an executive in the capacity for which the Executive was hired.

"Holding Company" means Independent Bank Corp.

"Major Customer" has the meaning set forth in Section 6 of this Agreement.

"Parachute Payment" shall have the meaning given to parachute payments set forth in Section 280G(b)(2)(A) of the Code (relating to the quantification of parachute payments) determined without regard to the provisions of Section §280G(b)(4) of the Code (relating to the exclusion of reasonable compensation from parachute payments).

"Release" has the meaning set forth in Section 8(b) of this Agreement.

"Restricted Territory" has the meaning set forth in Section 6(b) of this Agreement.

"Section 409A" has the meaning set forth in Section 17 of this Agreement.

"Term" has the meaning set forth in Section 2 of this Agreement.

[Signature Page Follows]

19. Counterparts

This Agreement may be executed by the parties in counterparts, each of which shall be deemed to be an original, but which together constitute one and the same instrument.

The parties have executed this Agreement as a Massachusetts instrument under seal as of the Effective Date:

ROCKLAND TRUST COMPANY

/s/ Christopher Oddleifson

Christopher Oddleifson
Chief Executive Officer
Its duly authorized representative

EXECUTIVE

/s/ Maria Harris

Maria Harris

INDEPENDENT BANK CORP. CHIEF EXECUTIVE OFFICER
TIME VESTING RESTRICTED STOCK AGREEMENT

Notification and Acceptance of Restricted Stock Award

The Independent Bank Corp. Second Amended and Restated 2005 Employee Stock Plan (the "Plan") permits the granting of Restricted Stock Awards to employees of Independent Bank Corp. (the "Company") and its subsidiaries who are expected to contribute to the Company's future growth.

The Company greatly appreciates your ongoing efforts, and believes that you will contribute to the Company's future success. The Company is therefore extremely pleased to offer you the following Restricted Stock Award:

Effective Date of Restricted Stock Agreement:	February 16, 2023
Employee Name And Residential Address:	Jeffrey Tengel 49 Southport Green Southport, CT 06890
Number of shares of common stock granted in this Restricted Stock Award:	7,550 shares of the Company's common stock.
Vesting Period:	Three years, with one-third of the Restricted Shares vesting on each anniversary of the Effective Date. Please see Section 2 below for more information about vesting.
Vesting Schedule:	<u>Date Shares Vested</u> February 16, 2024 2,517 February 16, 2025 2,517 February 16, 2026 2,517

This Restricted Stock Award is subject to the terms and conditions of the Restricted Stock Agreement set forth below (the "Agreement"). By clicking "ACCEPT" in the Certent software system you both accept this Restricted Stock Award and acknowledge that you have read, understand, and accept the terms and conditions of this Agreement set forth below.

Restricted Stock Agreement

The Company agrees to issue to the employee named above (the "Employee") the number of shares of the Company's common stock (collectively, the "Restricted Shares") set forth above subject to the terms and conditions of the Plan and this Agreement, as follows:

Section 1. Issuance of Common Stock to Employee

- (a) Consideration. The Employee shall not be required to pay any consideration to the Company for the Restricted Shares.
- (b) Issuance of Shares. After receiving a signed original of this Agreement back from the Employee the Company shall act with reasonable speed to either cause to be issued a certificate or certificates for the Restricted Shares, which certificate or certificates shall be registered in the name of the Employee (or in the names of Employee and the Employee's spouse as community property or as joint tenants with right of survivorship), or shall direct the Company's transfer agent to make entries in its records for the Restricted Shares that are equivalent to issuance of a certificate or certificates to the Employee. The Company shall cause the Restricted Shares to be deposited in escrow in accordance with this Agreement. The issuance of the Restricted Shares shall occur at the offices of the Company or at such other place and time as the parties hereto may agree.
- (c) Escrow. Upon issuance, the certificate(s) for the Restricted Shares shall be deposited by the Employee with the Company, the Company's stock transfer agent, and/or the Company's other agent, together with a stock power endorsed in blank to be held in escrow in accordance with the provisions of this Agreement for the Vesting Period. Alternatively, if actual certificates for the Restricted Shares are not issued the Company shall direct its stock transfer agent to make entries in its records for the Restricted Shares to reflect that they are being held in escrow for the Vesting Period. All regular cash dividends on Restricted Shares shall be paid directly to the Employee and shall not be held in escrow. Unvested Restricted Shares, however, may not be enrolled in the Company's Automatic Dividend Reinvestment and Common Stock Purchase Plan. The Employee may also exercise all voting rights on the Restricted Shares while they are held in escrow. The Restricted Shares shall be (i) surrendered and automatically revert to the Company upon forfeiture of any such shares or (ii) released to the Employee once the Vesting Period has lapsed and they are no longer Restricted Shares.
- (d) Withholding Taxes. The Company shall have the right to deduct from payments of any kind otherwise due to the Employee from the Company or any of its subsidiaries any federal, state or local taxes of any kind required by law to be withheld due to the vesting of the Restricted Shares. The Employee may pay any taxes owed due to the vesting of the Restricted Shares in cash. Subject to the prior approval of the Company, which may be withheld by the Company in its sole discretion, the Employee may also elect to satisfy withholding obligations, in whole or in part, (a) by directing the Company to retain vested Restricted Shares otherwise issuable to the Employee pursuant to this Agreement or (b) by delivering to the Company shares of the Company's common stock already owned by the Employee. Any shares so delivered or retained shall have a fair market value that is at least equal to the withholding obligation. The fair market value of any shares used to satisfy a withholding obligation shall be determined in accordance with the terms of the Plan as of the date of the vesting of the Restricted Shares. The Employee may only satisfy a withholding obligation with shares of the Company's common stock which are not subject to any repurchase, forfeiture, unfulfilled vesting, or other similar requirements. Notwithstanding the foregoing, in the case of a Reporting Person (as
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defined in the Plan), no election to use shares for the payment of withholding taxes shall be effective unless made in compliance with any applicable requirements of SEC Rule 16b-3 (unless it is intended that the transaction not qualify for exemption under Rule 16b-3).

- (e) Plan and Defined Terms. The issuance of the Restricted Shares pursuant to this Agreement is in all respects subject to the terms, conditions, and definitions (except as otherwise expressly noted in this Agreement) of the Plan, all of which are hereby incorporated herein by reference. The Employee accepts the Restricted Shares subject to all the terms and provisions of the Plan and agrees that all decisions under and interpretations of the Plan by the Board of Directors (or a Committee of the Board of Directors, if applicable) shall be final, binding, and conclusive upon the Employee and his permitted heirs, executors, administrators, successors and assigns. Capitalized defined terms used herein shall have the meanings assigned to them in the Plan, unless such terms are otherwise specifically defined in this Agreement.

Section 2. Vesting Period and Acceleration

- (a) Vesting Period. The Restricted Shares shall vest over the period and pursuant to the schedule set forth on the first page of this Agreement (the "Vesting Period").
- (b) Accelerated Vesting at Company's Discretion. The Company may, in its sole and absolute discretion, accelerate the vesting of the Restricted Shares by providing a written notice of accelerated vesting to the Employee.
- (c) Vesting In The Event of Death, Permanent and Total Disability, or Retirement. If, prior to the end of the Vesting Period, the Employee dies or the employment of the Employee is terminated on the account of permanent and total disability as such term is defined in Section 22(e)(3) of the Internal Revenue Code of 1986, as amended (the "Code") or any successor provision, or the employment of the Employee ceases as a result of the Employee's retirement from the Company and/or its subsidiaries, any unvested Restricted Shares shall vest in the Employee or his heirs in the number of shares equal to the amount of unvested Restricted Shares which were to vest during the year of the Vesting Period in which death, permanent and total disability, or retirement occurs multiplied by a fraction, the numerator of which is the number of days the Employee was employed by the Company during that year of the Vesting Period and the denominator of which is 365, rounded to the nearest whole share. The Employee shall forfeit any unvested Restricted Shares scheduled to vest in subsequent years of the Vesting Period. By way of example, if the Employee was employed by the Company for 73 days during the year of the Vesting Period, the Employee would be entitled to vest in $(73 \text{ divided by } 365 = \text{twenty percent (20\%)})$ of the amount of Restricted Shares which were to vest during that year. For purposes of this Agreement, the determination as to whether an Employee ceased employment with the Company due to "retirement" shall be in the sole discretion of the Board of Directors.
- (d) Vesting In The Event of Termination by the Company Without Cause; Resignation by the Employee for Good Reason. If, during the Vesting Period, either (A) the Company terminates the Employee's employment without Cause (as defined in the employment
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agreement between the Company and the Employee, dated as of January 6, 2023 (the "Employment Agreement") or (B) the Employee resigns for Good Reason (as such term is defined in the Employment Agreement) from the Company, any unvested Restricted Shares shall vest in the Employee in the number of shares equal to the amount of unvested Restricted Shares which were to vest during the year of the Vesting Period in which the termination of employment occurs, multiplied by a fraction, the numerator of which is the number of days the Employee was employed by the Company during that year of the Vesting Period and the denominator of which is 365, rounded to the nearest whole share. The Employee shall forfeit any unvested Restricted Shares scheduled to vest in subsequent years of the Vesting Period. By way of example, if the Employee was employed by the Company for 73 days during the year of the Vesting Period, the Employee would be entitled to vest in $(73 \text{ divided by } 365 = \text{twenty percent (20\%)})$ of the amount of Restricted Shares which were to vest during that year.

(e) Accelerated Vesting In The Event of a Change of Control

- (i) The Restricted Shares shall immediately and fully vest if a Change of Control" (as such term is defined in the Employment Agreement) of the Company occurs.
- (ii) In the event any Restricted Shares would otherwise vest pursuant to Section 2(e) hereof and the Change of Control pursuant to which the Restricted Shares would vest is an event described in Section 280G(b)(2)(A)(i) of the Code, notwithstanding anything to the contrary contained herein, then in lieu of vesting, such Restricted Shares shall be cancelled and the Company shall pay the Employee therefor an amount equal to the fair market value (as defined in the Plan) of the shares of Common Stock as of the date of the Change of Control; provided, however, that such Change of Control must also satisfy the definition of "change in control" set forth in Treasury Regulations Section 1.409A-3(i)(5) for a payment to be made under this Section. Any payment hereunder shall be made to Employee in cash no more than thirty (30) days after the date of the Change of Control.
- (iii) Section 5(d)(iii) of the Employment Agreement will apply to the Restricted Shares upon a Change of Control, as if such provision was set forth herein, with references to "this Agreement" to refer to this Agreement and such other changes as are necessary for application of the intent and meaning of such provision to the Restricted Shares.

Section 3. No Transfer or Assignment of Restricted Shares. The Employee shall not, without the prior written consent of the Company (which may be withheld in the Company's sole and absolute discretion), sell, dispose of, assign, encumber, pledge, gift or otherwise transfer any of the Restricted Shares prior to vesting, other than (a) pursuant to a qualified domestic relations order (as defined in SEC Rule 16b-3) or (b) by will or the laws of intestacy.

Section 4. Forfeiture. Notwithstanding anything contained in the Plan to the contrary, there will be an automatic and immediate forfeiture of Restricted Shares that have not yet vested at the time the Employee's employment is terminated by the Company (including for purposes of this Section 4(a), any of the Company's subsidiaries) for Cause or if the Employee resigns from his

employment for any reason other than for Good Reason, or retirement as determined in accordance with Section 2(c).

Section 5. Miscellaneous Provisions.

- (a) No Retention Rights. Nothing in this Agreement or in the Plan shall confer upon the Employee any right to continue to serve as an employee of the Company or any of its direct or indirect subsidiaries. Nothing in this Agreement or in the Plan shall interfere with or otherwise restrict the rights of the Company or any of its subsidiaries or of the Employee to terminate the Employee's employment with the Company or any of its subsidiaries at any time and for any reason, with or without cause.
 - (b) Notice. Any notice required by the terms of this Agreement shall be given in writing and shall be deemed effective upon (i) personal delivery, (ii) deposit with a nationally recognized overnight courier or (iii) deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid. Notice shall be addressed to the Company at 288 Union Street, Rockland, Massachusetts 02370 or at its then principal executive office address if different, with simultaneous copies to the Human Resources Department and General Counsel of the Company, and to the Employee at the residential address set forth above or to the residential address that the Employee has most recently provided to the Company in writing if different.
 - (c) Entire Agreement. This Agreement, together with the Plan, constitutes the entire understanding between the parties hereto with regard to the subject matter hereof, and supersedes any other agreements, representations, or understandings (whether oral or written and whether express or implied) which relate to the subject matter hereof.
 - (d) Choice of Law. This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Massachusetts without regard to its choice of law principles.
 - (e) Remedies. The Employee agrees that the Company will be irreparably damaged if this Agreement is not specifically enforced. Upon a breach or threatened breach of the terms, covenants, or conditions of this Agreement by the Employee, the Company shall, in addition to all other remedies available, be entitled to a temporary or permanent injunction or other equitable relief against the Employee, without showing any actual damage, and/or a decree for specific enforcement in accordance with the provisions hereof.
 - (f) Severability. If any provision of this Agreement is found unenforceable or illegal, the remainder of this Agreement shall remain in full force and effect.
 - (g) Amendments; Waivers. This Agreement may only be amended or modified in a writing signed by the Employee and the Company. No party shall be deemed to waive any rights hereunder unless the waiver is in writing and signed by the party waiving rights. A waiver in writing on or more occasions shall not be deemed to be a waiver for any future occasions.
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(h) Counterparts. This Agreement may be executed in counterparts, including counterparts by telecopier, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument.

(i) Section 83(b) Tax Election. The acquisition of the Restricted Shares may result in adverse tax consequences that may be avoided or mitigated by the Employee's filing of an election under Section 83(b) of the Code. Under Section 83 of the Code, the fair market value of the Restricted Shares on the date that any Forfeiture Restrictions applicable to the Restricted Shares lapse will be reportable as ordinary income of the Employee. The term "Forfeiture Restrictions" means, for purposes of this Agreement, either the lapse of the Vesting Period or the forfeiture of Restricted Shares. The Employee may elect under Section 83(b) of the Code to be taxed at the time the Restricted Shares are acquired, rather than when and as such Restricted Shares cease to be subject to Forfeiture Restrictions. A Section 83(b) election must be filed with the Internal Revenue Service within thirty (30) days after the Effective Date.

The form for making a Section 83(b) election is available to be printed from the Certent software system. The Employee understands that a failure to make a Section 83(b) election within the thirty (30) day period will result in the recognition of ordinary income when the Forfeiture Restrictions lapse.

The Employee should consult with his tax advisor to determine the tax consequences of acquiring the Restricted Shares and the potential advantages and potential disadvantages of filing the Section 83(b) election. The Employee acknowledges that, if so desired, it is his sole responsibility, and not that of the Company or any of its subsidiaries, to file a timely election under Section 83(b).

INDEPENDENT BANK CORP. CHIEF EXECUTIVE OFFICER
MAKE-WHOLE TIME VESTING RESTRICTED STOCK AGREEMENT

Notification and Acceptance of Restricted Stock Award

The Independent Bank Corp. Second Amended and Restated 2005 Employee Stock Plan (the "Plan") permits the granting of Restricted Stock Awards to employees of Independent Bank Corp. (the "Company") and its subsidiaries who are expected to contribute to the Company's future growth.

In full satisfaction of the Company's obligations under Section 3(e) of the Employment Agreement between you and the Company, dated as of January 6, 2023 (the "Employment Agreement") to award the Make-Whole Equity Award (as defined in the Employment Agreement), the Company is therefore extremely pleased to offer you the following Restricted Stock Award:

Effective Date of Restricted Stock Agreement:	February 16, 2023
Employee Name And Residential Address:	Jeffrey Tengel 49 Southport Green Southport, CT 06890
Number of shares of common stock granted in this Restricted Stock Award:	12,309 shares of the Company's common stock.
Vesting Period:	Five years, with 20% of the Restricted Stock Award vesting on each anniversary of February 6, 2023 (Employee's first day of employment). Please see Section 2 below for more information about vesting.
Vesting Period:	<u>Date</u> <u>Shares Vested</u> February 6, 2024 2,462 February 6, 2025 2,462 February 6, 2026 2,462 February 6, 2027 2,462 February 6, 2028 2,462

This Restricted Stock Award is subject to the terms and conditions of the Restricted Stock Agreement set forth below (the "Agreement"). By clicking "ACCEPT" in the Certent software system you both accept this Restricted Stock Award and acknowledge that you have read, understand, and accept the terms and conditions of this Agreement set forth below.

Make-Whole Restricted Stock Agreement

In full satisfaction of the obligation under Section 3(e) of the Employment Agreement, the Company agrees to issue to the employee named above (the "Employee") the number of shares of the Company's common stock (collectively, the "Restricted Shares") set forth above subject to the terms and conditions of the Plan and this Agreement, as follows:

Section 1. Issuance of Common Stock to Employee

- (a) Consideration. The Employee shall not be required to pay any consideration to the Company for the Restricted Shares.
 - (b) Issuance of Shares. After receiving a signed original of this Agreement back from the Employee the Company shall act with reasonable speed to either cause to be issued a certificate or certificates for the Restricted Shares, which certificate or certificates shall be registered in the name of the Employee (or in the names of Employee and the Employee's spouse as community property or as joint tenants with right of survivorship), or shall direct the Company's transfer agent to make entries in its records for the Restricted Shares that are equivalent to issuance of a certificate or certificates to the Employee. The Company shall cause the Restricted Shares to be deposited in escrow in accordance with this Agreement. The issuance of the Restricted Shares shall occur at the offices of the Company or at such other place and time as the parties hereto may agree.
 - (c) Escrow. Upon issuance, the certificate(s) for the Restricted Shares shall be deposited by the Employee with the Company, the Company's stock transfer agent, and/or the Company's other agent, together with a stock power endorsed in blank to be held in escrow in accordance with the provisions of this Agreement for the Vesting Period. Alternatively, if actual certificates for the Restricted Shares are not issued the Company shall direct its stock transfer agent to make entries in its records for the Restricted Shares to reflect that they are being held in escrow for the Vesting Period. All regular cash dividends on Restricted Shares shall be paid directly to the Employee and shall not be held in escrow. Unvested Restricted Shares, however, may not be enrolled in the Company's Automatic Dividend Reinvestment and Common Stock Purchase Plan. The Employee may also exercise all voting rights on the Restricted Shares while they are held in escrow. The Restricted Shares shall be (i) surrendered and automatically revert to the Company upon forfeiture of any such shares or (ii) released to the Employee once the Vesting Period has lapsed and they are no longer Restricted Shares.
 - (d) Withholding Taxes. The Company shall have the right to deduct from payments of any kind otherwise due to the Employee from the Company or any of its subsidiaries any federal, state or local taxes of any kind required by law to be withheld due to the vesting of the Restricted Shares. The Employee may pay any taxes owed due to the vesting of the Restricted Shares in cash. Subject to the prior approval of the Company, which may be withheld by the Company in its sole discretion, the Employee may also elect to satisfy withholding obligations, in whole or in part, (a) by directing the Company to retain vested Restricted Shares otherwise issuable to the Employee pursuant to this Agreement or (b) by delivering to the Company shares of the Company's common stock already owned by the Employee. Any shares so delivered or retained shall have a fair market
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value that is at least equal to the withholding obligation. The fair market value of any shares used to satisfy a withholding obligation shall be determined in accordance with the terms of the Plan as of the date of the vesting of the Restricted Shares. The Employee may only satisfy a withholding obligation with shares of the Company's common stock which are not subject to any repurchase, forfeiture, unfulfilled vesting, or other similar requirements. Notwithstanding the foregoing, in the case of a Reporting Person (as defined in the Plan), no election to use shares for the payment of withholding taxes shall be effective unless made in compliance with any applicable requirements of SEC Rule 16b-3 (unless it is intended that the transaction not qualify for exemption under Rule 16b-3).

- (e) Plan and Defined Terms. The issuance of the Restricted Shares pursuant to this Agreement is in all respects subject to the terms, conditions, and definitions (except as otherwise expressly noted in this Agreement) of the Plan, all of which are hereby incorporated herein by reference. The Employee accepts the Restricted Shares subject to all the terms and provisions of the Plan and agrees that all decisions under and interpretations of the Plan by the Board of Directors (or a Committee of the Board of Directors, if applicable) shall be final, binding, and conclusive upon the Employee and his permitted heirs, executors, administrators, successors and assigns. Capitalized defined terms used herein shall have the meanings assigned to them in the Plan, unless such terms are otherwise specifically defined in this Agreement.

Section 2. Vesting Period and Acceleration

- (a) Vesting Period. The Restricted Shares shall vest over the period and pursuant to the schedule set forth on the first page of this Agreement (the "Vesting Period").
- (b) Accelerated Vesting at Company's Discretion. The Company may, in its sole and absolute discretion, accelerate the vesting of the Restricted Shares by providing a written notice of accelerated vesting to the Employee.
- (c) Vesting In The Event of Death, Permanent and Total Disability, or Retirement. If, prior to the end of the Vesting Period, the Employee dies or the employment of the Employee is terminated on the account of permanent and total disability as such term is defined in Section 22(e)(3) of the Internal Revenue Code of 1986, as amended (the "Code") or any successor provision, or the employment of the Employee ceases as a result of the Employee's retirement from the Company and/or its subsidiaries, any unvested Restricted Shares shall vest in the Employee or his heirs in the number of shares equal to the amount of unvested Restricted Shares which were to vest during the year of the Vesting Period in which death, permanent and total disability, or retirement occurs multiplied by a fraction, the numerator of which is the number of days the Employee was employed by the Company during that year of the Vesting Period and the denominator of which is 365, rounded to the nearest whole share. The Employee shall forfeit any unvested Restricted Shares scheduled to vest in subsequent years of the Vesting Period. By way of example, if the Employee was employed by the Company for 73 days during the year of the Vesting Period, the Employee would be entitled to vest in $(73 \text{ divided by } 365 = \text{twenty percent (20\%)})$ of the amount of Restricted Shares which were to vest during that year. For purposes of this Agreement, the determination as to whether an Employee ceased
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employment with the Company due to "retirement" shall be in the sole discretion of the Board of Directors.

(d) Vesting In The Event of Termination by the Company Without Cause; Resignation by the Employee for Good Reason If, during the Vesting Period, either (A) the Company terminates the Employee's employment without Cause (as defined in the Employment Agreement) or (B) the Employee resigns for Good Reason (as such term is defined in the Employment Agreement) from the Company, any unvested Restricted Shares shall vest in the Employee in the number of shares equal to the amount of unvested Restricted Shares which were to vest during the year of the Vesting Period in which the termination of employment occurs, multiplied by a fraction, the numerator of which is the number of days the Employee was employed by the Company during that year of the Vesting Period and the denominator of which is 365, rounded to the nearest whole share. The Employee shall forfeit any unvested Restricted Shares scheduled to vest in subsequent years of the Vesting Period. By way of example, if the Employee was employed by the Company for 73 days during the year of the Vesting Period, the Employee would be entitled to vest in $(73 \text{ divided by } 365 = \text{twenty percent (20\%)})$ of the amount of Restricted Shares which were to vest during that year.

(e) Accelerated Vesting In The Event of a Change of Control

(i) The Restricted Shares shall immediately and fully vest if a Change of Control" (as such term is defined in the Employment Agreement) of the Company occurs.

(ii) In the event any Restricted Shares would otherwise vest pursuant to Section 2(e) hereof and the Change of Control pursuant to which the Restricted Shares would vest is an event described in Section 280G(b)(2)(A)(i) of the Code, notwithstanding anything to the contrary contained herein, then in lieu of vesting, such Restricted Shares shall be cancelled and the Company shall pay the Employee therefor an amount equal to the fair market value (as defined in the Plan) of the shares of Common Stock as of the date of the Change of Control; provided, however, that such Change of Control must also satisfy the definition of "change in control" set forth in Treasury Regulations Section 1.409A-3(i)(5) for a payment to be made under this Section. Any payment hereunder shall be made to Employee in cash no more than thirty (30) days after the date of the Change of Control.

(iii) Section 5(d)(iii) of the Employment Agreement will apply to the Restricted Shares upon a Change of Control, as if such provision was set forth herein, with references to "this Agreement" to refer to this Agreement and such other changes as are necessary for application of the intent and meaning of such provision to the Restricted Shares.

Section 3. No Transfer or Assignment of Restricted Shares. The Employee shall not, without the prior written consent of the Company (which may be withheld in the Company's sole and absolute discretion), sell, dispose of, assign, encumber, pledge, gift or otherwise transfer any of the Restricted Shares prior to vesting, other than (a) pursuant to a qualified domestic relations order (as defined in SEC Rule 16b-3) or (b) by will or the laws of intestacy.

Section 4. Forfeiture. Notwithstanding anything contained in the Plan to the contrary, there will be an automatic and immediate forfeiture of Restricted Shares that have not yet vested at the time the Employee's employment is terminated by the Company (including for purposes of this Section 4(a), any of the Company's subsidiaries) for Cause or if the Employee resigns from his employment for any reason other than for Good Reason, or retirement as determined in accordance with Section 2(c).

Section 5. Miscellaneous Provisions.

- (a) No Retention Rights. Nothing in this Agreement or in the Plan shall confer upon the Employee any right to continue to serve as an employee of the Company or any of its direct or indirect subsidiaries. Nothing in this Agreement or in the Plan shall interfere with or otherwise restrict the rights of the Company or any of its subsidiaries or of the Employee to terminate the Employee's employment with the Company or any of its subsidiaries at any time and for any reason, with or without cause.
 - (b) Notice. Any notice required by the terms of this Agreement shall be given in writing and shall be deemed effective upon (i) personal delivery, (ii) deposit with a nationally recognized overnight courier or (iii) deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid. Notice shall be addressed to the Company at 288 Union Street, Rockland, Massachusetts 02370 or at its then principal executive office address if different, with simultaneous copies to the Human Resources Department and General Counsel of the Company, and to the Employee at the residential address set forth above or to the residential address that the Employee has most recently provided to the Company in writing if different.
 - (c) Entire Agreement. This Agreement, together with the Plan, constitutes the entire understanding between the parties hereto with regard to the subject matter hereof, and supersedes any other agreements, representations, or understandings (whether oral or written and whether express or implied) which relate to the subject matter hereof.
 - (d) Choice of Law. This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Massachusetts without regard to its choice of law principles.
 - (e) Remedies. The Employee agrees that the Company will be irreparably damaged if this Agreement is not specifically enforced. Upon a breach or threatened breach of the terms, covenants, or conditions of this Agreement by the Employee, the Company shall, in addition to all other remedies available, be entitled to a temporary or permanent injunction or other equitable relief against the Employee, without showing any actual damage, and/or a decree for specific enforcement in accordance with the provisions hereof.
 - (f) Severability. If any provision of this Agreement is found unenforceable or illegal, the remainder of this Agreement shall remain in full force and effect.
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- (g) Amendments; Waivers. This Agreement may only be amended or modified in a writing signed by the Employee and the Company. No party shall be deemed to waive any rights hereunder unless the waiver is in writing and signed by the party waiving rights. A waiver in writing on or more occasions shall not be deemed to be a waiver for any future occasions.
- (h) Counterparts. This Agreement may be executed in counterparts, including counterparts by telecopier, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument.
- (i) Section 83(b) Tax Election. The acquisition of the Restricted Shares may result in adverse tax consequences that may be avoided or mitigated by the Employee's filing of an election under Section 83(b) of the Code. Under Section 83 of the Code, the fair market value of the Restricted Shares on the date that any Forfeiture Restrictions applicable to the Restricted Shares lapse will be reportable as ordinary income of the Employee. The term "Forfeiture Restrictions" means, for purposes of this Agreement, either the lapse of the Vesting Period or the forfeiture of Restricted Shares. The Employee may elect under Section 83(b) of the Code to be taxed at the time the Restricted Shares are acquired, rather than when and as such Restricted Shares cease to be subject to Forfeiture Restrictions. A Section 83(b) election must be filed with the Internal Revenue Service within thirty (30) days after the Effective Date.

The form for making a Section 83(b) election is available to be printed from the Certent software system. The Employee understands that a failure to make a Section 83(b) election within the thirty (30) day period will result in the recognition of ordinary income when the Forfeiture Restrictions lapse.

The Employee should consult with his tax advisor to determine the tax consequences of acquiring the Restricted Shares and the potential advantages and potential disadvantages of filing the Section 83(b) election. The Employee acknowledges that, if so desired, it is his sole responsibility, and not that of the Company or any of its subsidiaries, to file a timely election under Section 83(b).

**INDEPENDENT BANK CORP.
KEY EXECUTIVE SEVERANCE PLAN**

**SECTION 1
PURPOSE OF THE PLAN**

The Board of Directors (the "**Board**") of Independent Bank Corp. and the Compensation Committee thereof (the "**Committee**") desire to provide executives who are in a position to contribute materially to the success of the Company and its Affiliated Entities (each as defined below) with reasonable compensation in the event of their termination of employment with the Company under the circumstances described herein.

Therefore, in order to fulfill the above purpose, upon the recommendation of the Committee, this Plan was adopted by the Board on October 19, 2023 and became effective on even date therewith.

**SECTION 2
DEFINITIONS**

Certain terms used herein have the definitions given to them in the first place in which they are used. As used herein, the following words and phrases shall have the following respective meanings:

- 2.1 "**Affiliated Entity**" means any entity controlled by, controlling or under common control with the Company.
 - 2.2 "**Annual Base Salary**" means the annual base salary paid or payable, including any base salary that is subject to deferral, to the Participant by the Company or any of the Affiliated Entities at the rate in effect immediately prior to the Date of Termination.
 - 2.3 "**Cause**" means (a) the conviction of the Participant, or plea of guilty *onolo contendere* by the Participant, to a charge of commission of a felony under federal law or the law of the state in which such action occurred; (b) willful and deliberate failure on the part of the Participant in the performance of his or her employment duties in any material respect; (c) dishonesty in the course of fulfilling the Participant's employment duties; or (d) a material violation of the Company's ethics and compliance program, code of conduct or other material policy of the Company.
 - 2.4 "**CIC Severance Plan**" means the Company's Key Executive Change in Control Severance Plan, as in effect from time to time.
 - 2.5 "**Code**" means the Internal Revenue Code of 1986, as amended from time to time.
 - 2.6 "**Company**" means Independent Bank Corp. and any successor(s) thereto or, if applicable, the ultimate parent of any such successor.
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- 2.7 **"Date of Termination"** means the date of receipt of the Notice of Termination or any later date specified therein (subject to the notice period and Cure Period in the case of a termination by the Participant for Good Reason). If the Participant's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of the Participant's death or the date on which the Participant's termination due to Disability is effective. Notwithstanding the foregoing, in no event shall the Date of Termination occur until the Participant experiences a "separation from service" within the meaning of Section 409A of the Code, and the date on which such separation from service takes place shall be the "Date of Termination."
- 2.8 **"Disability"** means permanent and total disability as determined under the Company's long-term disability policy applicable to the Participant.
- 2.9 **"ERISA"** means the Employee Retirement Income Security Act of 1974, as amended.
- 2.10 **"Exchange Act"** means the Securities Exchange Act of 1934, as amended.
- 2.11 **"Good Reason"** means the resignation of the Participant after the Company, without the express written consent of the Participant, takes action resulting in:
- (a) a material and adverse diminution in the Participant's primary employment duties, which, for the avoidance of doubt, shall not include changes to the Participant's duties that result in the Participant having duties that are consistent in all material respects with the duties of an employee serving at the Participant's level;
 - (b) a reduction in the Participant's Annual Base Salary, other than any across the board reduction in base salary (and corresponding decreases to the annual cash incentive opportunity or annual equity incentive opportunity) implemented as part of a reduction that applies uniformly to the Participant and other similarly situated executives of the Company;
 - (c) a material reduction in the Participant's target annual cash incentive opportunity and target annual equity incentive opportunity, other than in connection with an across the board decrease or change in the design of the Company's incentive compensation program that applies uniformly to the Participant and other similarly situated executives of the Company; or
 - (d) a requirement that the Participant relocate his or her primary place of employment to an office location more than fifty (50) miles from the Company's offices in Hanover, Massachusetts.

In order to invoke a termination for Good Reason, the Participant shall provide a Notice of Termination to the Company setting forth the existence of one or more of the conditions described in clauses (a) through (d) within thirty (30) days of the initial existence of such condition or conditions, specifying in reasonable detail the conditions constituting Good Reason, and the Company shall have thirty (30) days following receipt of such Notice of Termination (the **"Cure Period"**) during which it may remedy the condition. In the event that the Company fails to remedy the condition constituting Good Reason during the applicable Cure Period, the Participant's "separation from service" (within the meaning of Section 409A of the Code) must

occur, if at all, within thirty (30) days from the earlier of (i) the end of the Cure Period, or (ii) the date the Company provides written notice to the Participant that it does not intend to cure such condition. The Participant's mental or physical incapacity following the occurrence of an event described above in clauses (a) through (d) shall not affect the Participant's ability to terminate employment for Good Reason and the Participant's death following delivery of a Notice of Termination for Good Reason shall not affect the Participant's estate's entitlement to the severance payments and benefits provided hereunder upon a termination of employment for Good Reason.

- 2.12 **"Notice of Termination"** means a written notice delivered by the Company to the Participant in the case of a termination for Cause and by the Participant to the Company in the case of a termination for Good Reason that (a) indicates the specific termination provision in this Plan relied upon, (b) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Participant's employment under the provision so indicated, and (c) if the Date of Termination is other than the date of receipt of such notice, specifies the Date of Termination which shall be not more than thirty (30) days after the giving of such notice (subject to the Company's right to cure in the case of a resignation for Good Reason). Any termination by the Company for Cause or by the Participant for Good Reason shall be communicated by a Notice of Termination to the other party hereto given in accordance with Section 9.7 of this Plan.
- 2.13 2.13 **"Participant"** means an employee of the Company or an Affiliated Entity who is (a) a member of the executive leadership team or (b) a key employee, in each case designated by the Committee in writing as a Participant; provided that an employee who is party to an employment or other agreement with the Company or an Affiliated Entity that provides for severance payments or benefits upon a termination of employment (other than solely in connection with a "change in control" (or term of similar meaning) ") shall not be eligible to be a Participant. Designation as a Participant shall be communicated by delivery of a Participation Notice. No employee of the Company or an Affiliated Entity shall be a Participant in the Plan (i) following the Participant's termination that does not constitute a Qualifying Termination or (ii) during the CIC Period (as defined in the CIC Severance Plan) to the extent the Participant is also a participant in the CIC Severance Plan **"Participation Notice"** means the written notice provided by the Company to the Participant informing the Participant of the Participant's eligibility to participate in the Plan, which shall be substantially in the form attached hereto as Exhibit A.
- 2.14 **"Plan"** means this Independent Bank Corp. Key Executive Severance Plan.
- 2.15 **"Qualifying Termination"** means a termination of a Participant's employment by the Participant for Good Reason or by the Company other than for Cause, death or Disability.
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SECTION 3
SEPARATION BENEFITS

3.1 Qualifying Termination. If a Participant experiences a Qualifying Termination, subject to signing the Release and Covenant Agreement pursuant to Section 3.3 of this Plan and in consideration of the Participant's compliance with the restrictive covenants and other obligations set forth therein, the Company shall pay or provide to the Participant the payments and benefits at the time or times set forth below (except as otherwise required by Section 8 of this Plan):

- (a) a lump-sum cash payment equal to the sum of (i) the Participant's earned and unpaid Annual Base Salary with respect to employment through the Date of Termination, (ii) any accrued and unused vacation pay or other paid time off, to the extent required to be paid to the Participant by any policy of the Company in effect as of the Date of Termination, or otherwise payable under applicable law, and (iii) any business expenses incurred by the Participant that are unreimbursed as of the Date of Termination, in each case, to the extent not theretofore paid (the sum of the amounts described in clauses (i), (ii) and (iii) shall be hereinafter referred to as the "**Accrued Obligations**"), with such amount to be paid as soon as reasonably practicable (but no later than thirty (30) days after the Date of Termination)*provided* that, notwithstanding the foregoing, in the case of clause (i), if the Participant has made an irrevocable election under any deferred compensation arrangement subject to Section 409A of the Code to defer any portion of the Annual Base Salary described in clause (i), then for purposes of this Section 3.1(a), such deferral election, and the terms of the applicable arrangement, shall apply to the same portion of the amount described in such clause (i), and such portion shall not be considered as part of the "Accrued Obligations" but shall instead be an "Other Benefit" (as defined below);
 - (b) continued payment of the Participant's Annual Base Salary as in effect immediately prior to the Date of Termination (disregarding any reduction in salary that is consistent with reductions imposed upon other Participants or any reduction that is a basis for the Participant's termination for Good Reason) for a period of twelve (12) months following the Date of Termination consistent with the Company's customary payroll practices; *provided, however*, that, if the Annual Base Salary exceeds the sum of (i) the amount under the separation pay exception under Section 409A as of the Date of Termination (*i.e.*, \$660,000 for 2023) and (ii) the amount that qualifies for the "short-term deferral" exception under Section 409A, the amount equal to such excess shall be paid in a single lump sum as soon as administratively practicable (and in any case no later than on the second payroll date) following the date on which the Release and Covenant Agreement (as defined below) becomes effective;
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(c) a lump-sum cash payment equal to the amount that, after the payment of all applicable federal and state income and employment taxes, equals the pre-tax cost to the Company (and for the avoidance of doubt that does not include the Participant's portion of any premiums) of the Participant's (including his or her eligible dependents') participation for a period of twelve (12) months in the Company's group term life insurance policy and health insurance programs (medical, dental and vision), in each case in which (and on the same basis as) the Participant and the Participant's eligible dependents participated as of immediately prior to the Date of Termination, less any amount that the Company has already paid on behalf of the Participant with respect to such participation for periods after the Date of Termination, with such amount to be paid as soon as administratively practicable (and in any case no later than on the second payroll date) following the date on which the Release and Covenant Agreement becomes effective; and

(d) to the extent not theretofore paid or provided, the Company shall timely pay or provide to the Participant any other amounts or benefits required to be paid or provided or which the Participant is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company and the Affiliated Entities, including amounts credited to the Participant's account under the Company's deferred compensation plan (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits").

3.2 Other Terminations. For the avoidance of doubt, the Participant shall not be entitled to any payments or benefits pursuant to this Plan if the Participant experiences a termination of employment that does not constitute a Qualifying Termination. Any termination of the Participant's employment by the Company for Cause shall be communicated by a Notice of Termination to the Participant given in accordance with Section 9.7 of this Plan.

3.3 Release and Covenant Agreement. The Participant's receipt of the payments and benefits under Section 3.1 of this Plan (other than with respect to the Accrued Obligations and Other Benefits) shall be subject to the Participant's execution and non-revocation of a General Release of Claims and Restrictive Covenant Agreement in a form determined in the sole discretion of the Company (the "**Release and Covenant Agreement**"), within thirty (30) days following the Date of Termination (or by any later date required by applicable law), which shall contain the following: (a) a general release of claims in favor of the Company and its Affiliated Entities and their respective officers, directors and employees; (b) restrictive covenants that prohibit the Participant from (i) competing with the Company and its Affiliated Entities for the one (1)-year period following the Date of Termination, (ii) soliciting, hiring or otherwise interfering with the Company's relationship with the employees, customers and other business relations of the Company and its Affiliated Entities for the one (1)-year period following the Date of Termination, (iii) disclosing the confidential information of the Company and

its Affiliated Entities, including their respective customers and clients (with exceptions for exercising any legally protected whistleblower rights, including pursuant to Rule 21F under the Exchange Act and the right to any related financial reward), and (iv) disparaging the Company and its Affiliated Entities and their respective officers, directors and other service providers; (c) an obligation that the Participant return Company property and cooperate with respect to litigation, investigations and other matters; and (d) an acknowledgement that the Company's compensation clawback or recoupment policies remain applicable to the Participant. In the event of a breach of the covenants and obligations under the Release and Covenant Agreement, the Release and Covenant Agreement shall provide the Company with the right to seek injunctive and other equitable relief, the right to cease providing or clawback/recoup any payments or benefits provided or previously provided under this Plan and any benefits with respect to the vesting or continued vesting or retention of equity awards in respect of the Company's common stock. To the extent necessary, the Release and Covenant Agreement shall be intended to comply in all respects with the Massachusetts Noncompetition Agreement Act, M.G.L. c. 149, § 24L (or any successor law), and the Company may include such provisions as it determines to be necessary to ensure compliance therewith. The Release and Covenant Agreement shall be delivered to the Participant by the Company on or as soon as practicable (and no later than five (5) business days) after the Date of Termination, and such agreements need not be uniform.

SECTION 4 NO MITIGATION OR OFFSET; NON-EXCLUSIVITY OF RIGHTS

- 4.1 No Mitigation or Offset. The Company's obligation to make the payments provided under Section 3.1 of this Plan and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action that the Company may have against the Participant or others. In no event shall the Participant be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Participant under any of the provisions of this Plan and such amounts shall not be reduced whether or not the Participant obtains other employment. If a Participant's employment is terminated because of a plant shutdown or mass layoff or other event to which the Worker Adjustment and Retraining Notification Act of 1988 or similar state law (collectively, "**WARN**") applies, then the amount of the payments and benefits under Section 3.1 of this Plan to which the Participant is entitled shall not be reduced by the amount of any pay provided to the Participant in lieu of the notice required by WARN.
- 4.2 Non-Exclusivity of Rights. Nothing in this Plan shall prevent or limit the Participant's continuing or future participation in any plan, program, policy or practice provided by the Company or any of the Affiliated Entities and for which the Participant may qualify. Amounts that are vested benefits or that the Participant is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of the Affiliated Entities at or subsequent to the Date of Termination shall be payable in
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accordance with such plan, policy, practice or program or contract or agreement. Without limiting the generality of the foregoing, the Participant's resignation under this Plan with or without Good Reason shall in no way affect the Participant's ability to terminate employment by reason of "retirement" under any compensation and benefits plans, programs or arrangements of the Company or any of the Affiliated Entities or to be eligible to receive benefits under any compensation or benefit plans, programs or arrangements of the Company or any of the Affiliated Entities, and any termination that otherwise qualifies as Good Reason shall be treated as such even if it is also a "retirement" for purposes of any such plan. Notwithstanding the foregoing, if the Participant receives payments and benefits pursuant to Section 3.1 of this Plan, the Participant shall not be entitled to any severance pay or benefits under any severance agreement, plan, program or policy of the Company or the Affiliated Entities, including under the CIC Severance Plan (or any successor plan thereto).

SECTION 5 AMENDMENTS AND TERMINATION

This Plan may be terminated or amended by resolution duly adopted by the Board or the Committee (as applicable and consistent with the Company's applicable charters), and an employee's status as a Participant may be terminated by resolution duly adopted by the Board in the case of a Participant who is an "officer" (as defined in Section 16 of the Exchange Act) and the Committee in the case of other Participants; *provided* that no amendment or termination that has the effect of reducing or diminishing the benefits or rights of a Participant will be effective without the prior written consent of the Participant (a) if the Participant has incurred a Qualifying Termination prior to the amendment or termination, or (b) if the Participant has not incurred a Qualifying Termination prior thereto, until thirty (30) days after the amendment, termination or change in status as a Participant.

SECTION 6 PLAN ADMINISTRATION

- 6.1 General. The Committee is responsible for the general administration and management of this Plan (the committee acting in such capacity, the **Plan Administrator**) and shall have all powers and duties necessary to fulfill its responsibilities, including, but not limited to, the discretion to interpret and apply the provisions of this Plan and to determine all questions relating to eligibility for benefits under this Plan, to interpret or construe ambiguous, unclear, or implied (but omitted) terms in any fashion it deems to be appropriate, and to make any findings of fact needed in the administration of this Plan.
 - 6.2 Not Subject to ERISA. This Plan does not require an ongoing administrative scheme and, therefore, is intended to be a payroll practice which is not subject to ERISA. However, if it is determined that this Plan is subject to ERISA, (i) it shall be considered to be an unfunded plan maintained by the Company primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees (a "**top-hat plan**"), and (ii) it shall be
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administered in a manner which complies with the provisions of ERISA that are applicable to top-hat plans.

- 6.3 Indemnification. To the extent permitted by law, the Company shall indemnify the Plan Administrator from all claims for liability, loss, or damage (including the payment of expenses in connection with defense against such claims) arising from any act or failure to act in connection with this Plan.

SECTION 7 SUCCESSORS; ASSIGNMENT

- 7.1 Successors. The Company shall require any corporation, entity, individual or other person who is the successor (whether direct or indirect by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all the business and/or assets of the Company to expressly assume and agree to perform, by a written agreement in form and in substance satisfactory to the Company, all of the obligations of the Company under this Plan. The benefits provided under this Plan shall inure to the benefit of and be enforceable by the Participants' personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. As used in this Plan, the term "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Plan by operation of law, written agreement or otherwise.
- 7.2 Assignment of Rights. It is a condition of this Plan, and all rights of each person eligible to receive benefits under this Plan shall be subject hereto, that no right or interest of any such person in this Plan shall be assignable or transferable, in whole or in part, except by will or the laws of descent and distribution or other operation of law, including, but not by way of limitation, lawful execution, levy, garnishment, attachment, pledge, bankruptcy, alimony, child support or qualified domestic relations order.

SECTION 8 SECTION 409A OF THE CODE

- 8.1 General. The obligations under this Plan are intended to comply with the requirements of Section 409A of the Code or an exemption or exclusion therefrom and shall in all respects be administered in accordance with Section 409A of the Code. Any payments that qualify for the "short-term deferral" exception, the separation pay exception or another exception under Section 409A of the Code shall be paid under the applicable exception to the maximum extent possible. For purposes of the limitations on nonqualified deferred compensation under Section 409A of the Code, each payment of compensation under this Plan shall be treated as a separate payment of compensation, including for purposes of applying the exclusion under Section 409A of the Code for short-term deferral amounts, the separation pay exception or any other exception or exclusion under Section 409A of the Code. To the extent necessary in order to avoid the imposition of penalty taxes on a Participant pursuant to Section 409A of the Code, all payments to be made upon a termination of employment under this Plan may only be made upon a "separation from service" under Section 409A of the Code.
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In no event may a Participant, directly or indirectly, designate the calendar year of any payment under this Plan, and to the extent required by Section 409A of the Code, any payment that may be paid in more than one taxable year shall be paid in the later taxable year.

- 8.2 Reimbursements and In-Kind Benefits. Notwithstanding anything to the contrary in this Plan, all reimbursements and in-kind benefits provided under this Plan that are subject to Section 409A of the Code shall be made in accordance with the requirements of Section 409A of the Code, including, without limitation, where applicable, the requirement that (a) in no event shall the Company's obligations to make such reimbursements or to provide such in-kind benefits apply later than the Participant's remaining lifetime; (b) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year; (c) the reimbursement of any eligible fees and expenses shall be made no later than the last day of the calendar year following the year in which the applicable fees and expenses were incurred; *provided* that the Participant shall have submitted an invoice for such fees and expenses at least ten (10) days before the end of the calendar year next following the calendar year in which such fees and expenses were incurred; and (d) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.
- 8.3 Delay of Payments. Notwithstanding any other provision of this Plan to the contrary, if a Participant is considered a "specified employee" for purposes of Section 409A of the Code (as determined in accordance with the methodology established by the Company as in effect on the Date of Termination), any payment or benefit that constitutes nonqualified deferred compensation within the meaning of Section 409A of the Code that is otherwise due to be paid to such Participant under this Plan during the six (6)-month period immediately following such Participant's separation from service (as determined in accordance with Section 409A of the Code) on account of such Participant's separation from service shall be accumulated and paid to such Participant on the first business day of the seventh month following the Participant's separation from service (the "**Delayed Payment Date**"), to the extent necessary to avoid penalty taxes or accelerated taxation pursuant to Section 409A of the Code. If such Participant dies during the postponement period, the amounts and entitlements delayed on account of Section 409A of the Code shall be paid to the personal representative of his or her estate on the first to occur of the Delayed Payment Date or thirty (30) calendar days after the date of such Participant's death.

SECTION 9 MISCELLANEOUS

- 9.1 Governing Law. Except to the extent preempted by ERISA, this Plan shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, without giving effect to any choice of law or conflicting provision or rule (whether of the Commonwealth of Massachusetts or any other jurisdiction) that would cause the laws of any jurisdiction other than the Commonwealth of Massachusetts to be applied. In furtherance of the foregoing, the internal laws of
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the Commonwealth of Massachusetts will control the interpretation and construction of this Plan, even if under such jurisdiction's choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily apply.

- 9.2 Dispute Resolution; Legal Fees. Any dispute arising out of or relating to this Plan or the Release and Covenant Agreement (other than a claim relating to a breach of the covenants under the Release and Covenant Agreement with respect to which the Company is seeking injunctive relief or other equitable remedy) will be settled in accordance with the commercial arbitration rules of the American Arbitration Association. Any dispute relating to a claim of a breach of the covenants under the Release and Covenant Agreement with respect to which the Company is seeking injunctive relief or other equitable remedy shall be brought in the Suffolk County Superior Court of the Commonwealth of Massachusetts. The cost of the arbitrator will be paid by the Company in the case of an arbitration, and otherwise each party will be responsible for their own legal fees and expenses incurred as a result of any contest (regardless of the outcome thereof) by the Company, the Participant or others of the validity or enforceability of, or liability under, any provision of this Plan or the Release and Covenant Agreement, or any guarantee of performance thereunder, unless an applicable statute provides that the prevailing party may recover its legal fees.
- 9.3 Withholding. The Company may withhold from any amount payable or benefit provided under this Plan such federal, state, local, foreign and other taxes as are required to be withheld pursuant to any applicable law or regulation.
- 9.4 Gender and Plurals. Wherever used in this Plan document, words in the masculine gender shall include masculine or feminine gender, and, unless the context otherwise requires, words in the singular shall include the plural, and words in the plural shall include the singular.
- 9.5 Plan Controls. In the event of any inconsistency between this Plan document and any other communication regarding this Plan, this Plan document controls. The captions in this Plan are not part of the provisions hereof and shall have no force or effect.
- 9.6 Not an Employment Contract. Neither this Plan nor any action taken with respect to it shall confer upon any person the right to continued employment with the Company.
- 9.7 Notices.

- (a) Any notice required to be delivered to the Company by a Participant hereunder shall be properly delivered to the Company when personally delivered to, or actually received through the U.S. mail by:

Independent Bank Corp.
288 Union Street
Rockland, MA 02370
Attention: General Counsel

- (b) Any notice required to be delivered to the Participant by the Company hereunder shall be properly delivered to the Participant when the Company delivers such
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notice personally or by placing said notice in the U.S. mail registered or certified mail, return receipt requested, postage prepaid to that person's last known address as reflected on the books and records of the Company.

- 9.8 Severability. If any provision of this Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provisions of this Plan, and this Plan shall be construed and enforced as if such provision had not been included in this Plan.
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Exhibit A
Independent Bank Corp.
Designation of Participation in Key Executive Severance Plan

The Participant identified below has been selected to participate in the Independent Bank Corp. Key Executive Severance Plan (the **Plan**). A copy of the Plan is attached. By signing this designation, the Participant acknowledges and agrees that (a) the Participant's entitlement to benefits under the Plan is subject to the terms and conditions of the Plan as in effect from time to time and (b) the Participant's rights under the Plan are the sole and exclusive rights of the Participant with respect to separation pay other than in connection with a Change in Control (as defined in the Independent Bank Corp. Key Executive Change in Control Severance Plan, as in effect from time to time) to the extent the Participant is a participant in such plan. [By signing this letter, the Participant agrees that the agreement between Participant and [•], dated as of [•], is terminated and of no further force or effect as of the date hereof.]

Independent Bank Corp.

By:

Title:

Date:

Acknowledged and agreed this ____ day of _____, 20__.

[Insert Name of Participant]

**INDEPENDENT BANK CORP.
KEY EXECUTIVE CHANGE IN CONTROL SEVERANCE PLAN**

**SECTION 1
PURPOSE OF THE PLAN**

The Board of Directors (the "**Board**") of Independent Bank Corp. and the Compensation Committee thereof (the "**Committee**") recognize that the possibility of a Change in Control of the Company (each as defined below), and the uncertainty it could create, may result in the loss or distraction of employees of the Company to the detriment of the Company and its shareholders.

The Board considers the avoidance of such loss and distraction to be essential to protecting and enhancing the best interests of the Company and its shareholders. The Board believes it is imperative to diminish the inevitable distraction of the Company's participating key executives by virtue of the personal uncertainties and risks created by a pending or threatened Change in Control and to provide such executives with compensation and benefits arrangements upon a Change in Control that are competitive with those of other corporations.

Therefore, in order to fulfill the above purposes, upon the recommendation of the Committee, this Plan was adopted by the Board on October 19, 2023 and became effective on even date therewith.

**SECTION 2
DEFINITIONS**

Certain terms used herein have the definitions given to them in the first place in which they are used. As used herein, the following words and phrases shall have the following respective meanings:

- 2.1 "**Affiliated Entity**" means any entity controlled by, controlling or under common control with the Company.
 - 2.2 "**Annual Base Salary**" means the annual base salary paid or payable, including any base salary that is subject to deferral, to the Participant by the Company or any of the Affiliated Entities at the rate in effect immediately prior to the Change in Control, or, if higher, immediately prior to the Date of Termination (for purposes of Section 3.1 of this Plan, disregarding any reduction that is a basis for the Participant's termination for Good Reason).
 - 2.3 "**Average Annual Bonus**" means the average of the annual bonuses paid or payable to the Participant (including any amounts deferred or paid in the form of equity awards), pursuant to the Company's short-term incentive plan applicable to the Participant, in respect of the last three (3) full fiscal years of the Company prior to the date of the Change in Control, or, if the Participant was first employed by the Company after the beginning of the earliest of such three (3) fiscal years, the average of the bonuses paid or payable under such plan(s) in respect of the fiscal years of the Company ending before the date of the Change in Control
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during which the Participant was employed by the Company, with such bonus being annualized with respect to any such fiscal year during which the Participant was not employed by the Company for the whole of such fiscal year if the bonus was prorated for such fiscal year.

- 2.4 **"Cause"** means (a) willful misconduct on the part of the Participant that is materially detrimental to the Company, or (b) the conviction of the Participant, or plea of guilty *or* *contendere* by the Participant, to a charge of commission of a felony under federal law or the law of the state in which such action occurred. For purposes of this provision, no act or failure to act, on the part of the Participant, shall be considered "willful" unless it is done, or omitted to be done, by the Participant in bad faith or without reasonable belief that the Participant's action or omission was in the best interests of the Company. Any act, or failure to act, based upon (i) authority given pursuant to a resolution duly adopted by the Board, or if the Company is not the ultimate parent corporation of the Affiliated Entities and is not publicly traded, the board of directors of the ultimate parent of the Company (the **"Applicable Board"**), (ii) the instructions of the Chief Executive Officer or another executive officer of the Company or (iii) the advice of counsel for the Company, shall be conclusively presumed to be done, or omitted to be done, by the Participant in good faith and in the best interests of the Company. The cessation of employment of the Participant shall not be deemed to be for Cause unless and until there shall have been delivered to the Participant a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Applicable Board at a meeting of the Applicable Board called and held for such purpose (after reasonable notice is provided to the Participant and the Participant is given an opportunity, together with counsel for the Participant, to be heard before the Applicable Board), finding that, in the good-faith opinion of the Applicable Board, the Participant is guilty of the conduct described in this definition, and specifying the particulars of such conduct in detail.
- 2.5 **"Change in Control"** shall mean the occurrence of any of the following events:
- (a) an acquisition by any individual, entity, or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (**a Person**) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either (i) the then outstanding shares of common stock of the Company (the **"Outstanding Company Common Stock"**) or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the **"Outstanding Company Voting Securities"**); *provided, however*, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change in Control: (A) any acquisition directly from the Company; (B) any acquisition by the Company; (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company; or (D) any acquisition by any entity pursuant to a
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transaction that complies with clauses (i), (ii) and (iii) of subsection (c) of this Section 2.5;

- (b) a change in the composition of the Board so that the individuals who, as of the Effective Date, constitute the Board (the **Incumbent Board**) cease for any reason to constitute at least a majority of the Board; *provided, however*, that any individual who becomes a member of the Board subsequent to the Effective Date whose election, or nomination for election by the Company's shareholders, was approved by a vote of two-thirds of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this proviso) shall be considered as though such individual were a member of the Incumbent Board; *provided, further*, that any individual whose initial assumption of office occurs as a result of either an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board shall not be considered as a member of the Incumbent Board;
- (c) the consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its Subsidiaries or sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or securities of another entity by the Company or any of its Subsidiaries (a **"Business Combination"**), in each case, unless, following such Business Combination: (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock (or, for a noncorporate entity, equivalent securities) and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors (or, for a noncorporate entity, equivalent securities), as the case may be, of the entity resulting from such Business Combination (including an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more Subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be; (ii) no Person (excluding any entity resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 30% or more of, respectively, the then outstanding shares of common stock (or, for a noncorporate entity, equivalent securities) of the entity resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such entity except to the extent that such ownership existed prior to the Business Combination; and (iii) at least a majority of the members of the board of directors (or, for a
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noncorporate entity, equivalent body or committee) of the entity resulting from such Business Combination were members of the Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or
(d) shareholder approval of a complete liquidation or dissolution of the Company.

(e)

- 2.6 **"CIC Period"** means the two-year period beginning on and including the date of a Change in Control.
- 2.7 **"Code"** means the Internal Revenue Code of 1986, as amended from time to time.
- 2.8 **"Company"** means Independent Bank Corp. and any successor(s) thereto or, if applicable, the ultimate parent of any such successor.
- 2.9 **"Date of Termination"** means the date of receipt of the Notice of Termination or any later date specified therein (subject to the notice period and Cure Period in the case of a termination by the Participant for Good Reason). If the Participant's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of the Participant's death or the date on which the Participant's termination due to Disability is effective. Notwithstanding the foregoing, in no event shall the Date of Termination occur until the Participant experiences a "separation from service" within the meaning of Section 409A of the Code, and the date on which such separation from service takes place shall be the "Date of Termination."
- 2.10 **"Disability"** means permanent and total disability as determined under the Company's long-term disability policy applicable to the Participant.
- 2.11 **"ERISA"** means the Employee Retirement Income Security Act of 1974, as amended.
- 2.12 **"Exchange Act"** means the Securities Exchange Act of 1934, as amended.
- 2.13 **"Good Reason"** means actions taken by the Company, without the Participant's prior written consent, resulting in a material negative change in the employment relationship, including:
- (a) The assignment to the Participant of duties materially inconsistent with the Participant's position, authority, duties or responsibilities, or a material diminution in such position, authority, duties or responsibilities or a material diminution in the budget over which the Participant retains authority;
 - (b) A material diminution in the authorities, duties or responsibilities of the person to whom the Participant is required to report;
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- (c) A reduction of the Participant's Annual Base Salary from that in effect immediately prior to the Change in Control (or if higher, at any time thereafter);
- (d) A material reduction in (i) the annual bonus from that earned by the Participant in respect of the completed fiscal year of the Company ending immediately prior to the date of the Change in Control, (ii) the Participant's Target Annual Bonus or equity or other long-term incentive opportunities from those in effect immediately prior to the Change in Control (or, if higher, at any time thereafter) or (iii) the retirement, welfare and perquisite benefits provided to the Participant;
- (e) A requirement that the Participant (i) relocate his or her primary place of employment to an office location more than fifty (50) miles from the location in effect for the Participant immediately prior to the Change in Control or (ii) be based at a location other than the principal executive offices of the Company; or
- (f) Any other action or inaction that constitutes a material breach of this Plan, including any failure to require a successor to assume this Plan.

In order to invoke a termination for Good Reason, the Participant shall provide a Notice of Termination to the Company setting forth the existence of one or more of the conditions described in clauses (a) through (f) within ninety (90) days of the initial existence of such condition or conditions, specifying in reasonable detail the conditions constituting Good Reason, and the Company shall have thirty (30) days following receipt of such Notice of Termination (the "**Cure Period**") during which it may remedy the condition. In the event that the Company fails to remedy the condition constituting Good Reason during the applicable Cure Period, the Participant's "separation from service" (within the meaning of Section 409A of the Code) must occur, if at all, within thirty (30) days from the earlier of (i) the end of the Cure Period, or (ii) the date the Company provides written notice to the Participant that it does not intend to cure such condition. The Participant's mental or physical incapacity following the occurrence of an event described above in clauses (a) through (f) shall not affect the Participant's ability to terminate employment for Good Reason and the Participant's death following delivery of a Notice of Termination for Good Reason shall not affect the Participant's estate's entitlement to the severance payments and benefits provided hereunder upon a termination of employment for Good Reason.

- 2.14 **"Notice of Termination"** means a written notice delivered by the Company to the Participant in the case of a termination for Cause and by the Participant to the Company in the case of a termination for Good Reason that (a) indicates the specific termination provision in this Plan relied upon, (b) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Participant's employment under the provision so indicated, and (c) if the Date of Termination is other than the date of receipt of such notice, specifies the Date of Termination which shall be not more than thirty (30) days after the giving of such notice (subject to the Company's right to cure in the case of a resignation for Good Reason). Any termination by the Company for Cause or by the Participant for Good Reason shall be communicated by a Notice of Termination to the other party hereto given in accordance with Section 10.6 of
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this Plan. The failure by the Participant or the Company to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Good Reason or Cause shall not waive any right of the Participant or the Company, respectively, hereunder or preclude the Participant or the Company, respectively, from asserting such fact or circumstance in enforcing the Participant's or the Company's respective rights hereunder.

- 2.15 "Participant" means an employee of the Company or an Affiliated Entity who is (a) a member of the executive leadership team or (b) a key employee, in each case designated by the Committee in writing as a Participant; provided that an employee who is party to an employment or other agreement with the Company or an Affiliated Entity that provides for severance payments or benefits upon a termination of employment (whether prior to or after a "change in control" (or term of similar meaning))) shall not be eligible to be a Participant. Designation as a Participant shall be communicated by delivery of a Participation Notice. No employee of the Company or an Affiliated Entity shall be a Participant in the Plan following the Participant's (i) termination that does not constitute a Qualifying Termination or (ii) termination prior to the commencement of or following the expiration of the CIC Period. "**Participation Notice**" means the written notice provided by the Company to the Participant informing the Participant of the Participant's eligibility to participate in the Plan, which shall be substantially in the form attached hereto as Exhibit A.
- 2.16 "**Plan**" means this Independent Bank Corp. Key Executive Change in Control Severance Plan.
- 2.17 "**Qualifying Termination**" means a termination of a Participant's employment during the CIC Period by the Participant for Good Reason or by the Company other than for Cause, death or Disability.
- 2.18 "**Target Annual Bonus**" means the Participant's target annual bonus, pursuant to the Company's short-term incentive plan applicable to the Participant, as in effect immediately prior to the Change in Control, or, if higher, immediately prior to the Date of Termination (for purposes of Section 3.1 of this Plan, disregarding any reduction that is a basis for the Participant's termination for Good Reason).

SECTION 3

SEPARATION BENEFITS

- 3.1 Qualifying Termination. If a Participant experiences a Qualifying Termination, subject to signing the Release and Covenant Agreement pursuant to Section 3.3 of this Plan and in consideration of the Participant's compliance with the restrictive covenants and other obligations set forth therein, the Company shall pay or provide to the Participant the payments and benefits at the time or times set forth below (except as otherwise required by Section 9 of this Plan):
- (a) a lump-sum cash payment equal to the aggregate of the following amounts, payable, except as provided below, as soon as reasonably
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practicable (but no later than thirty (30) days in the case of the Accrued Obligations and sixty (60) days in the case of the other amounts below) after the Date of Termination:

- (i) the sum of (A) the Participant's earned and unpaid Annual Base Salary with respect to employment through the Date of Termination, (B) any annual bonus earned by the Participant for a performance period that was completed prior to the Date of Termination, (C) any accrued and unused vacation pay or other paid time off, to the extent required to be paid to the Participant by any policy of the Company in effect prior to the Change in Control or, if more favorable to the Participant, at any time thereafter, or otherwise payable under applicable law, and (D) any business expenses incurred by the Participant that are unreimbursed as of the Date of Termination, in each case, to the extent not theretofore paid (the sum of the amounts described in clauses (A), (B), (C) and (D) shall be hereinafter referred to as the "**Accrued Obligations**"); *provided* that, notwithstanding the foregoing, in the case of clauses (A) and (B), if the Participant has made an irrevocable election under any deferred compensation arrangement subject to Section 409A of the Code to defer any portion of the Annual Base Salary or annual bonus described in clauses (A) or (B), then for purposes of this Section 3.1(a)(i), such deferral election, and the terms of the applicable arrangement, shall apply to the same portion of the amount described in such clause (A) or (B), and such portion shall not be considered as part of the "Accrued Obligations" but shall instead be an "Other Benefit" (as defined below);
 - (ii) the product of (A) the Target Annual Bonus (or, if higher, to the extent determined in connection with the Change in Control or otherwise, the annual bonus for the year of termination based on the level of achievement of performance as so determined), and (B) a fraction, the numerator of which is the number of days elapsed in the fiscal year in which the Date of Termination occurs through and including the Date of Termination, and the denominator of which is the total numbers of days in such fiscal year (*provided, however*, that if the Participant has already been awarded an annual bonus payment in respect of any portion of such fiscal year (the "**Stub Period**"), the numerator of the fraction shall instead be the number of days elapsed in such fiscal year for the period commencing on the first date after the Stub Period and ending on the Date of Termination), with the payment timing to take into account any applicable deferral election on the same basis as set forth in the proviso to Section 3.1(a)(i) of this Plan;
 - (iii) the amount equal to the product of (A) two (2) and (B) the sum of (1) the Participant's Annual Base Salary and (2) the higher of the
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Participant's (x) Average Annual Bonus and (y) Target Annual Bonus; and
(iv) the amount that, after the payment of all applicable federal and state income and employment taxes, equals the pre-tax cost to the Company (and for the avoidance of doubt that does not include the Participant's portion of any premiums) of the Participant's (including his or her eligible dependents') participation for a period of twenty-four (24) months in the Company's group term life insurance policy and health insurance programs (medical, dental and vision), in each case in which (and on the same basis as) the Participant and the Participant's eligible dependents participated as of immediately prior to the Date of Termination, less any amount that the Company has already paid on behalf of the Participant with respect to such participation for periods after the Date of Termination;

(b) the Company shall, at its sole expense as incurred, provide the Participant with outplacement services for a period of twelve (12) months following the Date of Termination, the scope and provider of which shall be selected by the Company prior to the Change in Control, *provided* that the aggregate cost of such services shall not exceed 10% of the Participant's Annual Base Salary; and

(c) to the extent not theretofore paid or provided, the Company shall timely pay or provide to the Participant any other amounts or benefits required to be paid or provided or which the Participant is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company and the Affiliated Entities, including amounts credited to the Participant's account under the Company's deferred compensation plan (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits").

- 3.2 Other Terminations. For the avoidance of doubt, the Participant shall not be entitled to any payments or benefits pursuant to this Plan if the Participant experiences a termination of employment that does not constitute a Qualifying Termination. Any termination of the Participant's employment by the Company for Cause shall be communicated by delivery of a Notice of Termination to the Participant given in accordance with Section 10.6 of this Plan.
- 3.3 Release and Covenant Agreement. The Participant's receipt of the payments and benefits under Section 3.1 of this Plan (other than with respect to the Accrued Obligations and Other Benefits) shall be subject to the Participant's execution and non-revocation of a General Release of Claims and Restrictive Covenant Agreement substantially in the form attached hereto as Exhibit B (the "**Release and Covenant Agreement**"), within thirty (30) days following the Date of Termination (or by any later date required by applicable law). The Release and Covenant Agreement shall be delivered to the Participant by the Company on or as soon as practicable (and no later than three (3) business days) after the Date of Termination.
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SECTION 4
GOLDEN PARACHUTE EXCISE TAX

- 4.1 Anything in this Plan to the contrary notwithstanding, in the event that the Accounting Firm (as defined below) shall determine that receipt of all Payments (as defined below) would subject the Participant to the excise tax under Section 4999 of the Code, the Accounting Firm shall determine whether to reduce any of the Payments paid or payable pursuant to this Plan or otherwise so that the Parachute Value (as defined below) of all Payments, in the aggregate, equals the Safe Harbor Amount (as defined below); *provided* that the Payments shall be so reduced only if the Accounting Firm determines that the Participant would have a greater Net After-Tax Receipt (as defined below) of aggregate Payments if the Payments were so reduced. If the Accounting Firm determines that the Participant would not have a greater Net After-Tax Receipt of aggregate Payments if the Payments were so reduced, the Participant shall receive all Payments to which the Participant is entitled under this Plan or otherwise.
- 4.2 If the Accounting Firm determines that the aggregate Payments should be reduced so that the Parachute Value of all Payments, in the aggregate, equals the Safe Harbor Amount, the Company shall promptly give the Participant notice to that effect and a copy of the detailed calculation thereof. All determinations made by the Accounting Firm under this Section 4 of this Plan shall be binding upon the Company and the Participant and shall be made as soon as reasonably practicable and in no event later than five (5) days following the Date of Termination. For purposes of reducing the Payments so that the Parachute Value of all Payments, in the aggregate, equals the Safe Harbor Amount, the reduction shall be made in the following order: (a) the outplacement benefits under Section 3.1(b) of this Plan, (b) cash payments that may not be valued under Treas. Regs. § 1.280G-1, Q&A-24(c) ("**24(c)**"), (c) equity-based payments that may not be valued under 24(c), (d) cash payments that may be valued under 24(c), and (e) equity-based payments that may be valued under 24(c), in each case, beginning with payments or benefits that do not constitute non-qualified deferred compensation and reducing payments or benefits in reverse chronological order beginning with those that are to be paid or provided the farthest in time from the Date of Termination, based on the Accounting Firm's determination. All reasonable fees and expenses of the Accounting Firm shall be borne solely by the Company.
- 4.3 To the extent requested by the Participant, the Company shall cooperate with the Participant in good faith in valuing, and the Accounting Firm shall take into account the value of, services provided or to be provided by the Participant (including, without limitation, the Participant's agreeing to refrain from performing services pursuant to a covenant not to compete or similar covenant, before, on or after the date of a change in ownership or control of the Company (within the meaning of Q&A-2(b) of the final regulations under Section 280G of
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the Code)), such that payments in respect of such services may be considered reasonable compensation within the meaning of Q&A-9 and Q&A-40 to Q&A-44 of the final regulations under Section 280G of the Code and/or exempt from the definition of the term "parachute payment" within the meaning of Q&A-2(a) of the final regulations under Section 280G of the Code in accordance with Q&A-5(a) of the final regulations under Section 280G of the Code.

4.4 The following terms shall have the following meanings for purposes of this Section 4 of this Plan:

- (a) **"Accounting Firm"** shall mean a nationally recognized certified public accounting firm or other professional organization that is a certified public accounting firm recognized as an expert in determinations and calculations for purposes of Section 280G of the Code that is selected by the Company prior to a Change in Control for purposes of making the applicable determinations hereunder, which firm shall not, without the Participant's consent, be a firm serving as accountant or auditor for the individual, entity or group effecting the Change in Control.
- (b) **"Net After-Tax Receipt"** shall mean the present value (as determined in accordance with Sections 280G(b)(2)(A)(ii) and 280G(d)(4) of the Code) of a Payment net of all taxes imposed on the Participant with respect thereto under Sections 1 and 4999 of the Code and under applicable state and local laws, determined by applying the highest marginal rate under Section 1 of the Code and under state and local laws which applied to the Participant's taxable income for the immediately preceding taxable year, or such other rate(s) as the Accounting Firm determines to be likely to apply to the Participant in the relevant tax year(s).
- (c) **"Parachute Value"** of a Payment shall mean the present value as of the date of the change in control for purposes of Section 280G of the Code (or, as applicable, the Date of Termination) of the portion of such Payment that constitutes a "parachute payment" under Section 280G(b)(2) of the Code, as determined by the Accounting Firm for purposes of determining whether and to what extent the excise tax under Section 4999 of the Code will apply to such Payment.
- (d) **"Payment"** shall mean any payment, benefit or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for the benefit of the Participant, whether paid, payable or provided pursuant to this Plan or otherwise.
- (e) **"Safe Harbor Amount"** shall mean the maximum Parachute Value of all Payments that the Participant can receive without any Payments being subject to the Excise Tax.

4.5 The provisions of this Section 4 shall survive the expiration of this Plan.

SECTION 5
NO MITIGATION OR OFFSET; LEGAL FEES; NON-EXCLUSIVITY OF RIGHTS

- 5.1 No Mitigation or Offset. The Company's obligation to make the payments provided under Section 3.1 of this Plan and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action that the Company may have against the Participant or others. In no event shall the Participant be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Participant under any of the provisions of this Plan and such amounts shall not be reduced whether or not the Participant obtains other employment. If a Participant's employment is terminated because of a plant shut-down or mass layoff or other event to which the Worker Adjustment and Retraining Notification Act of 1988 or similar state law (collectively, "**WARN**") applies, then the amount of the payments and benefits under Section 3.1 of this Plan to which the Participant is entitled shall not be reduced by the amount of any pay provided to the Participant in lieu of the notice required by WARN.
- 5.2 Legal Fees. The Company agrees to pay as incurred (within ten (10) days following the Company's receipt of an invoice from the Participant), to the full extent permitted by law, all legal fees and expenses that the Participant may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, the Participant or others of the validity or enforceability of, or liability under, any provision of this Plan or any guarantee of performance thereof, whether such contest is between the Company and the Participant or between either of them and any third party (including as a result of any contest by the Participant about the amount of any payment pursuant to this Plan), plus, in each case, interest on any delayed payment to which the Participant is ultimately determined to be entitled at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code based on the rate in effect for the month in which such legal fees and expenses were incurred.
- 5.3 Non-Exclusivity of Rights. Nothing in this Plan shall prevent or limit the Participant's continuing or future participation in any plan, program, policy or practice provided by the Company or any of the Affiliated Entities and for which the Participant may qualify. Amounts that are vested benefits or that the Participant is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of the Affiliated Entities at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement. Without limiting the generality of the foregoing, the Participant's resignation under this Plan with or without Good Reason shall in no way affect the Participant's ability to terminate employment by reason of "retirement" under any compensation and benefits plans, programs or arrangements of the Company or
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any of the Affiliated Entities or to be eligible to receive benefits under any compensation or benefit plans, programs or arrangements of the Company or any of the Affiliated Entities, and any termination that otherwise qualifies as Good Reason shall be treated as such even if it is also a "retirement" for purposes of any such plan. Notwithstanding the foregoing, if the Participant receives payments and benefits pursuant to Section 3.1 of this Plan, the Participant shall not be entitled to any severance pay or benefits under any severance agreement, plan, program or policy of the Company or the Affiliated Entities, including under the Key Executive Severance Plan (or any successor plan thereto).

SECTION 6 AMENDMENT AND TERMINATION

This Plan may be terminated or amended by resolution duly adopted by the Board or the Committee (as applicable and consistent with the Company's applicable charters), and an employee's status as a Participant may be terminated by resolution duly adopted by the Board in the case of a Participant who is an "officer" (as defined in Section 16 of the Exchange Act) and the Committee in the case of other Participants; *provided* that, in connection with or in anticipation of the execution of an agreement providing for a transaction or transactions which, if consummated, would constitute a Change in Control, this Plan may not be terminated or amended in any manner that would adversely affect the rights or potential rights of the Participants, including with respect an employee's status as a Participant; *provided, further*, that, on and following the date of a Change in Control, this Plan shall continue in full force and effect and shall not terminate, expire or be amended until the end of the CIC Period and after all Participants who become entitled to any payments or benefits hereunder shall have received such payments and benefits in full pursuant to Section 3.1 of this Plan.

SECTION 7 PLAN ADMINISTRATION

- 7.1 General. The Committee is responsible for the general administration and management of this Plan (the committee acting in such capacity, the **Plan Administrator**) and shall have all powers and duties necessary to fulfill its responsibilities, including, but not limited to, the discretion to interpret and apply the provisions of this Plan and to determine all questions relating to eligibility for benefits under this Plan, to interpret or construe ambiguous, unclear, or implied (but omitted) terms in any fashion it deems to be appropriate, and to make any findings of fact needed in the administration of this Plan. Following a Change in Control, the validity of any such interpretation, construction, decision, or finding of fact shall be given *de novo* review if challenged in court, by arbitration, or in any other forum, and such *de novo* standard shall apply notwithstanding the grant of full discretion hereunder to the Plan Administrator, characterization of any such decision by the Plan Administrator as final or binding on any party or this Plan being considered subject to ERISA.
 - 7.2 Not Subject to ERISA. This Plan does not require an ongoing administrative scheme and, therefore, is intended to be a payroll practice which is not subject to ERISA. However, if it is determined that this Plan is subject to ERISA, (i) it shall
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be considered to be an unfunded plan maintained by the Company primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees (a "**top-hat plan**"), and (ii) it shall be administered in a manner which complies with the provisions of ERISA that are applicable to top-hat plans.

- 7.3 Indemnification. To the extent permitted by law, the Company shall indemnify the Plan Administrator from all claims for liability, loss, or damage (including the payment of expenses in connection with defense against such claims) arising from any act or failure to act in connection with this Plan.

SECTION 8 SUCCESSORS; ASSIGNMENT

- 8.1 Successors. The Company shall require any corporation, entity, individual or other person who is the successor (whether direct or indirect by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all the business and/or assets of the Company to expressly assume and agree to perform, by a written agreement in form and in substance satisfactory to the Company, all of the obligations of the Company under this Plan. The benefits provided under this Plan shall inure to the benefit of and be enforceable by the Participants' personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. As used in this Plan, the term "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Plan by operation of law, written agreement or otherwise.
- 8.2 Assignment of Rights. It is a condition of this Plan, and all rights of each person eligible to receive benefits under this Plan shall be subject hereto, that no right or interest of any such person in this Plan shall be assignable or transferable in whole or in part, except by will or the laws of descent and distribution or other operation of law, including, but not by way of limitation, lawful execution, levy, garnishment, attachment, pledge, bankruptcy, alimony, child support or qualified domestic relations order.

SECTION 9 SECTION 409A OF THE CODE

- 9.1 General. The obligations under this Plan are intended to comply with the requirements of Section 409A of the Code or an exemption or exclusion therefrom and shall in all respects be administered in accordance with Section 409A of the Code. Any payments that qualify for the "short-term deferral" exception, the separation pay exception or another exception under Section 409A of the Code shall be paid under the applicable exception to the maximum extent possible. For purposes of the limitations on nonqualified deferred compensation under Section 409A of the Code, each payment of compensation under this Plan shall be treated as a separate payment of compensation, including for purposes of applying the exclusion under Section 409A of the Code for short-term deferral amounts, the separation pay exception or any other exception or exclusion under
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Section 409A of the Code. To the extent necessary in order to avoid the imposition of penalty taxes on a Participant pursuant to Section 409A of the Code, all payments to be made upon a termination of employment under this Plan may only be made upon a "separation from service" under Section 409A of the Code. In no event may a Participant, directly or indirectly, designate the calendar year of any payment under this Plan, and to the extent required by Section 409A of the Code, any payment that may be paid in more than one taxable year shall be paid in the later taxable year.

- 9.2 Reimbursements and In-Kind Benefits. Notwithstanding anything to the contrary in this Plan, all reimbursements and in-kind benefits provided under this Plan that are subject to Section 409A of the Code shall be made in accordance with the requirements of Section 409A of the Code, including, without limitation, where applicable, the requirement that (a) in no event shall the Company's obligations to make such reimbursements or to provide such in-kind benefits apply later than the Participant's remaining lifetime; (b) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year; (c) the reimbursement of any eligible fees and expenses shall be made no later than the last day of the calendar year following the year in which the applicable fees and expenses were incurred; *provided* that the Participant shall have submitted an invoice for such fees and expenses at least ten (10) days before the end of the calendar year next following the calendar year in which such fees and expenses were incurred; and (d) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.
- 9.3 Delay of Payments. Notwithstanding any other provision of this Plan to the contrary, if a Participant is considered a "specified employee" for purposes of Section 409A of the Code (as determined in accordance with the methodology established by the Company as in effect on the Date of Termination), any payment or benefit that constitutes nonqualified deferred compensation within the meaning of Section 409A of the Code that is otherwise due to be paid to such Participant under this Plan during the six (6)-month period immediately following such Participant's separation from service (as determined in accordance with Section 409A of the Code) on account of such Participant's separation from service shall be accumulated and paid to such Participant on the first business day of the seventh month following the Participant's separation from service (the "**Delayed Payment Date**"), to the extent necessary to avoid penalty taxes or accelerated taxation pursuant to Section 409A of the Code. If such Participant dies during the postponement period, the amounts and entitlements delayed on account of Section 409A of the Code shall be paid to the personal representative of his or her estate on the first to occur of the Delayed Payment Date or thirty (30) calendar days after the date of such Participant's death.
- 9.4 Change in Time and Form of Payment. Notwithstanding anything to the contrary in this Plan, if (a) a Change in Control is not a "change in ownership or effective control of" the Company or a "change in the ownership of a substantial portion of the assets of" the Company as determined under Treasury Regulations Section
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1.409A-3(i)(5) and (b) the Participant participates in a "separation pay plan" (as defined in Treasury Regulations Section 1.409A-1(m)) maintained by the Company or any of its Affiliated Entities, other than this Plan, that provides for the deferral of compensation, then to the extent necessary to avoid the imposition of taxes and penalties under Section 409A of the Code, the amounts payable to such Participant under Sections 3.1(a)(iii) and (iv) of this Plan shall be paid consistent with the time and form of payment specified under such other separation pay plan; *provided* that, to the extent permissible under Section 409A of the Code, any amounts that qualify for the "short-term deferral" exception, the separation pay exception or another exception under Section 409A of the Code shall be paid under the applicable exception to the maximum extent possible.

SECTION 10 MISCELLANEOUS

- 10.1 Governing Law. Except to the extent preempted by ERISA, this Plan shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, without giving effect to any choice of law or conflicting provision or rule (whether of the Commonwealth of Massachusetts or any other jurisdiction) that would cause the laws of any jurisdiction other than the Commonwealth of Massachusetts to be applied. In furtherance of the foregoing, the internal laws of the Commonwealth of Massachusetts will control the interpretation and construction of this Plan, even if under such jurisdiction's choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily apply. The parties hereto irrevocably agree to submit to the jurisdiction and venue of the courts of the Suffolk County Superior Court of the Commonwealth of Massachusetts in any action or proceeding brought with respect to or in connection with this Plan; *provided* that, if it is determined that this Plan is subject to ERISA, any disputes shall be brought in the U.S. District Court for the District of Massachusetts.
 - 10.2 Withholding. The Company may withhold from any amount payable or benefit provided under this Plan such federal, state, local, foreign and other taxes as are required to be withheld pursuant to any applicable law or regulation.
 - 10.3 Gender and Plurals. Wherever used in this Plan document, words in the masculine gender shall include masculine or feminine gender, and, unless the context otherwise requires, words in the singular shall include the plural, and words in the plural shall include the singular.
 - 10.4 Plan Controls. In the event of any inconsistency between this Plan document and any other communication regarding this Plan, this Plan document controls. The captions in this Plan are not part of the provisions hereof and shall have no force or effect.
 - 10.5 Not an Employment Contract. Neither this Plan nor any action taken with respect to it shall confer upon any person the right to continued employment with the Company.
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10.6 Notices.

- (a) Any notice required to be delivered to the Company by a Participant hereunder shall be properly delivered to the Company when personally delivered to, or actually received through the U.S. mail by:

Independent Bank Corp.
288 Union Street
Rockland, MA 02370
Attention: General Counsel

- (b) Any notice required to be delivered to the Participant by the Company hereunder shall be properly delivered to the Participant when the Company delivers such notice personally or by placing said notice in the U.S. mail registered or certified mail, return receipt requested, postage prepaid to that person's last known address as reflected on the books and records of the Company.

- 10.7 Severability. If any provision of this Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provisions of this Plan, and this Plan shall be construed and enforced as if such provision had not been included in this Plan.
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Exhibit A
Independent Bank Corp.
Designation of Participation in Key Executive Change in Control Severance Plan

The Participant identified below has been selected to participate in the Independent Bank Corp. Key Executive Change in Control Severance Plan (the **Plan**). A copy of the Plan is attached. By signing this designation, the Participant acknowledges and agrees that (a) the Participant's entitlement to benefits under the Plan is subject to the terms and conditions of the Plan as in effect from time to time and (b) the Participant's rights under the Plan are the sole and exclusive rights of the Participant with respect to separation pay in connection with a Change in Control (as defined in the Plan). [By signing this letter, the Participant agrees that the Change of Control Agreement between Rockland Trust Company and the Participant, dated as of [date], is terminated and of no further force or effect as of the date hereof.]
Independent Bank Corp.

By: _____

Title: _____

Date: _____

Acknowledged and agreed this ____ day of _____, 20__.

[Insert Name of Participant]

Exhibit B

**GENERAL RELEASE OF CLAIMS AND
RESTRICTIVE COVENANT AGREEMENT**

THIS GENERAL RELEASE OF CLAIMS AND RESTRICTIVE COVENANT AGREEMENT (this "**Agreement**") is entered into between [] ("**Employee**") and Independent Bank Corp. (the "**Company**") as of [DATE]. Capitalized terms used and not defined herein shall have the meanings provided in the Independent Bank Corp. Change in Control Severance Plan (the "**Plan**").

WHEREAS, the entering into and non-revocation of this Agreement is a condition to Employee's right to receive the severance payments and benefits under Section 3.1 of the Plan (other than the Accrued Obligations and Other Benefits) in connection with Employee's Qualifying Termination on [DATE] (the "**Date of Termination**").

NOW, THEREFORE, in consideration of the Company agreeing to provide the compensation and benefits under Section 3.1 of the Plan as set forth on ~~Schedule I~~ attached hereto that are conditioned on a release of claims as set forth in the Plan and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged by the parties, it is agreed as follows:

1. Release of Claims

(a) *Employee Release of Claims.* Employee, for himself, his heirs, administrators, representatives, executors, successors and assigns, hereby irrevocably and unconditionally releases, acquits and forever discharges and agrees not to sue the Company or any of its Affiliated Entities and their respective current and former directors, officers, shareholders, trustees, employees, consultants, independent contractors, successors and assigns and all persons acting by, through or under or in concert with any of them, from all actions, damages, losses, costs and claims of any and every kind and nature whatsoever, at law or in equity, whether absolute or contingent, up to and including the date of this Agreement, arising from or relating to Employee's employment with, or termination of employment from, the Company and its Affiliated Entities, and from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts and expenses of any nature whatsoever, known or unknown, suspected or unsuspected and any claims of wrongful discharge, breach of contract, implied contract, promissory estoppel, defamation, slander, libel, tortious conduct, employment discrimination or claims under any federal, state or local employment statute, law, order or ordinance, including any rights or claims arising under the Age Discrimination in Employment Act of 1967, as amended ("**ADEA**") Title VII of the Civil Rights

Act of 1964, as amended; the Equal Pay Act of 1963, as amended; the Americans with Disabilities Act of 1990, as amended; the Employee Retirement Income Security Act of 1974, as amended and any other federal, state or local laws or regulations prohibiting employment discrimination. This Agreement specifically excludes (i) Employee's right to receive the payments and benefits under the Plan and to enforce the terms of this Agreement, (ii) Employee's rights to vested awards (including equity-based awards), amounts and other benefits under any employee benefit plan of the Company or its Affiliated Entities, (iii) any claims arising after the date hereof, and (iv) any claim or right Employee may have to indemnification or coverage under the Company's or any of its Affiliated Entities' respective bylaws or directors' and officers' insurance policies or any agreement to which Employee is a party or a third-party beneficiary. To the maximum extent permitted by law, Employee agrees that he/she has not filed, nor will he/she ever file, a lawsuit asserting any claims which are released by this Agreement, or to accept any benefit from any lawsuit which might be filed by another person or governmental entity based in whole or in part on any event, act, or omission which is the subject of the release contained in this Agreement.

- (b) *EEOC*. The parties agree that this Agreement shall not affect the rights and responsibilities of the U.S. Equal Employment Opportunity Commission to enforce ADEA and other laws. Employee agrees, however, to waive the right to recover monetary damages in any charge, complaint or lawsuit filed by him or on his behalf with respect to any claims released in this Agreement.

2. Restrictive Covenants.

- (a) *Confidential Information*. Employee recognizes and acknowledges as an employee of the Company, Employee has had access to, become acquainted with, and obtained financial information and knowledge relating to the business, financial condition, methods of operation and other aspects of the Company and its Affiliated Entities and their customers, employees and suppliers, some of which information and knowledge is confidential and proprietary and that Employee could substantially detract from the value and business prospects of the Company and its Affiliated Entities in the event that Employee were to disclose to any person not related to the Company or its Affiliated Entities or use such information and knowledge for Employee or any other person's advantage. Accordingly, Employee agrees not to disclose to any person, other than directors, officers, employees, accountants, lawyers, consultants, advisors, agents and representative of, or other persons related to, the Company or its Affiliated Entities on a need-to-know basis, any knowledge or information of a confidential nature pertaining to the Company or its Affiliated Entities, or their successors and assigns, including, without limitation, all unpublished matters relating to the business, properties, accounts, books and records, business plan and customers, except with the prior written approval of the Company. Notwithstanding anything in this Agreement to the contrary, nothing contained herein is intended to, or shall be interpreted in a manner that does, prohibit, limit or restrict Employee from (i) disclosing truthful information if legally required (whether by oral questions, interrogatories, requests for information or documents, subpoena, civil
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investigative demand or similar process) or as Employee reasonably determines to be necessary to defend or enforce Employee's rights under the Plan or this Agreement or (ii) exercising any legally protected whistleblower rights (including pursuant to Rule 21F under the Exchange Act and the right to any related financial reward).

- (b) *Employee and Customer Non-solicitation.* Employee agrees that for a period of one (1) year after the Date of Termination, Employee shall not, directly or indirectly, individually, or on behalf of any other entity, solicit or induce, or in any manner attempt to solicit or induce, any individual employed by or providing services to the Company or its Affiliated Entities as of the date of such solicitation or during the six (6) months prior thereto to leave such employment or service, whether or not such employment or service is pursuant to a written contract with the Company or any Affiliated Entity or is at will, or (ii) with the exception of mass mailings or other broad-based marketing efforts, solicit, divert or take away, or in any manner attempt to solicit, divert or take away, any client or customer of the Company or its Affiliated Entities.
 - (c) *Employee Acknowledgment.* Employee acknowledges that Employee's agreement to comply with the covenants in this Section 2 is in consideration for the payments and benefits to be received by Employee under Section 3.1 of the Plan (other than the Accrued Obligations and Other Benefits). Employee understands that the covenants in this Section 2 may limit Employee's ability to work in a business similar to the business of the Company and its Affiliated Entities; *provided, however*, Employee agrees that, in light of Employee's education, skills, abilities and financial resources, Employee shall not assert, and it shall not be relevant nor admissible as evidence in any dispute arising in respect of the covenants in this Section 2, that any provisions of such covenants prevent Employee from earning a living. Employee acknowledges that any intellectual property agreement between Employee and the Company will continue in full force and effect following the Date of Termination. Notwithstanding any provision to the contrary, the non-solicitation and confidentiality covenants of this Section 2 shall be in addition to, and shall not be deemed to supersede, any existing covenants or other agreements between Employee and the Company or any of its Affiliated Entities.
 - (d) *Remedies.* Employee acknowledges that the Company and its Affiliated Entities would be irreparably injured by a violation of Section 2(a) or (b), and Employee agrees that the Company and such Affiliated Entities, in addition to any other remedies available, shall be entitled to a preliminary injunction, temporary restraining order, or other equivalent relief, restraining Employee from any actual or threatened material breach of any of Section 2(a) or 2(b). In no event shall an asserted violation of the provisions of this Section 2 constitute a basis for deferring or withholding any amounts otherwise payable to Employee under this Agreement.
 - (e) *Severability; Blue Pencil.* Employee acknowledges and agrees that Employee has had the opportunity to seek advice of counsel in connection with this Agreement
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and the restrictive covenants contained herein are reasonable in geographic scope, temporal duration, and in all other respects. If it is determined that any provision of this Section 2 is invalid or unenforceable, the remainder of the provisions of this Section 2 shall not thereby be affected and shall be given full effect, without regard to the invalid portions. If any court or other decision-maker of competent jurisdiction determines that any of the covenants in this Section 2 is unenforceable because of the duration or geographic scope of such provision, then, after such determination becomes final and unappealable, the duration or scope of such provision, as the case may be, shall be reduced so that such provision becomes enforceable, and that, in its reduced form, such provision shall be enforced.

3. Timing for Consideration.

Employee acknowledges that the Company has specifically advised Employee of the right to seek the advice of an attorney concerning the terms and conditions of this Agreement. Employee further acknowledges that Employee has been furnished with a copy of this Agreement, and has been afforded twenty-one (21) calendar days in which to consider the terms and conditions of this Agreement. By executing this Agreement, Employee affirmatively states that Employee has had sufficient and reasonable time to review this Agreement and to consult with an attorney concerning Employee's legal rights prior to the final execution of this Agreement. Employee further agrees that Employee has carefully read this Agreement and fully understands its terms. Employee acknowledges that Employee has entered into this Agreement, knowingly, freely and voluntarily. Employee understands that Employee may revoke this Agreement within seven (7) calendar days after signing this Agreement. Revocation of this Agreement must be made in writing and must be received by the General Counsel of the Company, at Independent Bank Corp., 288 Union Street, Rockland, MA 02370, within the time period set forth above.

4. Effectiveness of Agreement.

This Agreement shall become effective and enforceable on the eighth (8th) day following Employee's delivery of a copy of this executed Agreement to the Company *provided* that Employee does not timely exercise Employee's right of revocation as described in Section 3 above. If Employee fails to timely sign and deliver this Agreement or timely revokes this Agreement, this Agreement will be without force or effect, and Employee shall not be entitled to the payments or benefits described in Section 3.1 of the Plan (other than the Accrued Obligations and Other Benefits).

5. Miscellaneous.

- (a) *Governing Law.* This Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, without giving effect to any choice of law or conflicting provision or rule (whether of the Commonwealth of Massachusetts or any other jurisdiction) that would cause the laws of any jurisdiction other than the Commonwealth of Massachusetts to be applied. In furtherance of the foregoing, the internal laws of the Commonwealth of Massachusetts will control the interpretation and construction of this
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Agreement, even if under such jurisdiction's choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily apply.

(b) *Severability*. The provisions of this Agreement and obligations of the parties are severable, and if any part or portion of it is found to be unenforceable, the other paragraphs shall remain fully valid and enforceable.

(c) *No Amendment*. No amendment to this Agreement shall be binding upon either party unless in writing and signed by or on behalf of such party.

(d) *Dispute Resolution*. The parties irrevocably submit to the jurisdiction of the Suffolk County Superior Court of the Commonwealth of Massachusetts with respect to any dispute arising out of or relating to this Agreement, and each party irrevocably agrees that all claims in respect of such dispute or proceeding shall be heard and determined in such court.

(e) *Assignment*. Without the prior written consent of Employee, this Agreement shall not be assignable by the Company. This Agreement shall inure to the benefit of and be enforceable by Employee's heirs and legal representatives. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

ACKNOWLEDGED AND AGREED BY:

Date:

Independent Bank Corp.

Name:

Title:

SCHEDULE I
SEVERANCE BENEFITS

Section/Payment or Benefit	Amount	Payment Timing
Section 3.1(a)(i) Accrued Obligations (not subject to Release):	\$[•] (Unpaid Annual Base Salary)	
	\$[•] (Unpaid Annual Bonus)	
	\$[•] (Accrued Vacation)	
	\$[•] (Unreimbursed Business Expenses)	
Section 3.1(a)(ii) Prorated Bonus:	\$[•]	
Section 3.1(a)(iii) Severance Payment:	\$[•]	
Section 3.1(a)(iv) Benefits Payment:	\$[•]	
Section 3.1(b) Outplacement:	In kind benefit	
Section 3.1(c) Other Benefits (not subject to Release):	[To be specified as applicable]	

INDEPENDENT BANK CORP. POLICY TO PREVENT INSIDER TRADING**Introduction and Statement of Purpose**

Significant civil and criminal penalties may be imposed for violation of insider trading laws. It is therefore essential that publicly-traded companies ensure compliance with laws and regulations that prohibit individuals who possess material nonpublic information regarding a company from either: (i) personally trading in the company's securities; or, (ii) providing material nonpublic information to others so they may trade in the company's securities. The Board of Directors (Board) has approved this Policy to Prevent Insider Trading (the Policy) to promote compliance with laws and regulations that prohibit insider trading and to define the roles and responsibilities of the Board, Management, and all individuals subject to this Policy.

Scope

This Policy applies to the directors, officers, employees, consultants, and contractors of Independent Bank Corp. and its direct and indirect subsidiaries, including Rockland Trust Company (collectively, the Company), and any other persons that the Company determines should be subject to this Policy (collectively, Insiders). As described below, this Policy also applies to transactions in Company securities by certain family members and other household members of Insiders, and entities controlled by Insiders.

Policy Statement

BOARD ROLE: The Board is responsible for:

- (a) Approving and periodically reviewing this Policy;
- (b) Ensuring that Management has sufficient expertise and experience to effectively implement and manage this Policy; and
- (c) Receiving, through the Board or a Board Committee, periodic reports from Management confirming compliance with or reporting any violations of this Policy.

MANAGEMENT'S ROLE, RESPONSIBILITIES, AND AUTHORIZATION: Management is responsible for implementing and ensuring compliance with this Policy.

- (a) The Board designates the General Counsel as the member of Management with primary executive oversight of this Policy.
 - (b) The General Counsel shall serve as the primary Compliance Officer for this Policy.
 - (c) The General Counsel may also delegate to and designate other individuals to serve as Compliance Officer(s) for this Policy.
 - (d) The General Counsel shall implement and administer this Policy, and any determinations or decisions by the General Counsel regarding compliance with this Policy shall be final and not subject to dispute or further review.
 - (e) The General Counsel may adopt and implement programs, frameworks, guidelines, procedures, standards, or processes to implement this Policy.
 - (f) Management will provide periodic reports to the Board and/or to a Board Committee on at least a quarterly basis confirming compliance with or reporting any violations of this Policy.
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- (g) Management will periodically provide training regarding this Policy and/or laws and regulations that prohibit insider trading.
- (h) The General Counsel will notify Insiders of the opening and closing of Company's quarterly trading windows.
- (i) The General Counsel will, when circumstances warrant, recommend revisions to this Policy to the Board for approval.

INDIVIDUAL, PERSONAL RESPONSIBILITY OF INSIDERS AND ALL THOSE SUBJECT TO THIS POLICY: Each Insider is responsible for complying with this Policy in all respects, and ensuring that any family member, household member, or entity whose transactions are subject to this Policy also complies. In all cases, the responsibility for determining whether an individual is in possession of material nonpublic information rests with the individual, and any action on the part of the Company, the General Counsel, or any other employee or director pursuant to this Policy (or otherwise) does not in any way constitute legal advice or insulate an individual from liability under laws and regulations that prohibit insider trading. The Company may impose sanctions, up to and including termination of employment for cause, for non-compliance with this Policy.

INSIDER TRADING AND "TIPPING" PROHIBITED: No Insider (or their family member, household member, or entity whose transactions are subject to this Policy) who is in possession of material nonpublic information relating to the Company may, directly or indirectly, through other persons or entities, or otherwise, (a) buy or sell, directly or indirectly, the Company's common stock or any other securities issued by or on behalf of the Company, including, but not limited to, stock options, preferred stock, convertible debentures and warrants, as well as derivative securities that are not issued by the Company, such as exchange-traded put or call options or swaps relating to securities of the Company (collectively, Company Securities) (other than pursuant to a pre-approved Trading Plan that complies with SEC Rule 10b5-1, as discussed below), (b) advise anyone else to take such action or engage in any other action to take personal advantage of that information, (c) disclose material nonpublic information to any person or entity outside the Company, including family, friends, business associates, investors and expert consulting firms, unless disclosure is required to advance the business of the Company and the recipient is under an obligation of confidentiality and has agreed not to use the information for any purpose other than the business purpose for which the information is being provided, or (d) assist anyone with respect to the above activities.

In addition, it is the policy of the Company that no Insider who, in the course of working for the Company, learns of material nonpublic information about a company (1) with which the Company does business, such as the Company's distributors, vendors, customers and suppliers or (2) that is involved in a potential transaction or business relationship with the Company, may engage in transactions in that company's securities until the information becomes public or is no longer material.

Except as is expressly otherwise stated, there are no exemptions or exceptions to this Policy. Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) or *de minimis* transactions, are not exempt from this Policy. The securities laws do not recognize any mitigating circumstances. Even the appearance

of an improper transaction must be avoided to preserve the Company's reputation for adhering to the highest standards of conduct.

MATERIAL NONPUBLIC INFORMATION DEFINED:

Material Information. Information is considered "material" if a reasonable investor would consider that information important in making a decision to buy, hold, or sell securities. Any information that could be expected to affect a company's stock price, whether it is positive or negative, should be considered material. There is no bright-line standard for assessing materiality; rather, materiality is based on an assessment of all of the facts and circumstances, and is often evaluated by enforcement authorities with the benefit of hindsight. While it is not possible to define all categories of material information, examples of information that ordinarily would be regarded as material include:

- Earnings guidance, or changes to previously announced earnings guidance;
- A pending or proposed merger, acquisition, or tender offer, acquisition or disposition of a significant asset, or joint venture;
- A change in dividend policy out of the ordinary course, the declaration of a stock split, or an offering of additional securities;
- Bank borrowings or other financing transactions out of the ordinary course;
- The establishment of a repurchase program for Company Securities;
- A change in executive management out of the ordinary course;
- Pending or threatened significant litigation, or the resolution of such litigation;
- Impending bankruptcy or the existence of severe liquidity problems; or
- A significant cybersecurity incident.

When Information is Considered Public. Information that has not been disclosed to the public is generally considered to be nonpublic information. In order to establish that the information has been disclosed to the public, it may be necessary to demonstrate that the information has been widely disseminated. Information generally would be considered widely disseminated if it has been disclosed through the newswire services or public disclosure documents filed with the United States Securities and Exchange Commission (SEC) that are available on the SEC's website. By contrast, information would likely not be considered widely disseminated if it is available only to the Company's employees, or if it is only available to a select group of analysts, brokers, and institutional investors.

Once information is widely disseminated, it is still necessary to provide the investing public with sufficient time to absorb the information. As a general rule, information should not be considered fully absorbed by the marketplace until the third (3rd) Business Day following its public release.

TRANSACTIONS BY INSIDER FAMILY MEMBERS:

This Policy applies to transactions in Company Securities by family members who reside with an Insider (including a spouse, a child, a child away at college, stepchildren, grandchildren, parents, stepparents, grandparents, siblings, and in-laws), anyone else who lives in an Insider's household, and any transactions in Company Securities by family members who do not live in an Insider's household but whose transactions in Company Securities are directed by an Insider or are subject to an Insider's influence or control, such as parents or children who consult with an Insider before they trade in Company Securities (collectively, Family Members). Insiders are responsible for seeking to ensure any such transactions comply with the Policy. Insiders are encouraged to confer with the Insider's family members to make them aware of this Policy. This

Policy does not apply to personal securities transactions of Family Members where the purchase or sale decision is made by a third party not controlled by, influenced by or related to an Insider or such Insider's Family Members.

TRANSACTIONS BY INSIDER CONTROLLED OR INFLUENCED ENTITIES:

This Policy also applies to transactions in Company Securities by any entities for which an Insider serves as an executive officer, general partner, trustee, or equivalent position or that the Insider otherwise, directly or indirectly, influences or controls, including any corporations, partnerships, or trusts (collectively, Controlled Entities).

OTHER PROHIBITED TRANSACTIONS:

The Company has determined that there is a heightened legal risk and/or the appearance of improper or inappropriate conduct if persons subject to this Policy engage in certain types of transactions. The persons specified below may not engage in any of the following transactions, or should otherwise consider the Company's preferences as described:

- Hedging Transactions: No Insider may, directly or indirectly, engage in any transaction that is designed to or has the effect of hedging or offsetting or profiting from any decrease in the market value of Company Securities, including transactions involving prepaid variable forward contracts, equity swaps, collars, exchange funds, short sales, puts, calls or other derivative securities.
- Margin Accounts and Pledged Securities: No executive officer or director of the Company may, directly or indirectly, pledge their Company Securities or hold their Company Securities in a margin account without the prior permission of the General Counsel or the General Counsel's designee. Non-executive officers and employees may, if they do not possess material nonpublic information regarding the Company, pledge their Company Securities or hold their Company Securities in a margin account without prior permission.
- No director, officer, employee, consultant or contractor of the Company who, in the course of their duties with, or the performance of service on behalf of, the Company, learns of material nonpublic information about another company, may, directly or indirectly, engage in any transactions in that company's securities until the information becomes public or is no longer material.

QUARTERLY TRADING RESTRICTIONS & TRADING WINDOW: Insiders, as well as their Family Members or Controlled Entities, may only buy or sell Company Securities, directly or indirectly, when they do not possess material nonpublic information regarding the Company, during the period known as and referred to in this Policy as the "Trading Window" that begins on the third (3rd) Business Day following the public release of the Company's annual or quarterly financial results~~g.~~, if the Company releases financial results to the public on a Thursday, the Trading Window opens the following Tuesday morning, if the Company releases financial results on a Monday, the Trading Window opens the following Thursday morning, etc.) and ends on the days listed below before the end of a calendar year quarter-end:

- First Quarter Trading Window End: March 15th
 - Second Quarter Trading Window End: June 15th
-

- Third Quarter Trading Window End: September 15th
- Fourth Quarter Trading Window End: December 15th

"Business Day" shall mean any weekday on which any stock exchange where the Company's common stock is traded is open. If a quarterly Trading Window ends on a date which is not a Business Day, the Trading Window for that quarter will close on the last Business Day before that date (e.g., if March 15th is a Saturday, the Trading Window would close on Friday, March 14th so long as that Friday is not a holiday on which stock exchanges are closed). The Company reserves the right to prohibit trading during a Trading Window and will notify any affected individuals of a trading prohibition if and when one is imposed, including with respect to an Event-Specific Restricted Period, as defined below.

EVENT-SPECIFIC RESTRICTED PERIODS:

From time to time, an event may occur that is material to the Company and is known only by a few Insiders. So long as the event remains material and nonpublic, the General Counsel may designate individuals who may not engage in transactions in Company Securities (an Event-Specific Restricted Period). The existence of an Event-Specific Restricted Period or the shortening of a Trading Window will not be announced to the Company as a whole, and should not be communicated to anyone other than the individuals to whom it applies.

GIFTS AND OTHER TRANSFERS FOR NO CONSIDERATION:

This Policy applies to gifts of Company Securities and any other transfers of Company Securities for no consideration (Gifts). Accordingly, Gifts of Company Securities should not be made (i) outside of a Trading Window, (ii) during an Event-Specific Restricted Period, or (iii) when the person making the Gift otherwise possesses material nonpublic information regarding the Company.

PRE-CLEARANCE REQUIREMENT:

Any director or executive officer subject to SEC disclosure and reporting requirements pursuant to Section 16 of the Securities Exchange Act of 1934, as amended (Exchange Act) for Company Securities transactions, as well as any Family Member or Controlled Entity of such persons, who wishes to engage in any transaction involving Company Securities, including exercises of stock options or Gifts, must first receive pre-clearance from the General Counsel, the Chief Financial Officer, or the Controller, or their respective designees, prior to executing any transaction.

BLACKOUT PERIOD:

Insiders may not buy or sell Company Securities, directly or indirectly, outside of the Trading Window or when an Event-Specific Restricted Period has been imposed on them (collectively, a Blackout Period).

RULE 10b5-1 TRADING PLANS:

Rule 10b5-1 under the Exchange Act provides a defense from insider trading liability under Rule 10b-5. In order to be eligible to rely on this defense, a person subject to this Policy must enter into a Rule 10b5-1 plan for transactions in Company Securities that meets the conditions specified in Rule 10b5-1 (a Rule 10b5-1 Plan) and any Company guidelines for Rule 10b5-1 Plans. If the plan meets the requirements of Rule 10b5-1, transactions in Company Securities

may occur even when the person who has entered into the plan is aware of material nonpublic information.

To comply with this Policy, a Rule 10b5-1 Plan, and any modifications thereto, must be approved by the General Counsel, or the General Counsel's designee, and meet the requirements of Rule 10b5-1 and any Company guidelines for Rule 10b5-1 Plans. In general, a Rule 10b5-1 Plan or any modification thereto must be entered into inside of a Trading Window (and at a time that an Event-Specific Restricted Period has not otherwise been imposed) when the person entering into the plan is not aware of material nonpublic information. Once the plan is adopted, the person must not exercise any influence over the amount of Company Securities to be traded, the price at which they are to be traded, or the date of the trade. The plan must either specify the amount, pricing and timing of transactions in advance, or delegate discretion on these matters to an independent third party. The plan must include a cooling-off period before trading can commence that (i) for directors and Section 16 officers, ends on the later of 90 days after the adoption or modification of the Rule 10b5-1 Plan or two Business Days following the disclosure of the Company's financial results in an SEC periodic report for the fiscal quarter in which the plan was adopted or modified (in any event, this cooling-off period is subject to a maximum of 120 days after adoption of the Rule 10b5-1 Plan), and (ii) for any other persons, 30 days following the adoption or modification of a Rule 10b5-1 Plan. A person may not enter into overlapping Rule 10b5-1 Plans (subject to certain limited exceptions) and may only enter into one single-trade Rule 10b5-1 Plan (i.e., a Rule 10b5-1 Plan designed to effect an open market purchase or sale of the total amount of securities subject to the plan as a single transaction) during any 12-month period (subject to certain limited exceptions). Directors and Section 16 officers must also include a representation in their Rule 10b5-1 Plan (or modification thereto) certifying that they are not aware of any material nonpublic information and that they are adopting the plan in good faith and not as part of a plan or scheme to evade the prohibitions in Rule 10b-5. All persons entering into a Rule 10b-5 Plan must act in good faith with respect to it.

Any Rule 10b5-1 Plan or modification thereto must be submitted for approval to the General Counsel, or the General Counsel's designee, at least five Business Days prior to the entry into the Rule 10b5-1 Plan. The General Counsel will report approval of any Rule 10b5-1 Plan or modification thereto entered into by a director or Section 16 officer to the Board at the next regularly scheduled Board meeting.

EXEMPTIONS:

The following transactions are exempt from the general ban on trading in Company Securities during a Blackout Period:

- Rule 10b5-1 Plans. Shares purchased or sold pursuant to the terms of a Rule 10b5-1 Plan that has been pre-approved in accordance with this Policy.
 - Dividend Reinvestment Plans. Shares purchased as part of the dividend reinvestment program (but not optional common stock purchases) pursuant to the Company's Dividend Reinvestment and Common Stock Purchase Plan. Elections to participate or increase or decrease rate of participation in the dividend reinvestment program may only be made during a Trading Window, outside of an Event-Specific Restricted Period, and when the individual does not otherwise possess material nonpublic information.
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- Mutual Funds. Shares purchased through indirect investment in a mutual fund or similar investment vehicle.
- 401(k)/Deferred Compensation Plans. Shares purchased in the normal course of business, pursuant to elections or other preauthorized instructions given during a Trading Window, outside of an Event-Specific Restricted Period, and when an individual does not otherwise possess material nonpublic information regarding the Company, through the 401(k) Plan or other deferred compensation plans permitting investment or notional investment in Company Securities. Preauthorized instructions with respect to the purchase or sale of Company Securities through the 401(k) Plan or other deferred compensation plans may not be changed during a Blackout Period. This Policy applies to elections made in the 401(k) Plan and other deferred compensation plans regarding contribution levels, investment directions, fund transfers, and plan loans that relate to Company Securities.
- Stock Option Exercises. The exercise of stock options granted pursuant to a stock option plan to purchase Company common stock where the individual is satisfying the exercise price in cash or check. This Policy, however, prohibits any broker-assisted or other market sale outside of a Trading Window, during an Event-Specific Restricted Period, or when a person otherwise possess material nonpublic information for purposes of generating the cash needed to pay, or to reimburse a loan made to pay, the exercise price of a stock option.

RESTRICTIONS ON DISCLOSURE OF COMPANY INFORMATION:

The Company is required under Regulation FD of the federal securities laws to avoid the selective disclosure of material nonpublic information. The Company has established procedures for releasing material nonpublic information in a manner that is designed to achieve broad public dissemination of material nonpublic information immediately upon its release. No Insider may disclose information to anyone outside the Company, including family members and friends, other than in accordance with those procedures. No Insider may disclose or discuss any material nonpublic information about the Company or its business or make any recommendation to buy or sell Company Securities or disclose or discuss any analyst report, analyst coverage or consensus, in an internet chat room or other social media forum, including Facebook or Twitter.

OBLIGATION TO REPORT VIOLATIONS:

Any Insider who becomes aware of any conduct which appears to be in violation of this Policy has an affirmative obligation to report his or her concern as soon as possible to the General Counsel.

POST-TERMINATION TRANSACTIONS:

If an individual is in possession of material nonpublic information when his or her service terminates, that individual may not engage in transactions in Company Securities until that information has become public or is no longer material. This Policy thus continues to apply to transactions in Company Securities even after termination of service to the Company until the earlier of: (i) the third (3rd) Business Day following the public release of any material nonpublic information known to a departing individual; and (ii) the expiration of ninety (90) calendar days following termination of service.

Policy Approval and Revision History

The Board is responsible for approving this Policy. The Board does not anticipate that this Policy will change frequently. If new legal requirements relevant to this Policy arise, the General Counsel is directed to present recommended updates to this Policy to the Board. The recent approval and revision history of this Policy is set forth below:

2023 Policy to Prevent Insider Trading	BOARD APPROVED October 19, 2023
2022 Policy to Prevent Insider Trading	BOARD APPROVED October 20, 2022
2019 Policy to Prevent Insider Trading	BOARD APPROVED March 21, 2019

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

- Registration Statement (Form S-8 No. 333-174991) pertaining to the Independent Bank Corp. Amended and Restated 2005 Employee Stock Plan
- Registration Statement (Form S-8 No. 333-167046) pertaining to the Independent Bank Corp. 2010 Non-Employee Director Stock Plan
- Registration Statement (Form S-8 No. 333-225034) pertaining to the Independent Bank Corp. 2018 Non-Employee Director Stock Plan
- Registration Statement (Form S-8 No. 333-166124) pertaining to The Rockland Trust Company Employee Savings, Profit Sharing, and Stock Ownership Plan
- Registration Statement (Form S-8 No. 333-126986) pertaining to the Independent Bank Corp. 2005 Employee Stock Plan
- Registration Statement (Form S-8 No. 333-203525) pertaining to the Rockland Trust Company Amended and Restated 401(k) Restoration Plan
- Registration Statement (Form S-3 ASR No. 333-258753) of Independent Bank Corp.
- Registration Statement (Form S-3 ASR No. 333-275183) pertaining to the Independent Bank Corp. 2014 Dividend Reinvestment and Stock Purchase Plan

of our reports dated February 28, 2024, with respect to the consolidated financial statements of Independent Bank Corp., and the effectiveness of internal control over financial reporting of Independent Bank Corp., included in this Annual Report (Form 10-K) of Independent Bank Corp. for the year ended December 31, 2023.

/s/ Ernst & Young LLP

Boston, Massachusetts

February 28, 2024

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13A-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jeffrey J. Tengel, certify that:

1. I have reviewed this Annual Report on Form 10-K of Independent Bank Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2024

/s/ JEFFREY J. TENGEL

Jeffrey J. Tengel

Chief Executive Officer/President

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13A-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Mark J. Ruggiero, certify that:

1. I have reviewed this Annual Report on Form 10-K of Independent Bank Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2024

/s/ MARK J. RUGGIERO

Mark J. Ruggiero

Chief Financial Officer

CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Independent Bank Corp. (the "Company") on Form 10-K for the period ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certifies, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the undersigned's best knowledge and belief:

- (a) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 as amended; and
- (b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 28, 2024

Independent Bank Corp.
("Company")

/s/ JEFFREY J. TENGEL
Jeffrey J. Tengel
Chief Executive Officer/President

A signed original of this written statement required by Section 906 has been provided to Independent Bank Corp. and will be retained by Independent Bank Corp. and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Independent Bank Corp. (the "Company") on Form 10-K for the period ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certifies, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the undersigned's best knowledge and belief:

- (a) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 as amended; and
- (b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 28, 2024

Independent Bank Corp.

("Company")

/s/ MARK J. RUGGIERO

Mark J. Ruggiero

Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Independent Bank Corp. and will be retained by Independent Bank Corp. and furnished to the Securities and Exchange Commission or its staff upon request.

INCENTIVE COMPENSATION RECOVERY POLICY
(aka CLAWBACK POLICY)

Introduction, Statement of Purpose, and Scope

The Board of Directors (Board) has approved this Incentive Compensation Recovery Policy, also colloquially referred to as the "Clawback" Policy (the Policy), to describe the circumstances under which Covered Executives will be required to repay or return Incentive Compensation. This Policy applies to Covered Executives of both Independent Bank Corp. and Rockland Trust Company (collectively the Company).

This Policy will apply whether or not a Covered Executive is serving at the time the Excess Compensation is required to be repaid. This Policy will apply without regard to whether any misconduct occurred or whether the Covered Executive had any individual knowledge or responsibility related to the erroneous financial statements necessitating the relevant Accounting Restatement. This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

Capitalized terms used in this Policy are defined below.

Policy Statement

BOARD ROLE: The Board is responsible for:

- (a) Approving and periodically reviewing this Policy;
- (b) Implementing and ensuring compliance with this Policy;
- (c) The Board has delegated administration of this Policy to the Compensation Committee of the Board (the Committee). The Board authorizes the Committee to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. Any determinations made by the Committee shall be final and binding on all those affected.

MANAGEMENT ROLE AND RESPONSIBILITIES:

- (a) The Board directs the Chief Executive Officer and Chief Financial Officer, or either of them acting individually, to immediately bring any Accounting Restatement to the attention of the Board and the Committee.
 - (b) As a condition of participation in incentive compensation plans offered by the Company each Covered Executive is required to sign and return to the Company an acknowledgement form pursuant to which the Covered Executive will agree to be bound and abide by the terms of this Policy (Acknowledgement Form).
 - (c) The General Counsel will draft and, if and as necessary, update and revise the Acknowledgement Form.
 - (d) The Chief Human Resources Officer will be responsible for collecting and maintaining signed Acknowledgment Forms from Covered Executives.
 - (e) The General Counsel will, when circumstances warrant, recommend revisions to this Policy to the Board for approval.
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ACCOUNTING RESTATEMENT; RECOUPMENT OF EXCESS COMPENSATION:

In the event of an Accounting Restatement, the Company will recover reasonably promptly any Excess Compensation. The Committee will promptly determine the amount of any Excess Compensation for each Covered Executive in connection with an Accounting Restatement and promptly then provide each Covered Executive with a written notice of the required repayment or return, setting forth the amount of Excess Compensation due. For Eligible Incentive Compensation based on (or derived from) stock price or total shareholder return where the amount of Excess Compensation is not subject to mathematical recalculation directly from the information in the applicable Accounting Restatement, the amount will be determined by the Committee based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Eligible Incentive Compensation was Received (in which case, the Company will maintain documentation of the determination of such reasonable estimate and provide such documentation to Nasdaq).

The Committee has broad discretion, based on all applicable facts and circumstances, including consideration of pursuing an appropriate balance of cost and speed of recovery, to determine the appropriate means to recover Excess Compensation, subject to a decision occurring reasonably promptly. To the extent that the Committee determines that a method of recovery other than repayment by the Covered Executive in a lump sum in cash or property is appropriate, the Company will determine alternative means of recovery, which may include an offer to enter into a repayment agreement (in a form reasonably acceptable to the Committee) with the Covered Executive. For the avoidance of doubt, except as set forth below, in no event may the Company accept an amount that is less than the amount of Excess Compensation in satisfaction of a Covered Executive's obligations under this Policy.

To the extent that a Covered Executive fails to repay all Excess Compensation when due, the Company will take all actions reasonable and appropriate to recover the Excess Compensation. The Covered Executive may, in the discretion of the Committee, be required to reimburse the Company for any and all expenses reasonably incurred (including legal fees) in recovering such Excess Compensation in accordance with the immediately preceding sentence.

Notwithstanding anything in this Policy to the contrary, the Company will not be required to take the actions contemplated by this Policy if the following conditions are met and the Committee determines that recovery would be impracticable:

- 1) The direct expenses paid to a third party to assist in enforcing the Policy against a Covered Executive would exceed the amount to be recovered, after the Company has made a reasonable attempt to recover the Excess Compensation, documented its attempts, and provided documentation of those efforts to Nasdaq.
 - 2) Recovery would violate home country law where that law was adopted prior to November 28, 2022, provided that, before determining that it would be impracticable to recover any amount of Excess Compensation based on violation of home country law, the Company has obtained an opinion of home country counsel, acceptable to Nasdaq, that recovery would result in such a violation and a copy of the opinion is provided to Nasdaq.
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- 3) Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to Company employees, to fail to meet the requirements of Sections 401(a)(13) or 411(a) of the Internal Revenue Code of 1986, as amended, and regulations thereunder.

OTHER RECOUPMENT RIGHTS: NO ADDITIONAL PAYMENTS:

The Board intends to apply this Policy to the full extent of the law. The Committee may require, through execution of the Acknowledgment Form or otherwise, that any employment agreement, equity award agreement, or any other agreement, plan, or arrangement entered into or adopted on or after October 2, 2023 will, as a condition to the grant of any benefit, require a Covered Executive to agree to abide by the terms of this Policy. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company under the Sarbanes-Oxley Act of 2002 or other applicable law, regulation, rule, or Company policy, or pursuant to the terms of any employment agreement, equity award agreement, or similar agreement, plan, or arrangement and any other legal remedies available to the Company; provided, that in the event of a conflict between this Policy and any Company policy, employment agreement, equity award agreement, or similar agreement, plan or arrangement, the terms of this Policy will govern.

INDEMNIFICATION PROHIBITED:

The Company is prohibited from indemnifying any Covered Executive against the loss of any Excess Compensation that is repaid, returned, or recovered in accordance with this Policy or any claims relating to the Company's enforcement of its rights under this Policy. This prohibition also applies to payment to, or reimbursement of, a Covered Executive for premiums for any insurance policy covering any potential losses under this Policy. Further, the Company may not enter into any agreement that exempts any Incentive Compensation from this Policy or that waives the Company's right to recover any Excess Compensation, and this Policy will supersede any such agreement whether entered into before, on or after October 2, 2023.

DEFINITIONS:

For purposes of this Policy, the following capitalized terms have the meanings set forth below. Capitalized terms not defined in this section are defined elsewhere in this Policy.

"Accounting Restatement" means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement (a) to correct an error in previously issued financial statements that is material to the previously issued financial statements, or (b) that corrects an error that is not material to previously issued financial statements, but would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

The following types of changes to financial statements do not represent error corrections, and therefore would not trigger application of this Policy: (a) retrospective application of a change in accounting principle; (b) retrospective revision to reportable segment information due to a change in the structure of the Company's internal organization; (c) retrospective reclassification due to a discontinued operation; (d) retrospective application of a change in reporting entity, such as from a reorganization of entities under common control; or (e) retrospective revision for stock

splits, reverse stock splits, stock dividends, or other changes in capital structure. The foregoing list is not intended to be exhaustive and is subject to any changes in applicable accounting standards.

"Covered Executive" means each individual designated as an "officer" of the Company under Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended, and also includes as applicable a Covered Executive's beneficiaries, heirs, executors, administrators or other legal representatives.

"Eligible Incentive Compensation" means all Incentive Compensation that is Received by a Covered Executive (a) on or after October 2, 2023, (b) who served as a Covered Executive at any time during the performance period for that Incentive Compensation, (c) while the Company has a class of securities listed on The Nasdaq Stock Market LLC ("Nasdaq") or another national securities exchange or national securities association, and (d) during the applicable Recovery Period. For purposes of clarity, in order for Incentive Compensation to qualify as Eligible Incentive Compensation, all four of the conditions listed in this definition must be satisfied.

"Excess Compensation" means, with respect to each Covered Executive in connection with an Accounting Restatement, the amount of Eligible Incentive Compensation that exceeds the amount of Incentive Compensation that otherwise would have been Received had it been determined based on the restated amounts, computed without regard to any taxes paid, as determined by the Committee.

"Financial Reporting Measures" are measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and all other measures that are derived wholly or in part from such measures. Stock price and total shareholder return (and any measures that are derived wholly or in part from stock price or total shareholder return) are considered Financial Reporting Measures for purposes of this Policy. For the avoidance of doubt, a Financial Reporting Measure need not be presented in the Company's financial statements or included in a filing with the Securities and Exchange Commission ("SEC").

"Incentive Compensation" means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

"Received" - Incentive Compensation shall be deemed "Received" by a Covered Executive in the Company's fiscal period during which the Financial Reporting Measure applicable to such Incentive Compensation is attained, even if payment or grant of the Incentive Compensation occurs after the end of that period.

"Recovery Period" means, with respect to any Accounting Restatement, the Company's three completed fiscal years immediately preceding the Restatement Date and any transition period (that results from a change in the Company's fiscal year) of less than nine months within or immediately following those three completed fiscal years.

"Restatement Date" means the earlier to occur of (a) the date the Board, the Committee, or the Company officers authorized to take action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting

Restatement, or (b) the date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement.

Policy Approval, Amendment, Termination, and Revision History

The Board is responsible for approving this Policy. The Board does not anticipate that this Policy will change frequently. If new legal requirements relevant to this Policy arise, the General Counsel is directed to present recommended updates to this Policy to the Board.

The Board may amend this Policy, or may terminate it, in its discretion. Notwithstanding anything in this section to the contrary, no amendment or termination of this Policy will be effective if the amendment or termination would (after taking into account any actions taken by the Company contemporaneously with the amendment or termination) cause the Company to violate any federal securities laws, SEC rule, or the rules of Nasdaq or any national securities exchange or national securities association on which the Company's securities are then listed.

The recent approval and revision history of this Policy is set forth below:

2023 Incentive Compensation Recovery Policy ("Clawback Policy")	BOARD APPROVED October 19, 2023
2017 Incentive Compensation Recovery Policy ("Clawback Policy")	BOARD APPROVED March 16, 2017
2013 Incentive Compensation Recovery Policy ("Clawback Policy")	BOARD APPROVED March 21, 2013