

BNC FINANCIAL GROUP, INC.
208 Elm Street
New Canaan, Connecticut 06840
(203) 972-3838

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 22, 2011**

To the Shareholders of BNC Financial Group, Inc.:

The 2011 Annual Meeting of Shareholders of BNC Financial Group, Inc. (the "Company") will be held at the New Canaan Library, 151 Main Street, New Canaan, Connecticut 06840, on June 22, 2011 at 8:30 a.m. for the following purposes:

1. To elect fourteen (14) directors of the Company to serve until the 2012 Annual Meeting of Shareholders or until their successors are elected;
2. To adopt the 2011 BNC Financial Group, Inc. Stock Option and Equity Award Plan; and
3. To transact such other business as may properly come before the Annual Meeting, including adjourning the Annual Meeting to permit, if necessary, further solicitation of proxies or any adjournment thereof.

The Board of Directors is not aware of any such other business.

Only shareholders of record of outstanding shares of common stock of the Company at the close of business on April 15, 2011 are entitled to notice of, and to vote, at the Annual Meeting or any adjournment or postponement thereof.

A list of the Company's shareholders will be open to the examination of any shareholder, for any purpose germane to the Annual Meeting, during ordinary business hours, beginning two (2) days after the notice date of the Annual Meeting through the date of the Annual Meeting, at 208 Elm Street, New Canaan, Connecticut.

The Company cordially invites all shareholders to attend the Annual Meeting in person. Whether or not you expect to attend the Annual Meeting, please complete, sign and date the enclosed proxy and return it in the envelope provided. If your shares are held in the name of a broker, only the broker can vote your shares and only after receiving your instructions with regard to the election of Directors and the 2011 BNC Financial Group, Inc. Stock Option and Equity Award Plan. Please contact the responsible person on your account and instruct him or her to execute a proxy sheet on your behalf.

The Company's 2010 Annual Report is enclosed with this Notice and Proxy Statement.

By Order of the Board of Directors



Merrill Jay Forgotson
Chief Executive Officer

New Canaan, Connecticut
May 19, 2011

IMPORTANT: All shareholders are encouraged to attend the meeting. However, in order that there may be sufficient shareholder representation at the meeting, you are urged to sign and mail the enclosed proxy sheet even though you may plan to attend. Shares represented by proxy received prior to the time of the meeting will be voted as directed by the shareholders on their respective proxy sheets. If you are present in person you may, if you wish, revoke the proxy and vote personally on all matters brought before the meeting.

Your prompt action in sending in your proxy will be greatly appreciated. Return the proxy to:

**BNC Financial Group, Inc.
Attn: Mr. Ernest J. Verrico, Sr.
208 Elm Street
New Canaan, Connecticut 06840**

A self-addressed postage paid envelope is provided for your use.

We would appreciate notice of your plan to attend the meeting in person so that we may be certain to accommodate those who come. Please so indicate on the enclosed proxy sheet if you plan to attend in person.

Printed on the following pages is a Proxy Statement in regard to the Annual Meeting to which your attention is directed.

This is not a program sponsored by the New Canaan Library.

BNC FINANCIAL GROUP, INC.

208 Elm Street
New Canaan, CT 06840
(203) 972-3838

**PROXY STATEMENT FOR ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 22, 2011**

The enclosed proxy is solicited by the Directors of BNC Financial Group, Inc. (the "Company") for use at the Annual Meeting of Shareholders of the Company (the "Annual Meeting") to be held at the New Canaan Library, 151 Main Street, New Canaan, Connecticut, on June 22, 2011, at 8:30 a.m. and at any adjournments thereof. The matters to be considered and acted upon at such meeting are referred to in the preceding notice and are more fully discussed below. The approximate date on which this proxy statement and the accompanying form of proxy (proxy ballot) will first be sent to shareholders is May 19, 2011.

In addition to solicitation by mail, Directors, Officers, and Employees may solicit proxies personally or by telephone or facsimile. The Company may also request brokers, nominees, custodians and fiduciaries to forward soliciting material to the beneficial owners of stock held of record and will reimburse such persons for reasonable expenses incurred in forwarding such material. The cost of solicitation will be borne by the Company.

All properly executed, unrevoked proxy ballots received pursuant to this solicitation prior to the close of voting will be voted as directed therein. Properly executed, unrevoked proxy ballots, which do not specifically direct the voting of the shares, covered thereby will be voted in the affirmative on all Proposals. Any proxy given pursuant to this solicitation may be revoked orally or in writing by the shareholder at any time prior to the voting of the proxy by notifying Ernest J. Verrico, Sr., Assistant Corporate Secretary, BNC Financial Group, Inc., 208 Elm Street, New Canaan, Connecticut 06840.

The persons named on the proxy ballot (to be signed and returned) to act as proxies at the Annual Meeting are: Todd Lampert, Ron C. Miller, and T. Brock Saxe, all of whom are Directors of the Company and residents of Connecticut. If, for any reason, any Director nominee shall become unavailable before the date of the Annual Meeting, discretionary authority will be exercised by the above-named persons to vote the proxy ballots for the election of such other person(s) as the Board of Directors shall determine.

The holders of a majority of the outstanding shares of stock, present at the Annual Meeting in person or by proxy, will constitute a quorum for the transaction of business at the Annual Meeting. Proposal 1 (BNC Financial Group, Inc. Director Elections) requires for each nominee, a plurality of the votes cast for such nominee and, for Proposal 2 (2011 BNC Financial Group, Inc. Stock Option and Equity Award Plan) a majority of the votes cast by shareholders attending the meeting by proxy or in person. Votes will not be considered cast if the shares are not voted for any reason, including an abstention indicated as such on a written proxy or ballot; if directions are given in a written proxy to withhold votes; or if the votes are withheld by a broker. Broker nonvotes are counted towards a quorum, but are not counted for any purpose in determining whether a matter has been approved.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

On April 15, 2011, the record date for the determination of shareholders entitled to vote on all matters brought before the Annual Meeting, there were 2,795,200 common shares issued and outstanding. The Company has two classes of stock, common and preferred; only the common stock is entitled to vote at the Annual Meeting. Each share of common stock is entitled to one vote on all matters brought before the Annual Meeting.

Listed in the following table are those who, as of April 15, 2011, owned beneficially more than 5% of the Company's outstanding common shares and the number of shares owned beneficially by Directors and Officers as a group:

Class	Name of Beneficial Owner ^(a)	Owned	Percent of Class (a)
Common	Carl R. Kuehner, III	275,359	9.81%
Common	James A. Fieber	226,562	8.08%
Common	Bauer Foundation ^(b)	167,141	5.98%
Common	Daniel S. Jones	150,771	5.38%
Common	All Executive Officers and Directors ^(c)	1,467,275	49.38%

(a) In accordance with securities law definitions, beneficially owned shares include shares over which the named person exercises either sole or shared voting power or sole or shared investment power. It also includes shares owned (i) by a spouse, minor children or by relatives sharing the same home, (ii) by entities owned or controlled by the named person, and (iii) by other persons if the named person has the right to acquire such shares within 60 days by the exercise of any right or option.

(b) Based upon the total of 2,795,200 shares issued and outstanding as of April 15, 2011.

(c) Based upon the total 2,971,233 shares as of April 15, 2011 (2,795,200 issued and outstanding and a total of 176,033 fully diluted options issued to Executive Officers and Directors and generally exercisable within 60 days). Includes all Directors and Executive Officers of BNC Financial Group, Inc., The Bank of New Canaan, and The Bank of Fairfield.

PROPOSAL 1 - ELECTION OF DIRECTORS FOR BNC FINANCIAL GROUP, INC.

Fourteen (14) Directors have been nominated for election to serve until the next Annual Meeting and until their successors are elected and qualified.

The name of the nominees, year of birth, date each became a Director of the Company, their principal occupation and number and percentage of shares of Company stock beneficially owned by each as of the close of business on the record date, April 15, 2011, is set forth herein. A total of eight (8) meetings of the Board of Directors and numerous committee meetings were held during the year. Attendance percentages shown in parentheses are for the total Board meetings.

Management recommends that you vote FOR the election of each of the Director nominees.

Name/Occupation/Attendance	Year of Birth	Date of Election as Director	Number of Shares Beneficially Owned ^(a)	Percentage of Shares Owned
Eric J. Dale, Esq. Partner, Robinson & Cole, LLP <i>Attorney</i> (75%)	1964	2/27/08	7,033	0.25%
Blake S. Drexler Partner, Five Mile Ventures <i>Investments</i> (87.50%)	1957	1/24/07	124,001 ^(b)	4.42%
James A. Fieber Managing Member, Fiebro Acquisitions, LLC The Fieber Group, LLC <i>Investments</i> (87.50%)	1954	1/24/07	226,562 ^(c)	8.08%
Mark Fitzgibbon Principal, Sandler O'Neill & Partners, LP <i>Investment Banking</i> (75%)	1969	6/25/09	100,901	3.61%
William J. Fitzpatrick, III Member, Fitzpatrick, Fray & Bologna, LLC <i>Attorney</i> (87.50%)	1949	3/27/08	5,000	0.18%
Merrill Jay Forgotson CEO, BNC Financial Group, Inc. <i>Banking</i> (100%)	1942	11/14/07	37,500 ^(d)	1.34%
Christopher Gruseke <i>Private Investor</i> (75%)	1960	2/25/10	47,625	1.70%
Daniel S. Jones President, NewsBank Inc. <i>Publisher</i> (100%)	1939	1/24/07	150,771 ^(e)	5.38%
Peter Kirk <i>Retired</i> (87.50%)	1953	2/27/08	18,100 ^(f)	0.64%

Name/Occupation/Attendance	Year of Birth	Date of Election as Director	Number of Shares Beneficially Owned ^(a)	Percentage of Shares Owned
Carl R. Kuehner, III CEO, Building and Land Technology <i>Real Estate Development</i> (62.50%)	1963	1/24/07	275,359 ^(g)	9.81%
Todd Lampert Managing Member, Lampert, Toohey & Rucci, LLC Main St. Group, LLC <i>Attorney</i> (100%)	1963	1/24/07	38,154 ^(h)	1.36%
Victor S. Liss <i>Retired</i> (87.50%)	1937	2/27/08	10,000	0.36%
Ron C. Miller President, Miller's Hallmark <i>Retail</i> (87.50%)	1944	3/27/08	3,809	0.14%
T. Brock Saxe President, Tombrock Corporation <i>Real Estate</i> (87.50%)	1941	1/27/08	94,132 ⁽ⁱ⁾	3.36%
Total Directors and Executive Officers			1,186,396^(j)	40.87%

- (a) Beneficially owned shares include shares over which the named person exercises either sole or shared voting power or sole or shared investment power. It also includes shares owned (i) by a spouse, minor children or by relatives sharing the same home, (ii) by entities owned or controlled by the named person and (iii) by other persons if the named person has the right to acquire such shares within 60 days by the exercise of any right or option. All shares identified above are owned of record individually or jointly or beneficially by the named person.
- (b) Includes 7,863 shares issuable upon exercise of stock options exercisable within 60 days.
- (c) Includes 8,740 shares issuable upon exercise of stock options exercisable within 60 days.
- (d) Includes 20,000 shares of restricted stock, which vests over two (2) years.
- (e) Includes 7,249 shares issuable upon exercise of stock options exercisable within 60 days.
- (f) Includes 17,100 shares issuable upon exercise of stock options exercisable within 60 days.
- (g) Includes 11,011 shares issuable upon exercise of stock options exercisable within 60 days.
- (h) Includes 19,422 shares issuable upon exercise of stock options exercisable within 60 days.
- (i) Includes 9,705 shares issuable upon exercise of stock options exercisable within 60 days.
- (j) In addition to the stock options noted above, this figure includes 26,299 shares issuable upon exercise of stock options exercisable within 60 days and issued to Executive Officers.

**MEETINGS AND COMMITTEES OF THE BNC FINANCIAL GROUP, INC.
BOARD OF DIRECTORS**

Pursuant to authority provided by the Bylaws, the BNC Financial Group, Inc. Board of Directors has established a number of committees to facilitate its responsibility to supervise the overall performance of the Company and its subsidiaries, (The Bank of New Canaan (“BNC”) and The Bank of Fairfield (“TBF”), together with BNC, the “Banks”). The following is a description of each of the Committees, and Committee memberships as of December 31, 2010 and the number of meetings held in 2010. All Directors attended at least 80% of the total number of Board meetings and meetings of Committee(s) on which they served, except Mr. Kuehner.

The **Ad Hoc Committee**⁽¹⁾ has the responsibility to study and report to the Board on matters of special interest arising from time to time and not otherwise arising from the specific responsibility of the other committees.

The **Asset & Liability Committee** oversees the management and balance of the assets and liabilities of the Company and the Banks and acts as the Investment Committee. The ALCO Committee was formed in the first quarter of 2010.

The **Audit Committee** has the responsibility (a) to assist the Board of Directors in its statutory and regulatory responsibilities as they relate to financial reporting practices and regulatory compliance, (b) review the adequacy of internal accounting controls, (c) supervise the external and internal audit functions, and (d) recommend and review the engagement of the independent internal and external auditors.

The **Governance/Nominating Committee** has the responsibility to adopt corporate governance policies and procedures to insure that the operations of the Company conform to desirable standards of business conduct and ethics.

The **Personnel and Compensation Committee** establishes the policies of the Company with regard to compensation of executives specifically and of the Banks’ personnel generally.

The **Technology Committee** establishes the policies of the Company and the Banks with regard to oversight, management and implementation of operating technology.

Board Committees

Director	ALCO	Audit	Governance	P&C	Technology
Eric J. Dale	x	x	x		x
Blake S. Drexler	C	x	x	x	
James A. Fieber	x			C	
Mark Fitzgibbon	x			x	
William J. Fitzpatrick, III				x	
Merrill Jay Forgotson	x				x
Christopher Gruseke	x				
Daniel S. Jones		C	x		C
Peter Kirk	x				
Carl R. Kuehner, III	x	x			
Todd Lampert	x		x	x	x
Victor S. Liss		x			x
Ron C. Miller			x	x	
T. Brock Saxe			C	x	
Number of Meetings in 2010	3	3	2	5	1

C = Chairperson

(1) Ad Hoc meets as needed. It held no meetings in 2010

REMUNERATION AND RELATED MATTERS

Compensation Philosophy

The Company and the Banks believe there are three financial components to successfully recruiting and retaining talented staff.

1. **Base Salary** - The Company pays a competitive base salary intended to provide compensation within the upper 25% of their peer group. As recommended by our independent compensation consultant, the Company considers banks of similar asset size located throughout Connecticut to be their peer group. Additional public survey data may be consulted to assist the Company in determining competitive base salaries.
2. **Incentive Compensation Plan** – The Company revised its incentive compensation plans during 2010 to become effective in 2011. Currently, the Executive Incentive Plan ties a percentage of incentive payment to corporate operating results and a percentage to individual goals set annually based on the officer's responsibilities. Messrs. Forgotson's and Verrico's award targets are determined entirely by corporate operating results. The Company is participating in the United States Treasury's Capital Purchase Program and, under that Program, a bank's CEO may not be paid nor may the bank accrue cash bonus payments while capital instruments are outstanding (Mr. Forgotson received a cash bonus payment for 2010 because it was "grandfathered" under the pre-existing employment agreement). Other participants in the Plan have varying award targets based on an allocation between individual and corporate targets. Payments under the Plan are based on a target income number with reduced or increased payments possible depending on how well BNC FG and each officer performs. No payments are made under the Plan unless the earnings are at least 80% of the target figure and 140% of the target figure must be earned for the maximum incentive amount to be paid. Participation in the Plan is determined by recommendations of executive management and approval by the Personnel & Compensation Committee. In 2010, the Company had payouts under the Plan.
3. **Stock Option Plan** - The Board of Directors awards stock options to selected employees based on Senior Management recommendations and the Board of Directors' evaluation of an employee's contribution to the Company's success. Stock awards may also be used to recruit new personnel. The Company believes awarding stock options to its staff aligns their interest with that of the shareholders and encourages employees to think like owners. The Company's stock is not registered and no liquid market for the stock exists. Accordingly, stock awards are expected to be held by award recipients for extended periods of time before sale or other value realization.

The Company has issued preferred stock to the United States Treasury as part of its Capital Purchase Program. Pursuant to that program, the Company through its Personnel and Compensation Committee certified that it has completed the required review with its senior risk officer of the incentive compensation arrangements to senior executive officers (SEO) and has made reasonable efforts to ensure that such arrangements do not encourage SEOs to take unnecessary and excessive risks that threaten the value of the financial institution.

1. Summary Compensation Table

The following table sets forth information with respect to current executive officers of the Company and/or Bank whose total annual salary and other compensation exceeded \$100,000 for the fiscal years ended December 31, 2010.

Name and Principal Position (a)	Year (b)	Salary (\$) (c)	Bonus (\$) (d)	Stock Awards (\$) (e)	Option Awards (\$) ⁽¹⁾ (f)	Non-Equity Incentive Plan Compensation (\$) ⁽²⁾ (g)	Nonqualified Deferred Compensation Earnings (\$) (h)	All Other Compensation (\$) ⁽³⁾ (i)	Total (\$) (j)
Merrill Jay Forgotson Chief Executive Officer (BNCFG, BNC, and TBF)	2010	240,000	-0-	84,613	-0-	60,000	-0-	22,231	406,844
	2009	239,230	-0-	84,613	-0-	55,000	-0-	20,152	398,995
	2008	171,393	-0-	63,549	-0-	-0-	-0-	23,300	258,242
Ernest J. Verrico, Sr. SVP, CFO & COO (BNCFG) EVP Finance (BNC & TBF)	2010	159,885	-0-	-0-	1,376	7,250	-0-	2,772	171,283
	2009	33,462	-0-	-0-	-0-	-0-	-0-	300	33,762
Heidi DeWyngaert EVP & CLO (BNCFG) President & CLO (BNC)	2010	213,635	-0-	-0-	11,013	29,250	-0-	9,672	263,570
	2009	204,519	-0-	-0-	11,462	39,070	-0-	13,773	268,824
	2008	172,923	-0-	-0-	11,333	15,160	-0-	8,641	208,057
G. Frederick Reinhardt EVP (BNCFG) President (TBF)	2010	188,202	-0-	-0-	2,898	23,125	-0-	7,345	221,570
	2009	117,404	-0-	-0-	-0-	-0-	-0-	4,000	121,404

- (1) These amounts represent the aggregate grant date fair market value of stock option awards made to the executive officers named above, in all cases pursuant to the Stock Option Plans.
- (2) These amounts represent cash bonus incentives earned for performance in 2008, 2009 and 2010, as applicable, pursuant to the Executive Incentive Plans.
- (3) The 2010, amounts listed represent: for Mr. Forgotson, a \$2,400 phone allowance, \$1,481 for the personal use of the Company automobile, an \$11,000 reimbursement for his country club dues and a \$7,350 matching contribution made by the Company's 401(k) Plan; for Mr. Verrico: a \$1,400 phone and travel allowance and a \$1,372 matching contribution made by the Company under the Company's 401(k) Plan; for Ms. DeWyngaert, a \$2,400 phone and travel allowance and a \$7,272 matching contribution made by the Company's 401(k) Plan; and for Mr. Reinhardt, a \$6,000 phone and travel allowance and an \$1,345 matching contribution made by the Company's 401(k) Plan.

Outstanding Equity Awards at March 22, 2011

Name (a)	Option Awards				
	Number of securities underlying unexercised options (#) Exercisable (b)	Number of securities underlying unexercised options (#) Unexercisable (c)	Equity incentive plan awards: Number of securities underlying unexercised unearned options (#) (d)	Option exercise price (\$) (e)	Option expiration date (f)
Merrill Jay Forgotson	-0-	-0-	-0-	-0-	N/A
Ernest J. Verrico, Sr. ⁽¹⁾	4,000	3,200	-0-	11.00	3/4/2020
Heidi DeWyngaert ⁽²⁾	6,000 1,500 2,000 4,000 12,000 1,500	-0- -0- -0- -0- 6,840 1,200	-0- -0- -0- -0- -0- -0-	10.00 14.50 16.00 20.70 20.70 12.64	7/6/2014 3/1/2015 3/29/2016 1/2/2018 3/26/2018 6/23/2019
G. Frederick Reinhardt ⁽³⁾	10,000 1,500	8,000 -0-	-0- -0-	12.64 15.00	6/23/2019 3/22/2021

- (1) Options vest at the rate of 20% per year, with the following vesting dates of 3/4/2011, 2012, 2013, 2014, and 2015. Vesting may be accelerated under the circumstances described in Mr. Verrico's Employment Agreement and the Company's 2002, 2006, and 2007 Stock Option Plans. Total Stock Options awarded are 4,000.
- (2) Options vest at the rate of 33 1/3% per year, with the following vesting dates of 7/6/2004, 2005, 2006; 3/1/2005, 2006, 2007; 3/29/2007, 2008, 2009, 1/28/2009, 2010, 2011; and at a rate of 14 1/4% per year for options issued on 3/36/08 which have the following vesting dates 3/26/2009, 2010, 2011, 2012, 2013, 2014, 2015. Vesting is conditioned on the named individual remaining an employee until the end of each vesting period. Vesting may be accelerated under the circumstances described in Ms. DeWyngaert's employment agreement and the Company's 2002, 2006, and 2007 Stock Option Plans. Total Stock Options awarded are 27,000.
- (3) Options vest at the rate of 20% per year, with the following vesting dates of 6/23/2009, 2010, 2011, 2012, 2013 and 2014; 3/22/2012, 2013, 2014, 2015, 2016. Vesting is conditioned on the named individual remaining an employee until the end of each vesting period. Vesting may be accelerated under the circumstances described in Mr. Reinhardt's employment agreement and the Company's 2002, 2006, and 2007 Stock Option Plans. Total Stock Options awarded are 11,500.

Name	Stock Awards Outstanding at March 22, 2011	
	Number of securities that have not vested	Market value of shares that have not vested
Merrill Jay Forgotson ⁽¹⁾	-20,000-	-\$328,200-
Ernest J. Verrico, Sr. ⁽²⁾	-5,000-	-\$75,000-
Heidi S. DeWyngaert ⁽³⁾	-5,000-	-\$75,000-

- (1) Mr. Forgotson was awarded 30,000 shares of restricted stock on 3/4/2008. The stock was valued at \$16.92 per share and vests over five (5) years as follows: 5,000 shares on 3/4/2009, 2010, 2011, and 7,500 shares as of 3/4/2012 and 2013. Mr. Forgotson was awarded 5,000 shares of restricted stock on 3/22/2011. The stock was valued at \$15.00 per share and vests over two (2) years as follows: 5,000 shares on 3/22/2013.
- (2) Mr. Verrico was awarded 5,000 shares of restricted stock on 3/22/2011. The stock was valued at \$15.00 per share and vests over five (5) years as follows: 1,000 shares on 3/22/2012, 2013, 2014, 2015 and 2016.
- (3) Ms. DeWyngaert was awarded 5,000 shares of restricted stock on 3/22/2011. The stock was valued at \$15.00 per share and vests over five (5) years as follows: 1,000 shares on 3/22/2012, 2013, 2014, 2015 and 2016.

2. Employment Agreements

Mr. Merrill Jay Forgotson entered into a new employment agreement with the Company on March 31, 2011 which provides for an employment period ending on June 6, 2013 with a base salary of \$275,000 and thereafter eligible for annual increases as determined by the Board of Directors. Mr. Forgotson is eligible to participate in the Executive Incentive Compensation Plan with a target bonus equal to thirty percent (30%) of base salary as declared by the Board of Directors based on goals mutually determined by Mr. Forgotson and the Board of Directors (provided that cash incentive payments can't be made to Mr. Forgotson as long as the Bank is participating in the United States Treasury's Capital Purchase Program). He is entitled to benefits similar to those provided for other employees and perquisites customary to his position at the Company. Additionally, the Company agreed to reimburse Mr. Forgotson for his annual country club dues in an amount not to exceed \$11,000 per year. Mr. Forgotson has the use of a Bank automobile and a \$200 per month telephone allowance. Mr. Forgotson's employment agreement provides for change in control protection consisting of a lump sum payment of one times his annual salary and incentive payment and the immediate vesting of his restricted stock following a change in control event. The Agreement also provides for a severance payment of up to 12 months base salary and incentive payment if he is terminated without cause.

Mr. Ernest Verrico was named Chief Financial Officer and Senior Vice President of the Company on September 28, 2009 and was elected Chief Operating Officer in August 2010. Mr. Verrico and the Company have entered into an eighteen-month employment contract, which is from September 28, 2009 through March 30, 2011, which renewed in 2010. Mr. Verrico is eligible for annual salary increases as determined by the Board of Directors. Mr. Verrico is eligible to participate in the Executive Incentive Compensation Plan. He is also entitled to benefits similar to those provided for other employees and a \$300 per month telephone and mileage allowance. Mr. Verrico was granted 4,000 stock options subject to a five-year vesting period. Mr. Verrico's employment agreement provides for change in control protection consisting of a lump sum payment of one times his annual salary if he is terminated following a change in control event. The Agreement also provides for a severance payment of up to three months base salary if he is terminated without cause.

Ms. Heidi DeWyngaert was named the President of The Bank of New Canaan on March 27, 2009. Ms. DeWyngaert and the Company had previously entered into a three-year employment contract on March 10, 2008. This agreement was amended on March 29, 2009 and has been extended to run through March 9, 2013. The amended agreement provides for an annual base salary of \$210,000 effective June 1, 2009. Thereafter, she is eligible for annual salary increases as determined by the Board of Directors. Ms. DeWyngaert is eligible to participate in the Executive Incentive Compensation Plan. She is also entitled to benefits similar to those provided for other employees and a \$200 per month telephone and mileage allowance. Ms. DeWyngaert's employment agreement provides for change in control protection consisting of a lump sum payment of two times her annual salary if she is terminated following a change in control event. The Agreement also provides for a severance payment of up to six months base salary if she is terminated without cause.

Mr. G. Frederick Reinhardt was named the President of The Bank of Fairfield on May 15, 2009. Mr. Reinhardt entered into a new employment agreement with the Company on May 4, 2011 which provides for an employment period ending on May 4, 2012. The agreement provides for an annual base salary of \$194,250. Thereafter he is eligible for annual salary increases as determined by the Board of Directors. Mr. Reinhardt is eligible to participate in the Executive Incentive Compensation Plan. He is also entitled to benefits similar to those provided for other employees and a \$500 per month telephone and mileage allowance. Mr. Reinhardt was granted 10,000 stock options subject to a five-year vesting period. Mr. Reinhardt's employment agreement provides for change in control protection consisting of a lump sum payment of one times his annual salary if he is terminated following a change in control event.

The Agreement also provides for a severance payment of up to six months base salary if he is terminated without cause.

3. Employee Benefits

(a) Stock Option Plan

On June 25, 2003, the Shareholders adopted the 2002 Bank Management, Director and Founder Stock Option Plan (2002 Plan). Under the 2002 Plan, 152,200 shares were made available to be issued as options. On July 26, 2006, the Shareholders approved the 2006 Stock Option Plan (2006 Plan). Under the 2006 Plan, 47,800 shares were made available to be issued as options. On June 27, 2007, Shareholders adopted the 2007 Bank of New Canaan Stock Option and Equity Award Plan, 165,244 shares were made available for issuance as stock options and restricted stock. As of Dec. 31, 2010 of the 365,244 stock awards authorized under the 2002, 2006, and 2007 Plans, 273,628 options have been issued to Employees, Directors and Founders, and 12,000 and 30,000 shares of restricted stock have been issued to Mr. Frederick R. Afragola and Mr. Merrill Jay Forgotson. There were 2,000 options exercised in 2004, 387 options exercised in 2008, 2,000 options exercised in 2009, and 520 options exercised in 2010. There are 44,709 stock awards available to be issued as of December 31, 2010.

The following table sets forth the total number of securities authorized for issuance under equity compensation plans as of December 31, 2010.

	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 restricted shares issued and vested	Number of restricted shares issued but not vested	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by shareholders	273,628	\$14.58	5,000	20,000	44,709
Equity compensation plans not approved by shareholders	0	0	0	0	0
Total	273,628	\$14.58	5,000	20,000	44,709

(b) Qualified Retirement and 401(k) Benefit Plan

The Company and Banks' retirement benefit plan consists solely of a 401(k) Retirement Plan that was effective October 1, 2002. The 401(k) Plan is administered by Mass Mutual, with professional oversight by Rollin Schuster of Schuster – Driscoll & Company. Employees may elect to contribute through salary deductions on a before tax and after tax basis. The maximum contribution per employee allowed by law for 2010 and 2011 was \$16,500 plus an additional "catch-up" contribution of \$5,000 if age 50 or over. The Company provides a discretionary matching contribution, which totaled \$85,943 and \$57,594 for 2010 and 2009, respectively. The Company match is 50% of the first 6% of employee contributions.

4. Indebtedness of Directors, Officers and Management

The aggregate amount of extensions of credit, including overdraft protection, to Directors and Officers, including their immediate families and other associates, was \$5,315,036 as of December 31, 2010. Of the foregoing indebtedness, \$5,305,505 were loans secured by mortgages held on local real estate. All extensions of credit were made in the ordinary course of business on substantially the same

terms, including interest rates, collateral and repayment terms, as those prevailing at the time for comparable transactions with others and do not represent more than a normal risk of collectibility or present other unfavorable features. The Banks expect to have similar banking transactions in the future on comparable terms and conditions. All of these loans are performing as agreed.

5. Transactions with Directors, Officers, and Associates

In addition to the transactions noted above with respect to indebtedness of Directors, Officers and Management and the employment agreements mentioned in this proxy, the Company and its affiliates paid approximately \$315,917 for commission on real estate sold, consulting fees, and legal services. Of this, \$156,792 was paid for commission on real estate sold, \$139,991 for consulting fees and \$19,134 for legal services to firms of which principals are Directors of the Company or its affiliates.

6. Director Compensation

Compensation Philosophy

The Company believes that to successfully recruit and retain talented Directors of the caliber needed to effectively direct the Company, its director compensation package should be within the upper 25% of its banking peer group. The Company considers banks of similar asset size located throughout Connecticut to be the peer group. Additional public survey data may be consulted to assist the Company in determining competitive director compensation. The Company also believes that director compensation should serve to solidify the alignment of the shareholders' interests with that of the Board of Directors and relate to the success of the Company or affiliate. Historically, no Director fees are paid until an affiliate achieves sustained profitability.

Shown below is the Company's 2010 Directors Compensation Structure.

	<u>Director Fees</u>
	<u>2010</u>
	(\$)
Annual Retainers	
Board Chairperson	33,000
Vice Chairman	17,000
Committee Chairperson	1,000
Board Member	2,000
Per Board Meeting	325
Per Committee Meeting	200

This compensation was set by the Board of Directors after careful and extended evaluation and consideration of the recommendation of an independent Consultant hired by the Personnel and Compensation Committee to review the Board's compensation relative to its affiliates and its peer groups.

The Directors of the Company's affiliates are eligible to receive Directors fees from that affiliate. The Company and affiliate fees are reviewed and approved by the Company's Personnel and Compensation Committee. The Company established a Deferred Director Compensation Plan in 2008. Directors who receive fees are eligible to participate in the "BNC Financial Group, Inc. and Affiliates Deferred Compensation Plan for Directors." The Plan is a non-qualified deferred compensation plan designed to enable non-employee directors to defer receipt of compensation on a tax-advantaged basis. The Plan invests solely in the Common Stock of the Company, which is purchased in the open market. The Plan is administered by an independent third party.

The following table sets forth for the year ended December 31, 2010, the compensation paid or awarded by the Company to each of the Directors.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value & Nonqualified Deferred Compensation Earnings	All Other Compensation (\$) ⁽¹⁾	Total (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Eric Dale	\$5,150	0	0	0	0	0	\$5,150
Blake Drexler	38,675	0	0	0	0	0	38,675
James A. Fieber	21,675	0	0	0	0	0	21,675
Mark Fitzgibbon	5,350	0	0	0	0	0	5,350
William J. Fitzpatrick, III	5,275	0	0	0	0	0	5,275
Merrill Jay Forgotson ⁽²⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Christopher Gruseke	4,150	0	0	0	0	0	4,150
Daniel S. Jones	7,800	0	0	0	0	0	7,800
Peter Kirk	4,875	0	0	0	0	0	4,875
Carl Kuehner	4,425	0	0	0	0	0	4,425
Todd Lampert	10,400	0	0	0	0	0	10,400
Victor Liss	5,075	0	0	0	0	0	5,075
Ron Miller	4,675	0	0	0	0	0	4,675
T. Brock Saxe	6,475	0	0	0	0	0	6,475
Total	\$124,000	0	0	0	0	0	\$124,000

- (1) Compensation in the form of perquisites and other personal benefits provided by the Company has been omitted for each Director as the total amount of those perquisites and personal benefits constituted less than \$10,000 for 2010.
- (2) Directors who are Executives of the Company or any of its affiliates are not eligible to receive compensation for their service as a Director.

PROPOSAL 2 - APPROVAL OF THE 2011 BNC FINANCIAL GROUP, INC. STOCK OPTION AND EQUITY AWARD PLAN

On April 27, 2011, the Board of Directors adopted the 2011 BNC Financial Group, Inc. Stock Option and Equity Award Plan (the "2011 Plan"). If shareholders approve, the Plan will become effective September 1, 2011. Attached as Appendix A is the 2011 Plan. All capitalized terms referred to this Proposal 2 have the meanings set forth in the 2011 Plan. The 2011 Plan is designed to reward certain individuals for their efforts and contributions to the success of the Company and the Banks and to provide economic incentive for these contributions. The 2011 Plan will enable such persons to acquire or increase a proprietary interest in the Company, and thus to share in the future success of the Company and the Banks. The availability of the 2011 Plan will contribute to attracting and retaining outstanding personnel who are in a position to make important and direct contributions to the success of the Company and the Banks and to compensate directors for their efforts. The 2011 Plan will serve to promote a closer identity of interests between the Company's shareholders, directors and management. This plan is in addition to the Company's 2002, 2006 and 2007 Plans (collectively, the "Other Plans"), each of which were approved by the Company's shareholders. Awards not yet made under the Other Plans, or which are forfeited under the Other Plans, may be issued under the 2011 Plan. The 2011 Plan includes consideration of the awards that have or could be made under the Other Plans and imposes an overall dilution cap as described below.

The material features of the 2011 Plan:

Shares Available

As with the 2007 Plan, the 2011 Plan provides for issuance of both Incentive Stock Options ("ISO's") having the meaning described in the Internal Revenue Code (the "Code") Section 422(b) and Non-statutory Stock Options ("NSO's"), meaning those stock option not qualifying for the preferential treatment described in Code Section 422(b) as well as restricted stock, restricted stock units and stock appreciation rights. By its terms, the 2011 Plan will expire on the tenth anniversary of its effective date unless terminated earlier by the Board of Directors. The 2011 Plan will be administered by the Personnel and Compensation Committee (the "Compensation Committee"), subject to the terms and conditions of the 2011 Plan. At the present time, no grants have been issued under this Plan, and will not be made before September 1, 2011. The Company expects that a significant portion of the shares available under the 2011 Plan will be used for management recruitment and retention as well as director compensation.

The 2011 Plan provides for an aggregate number of shares reserved and available for issuance in connection with Grants under the 2011 Plan in the amount of (i) 45,000 shares plus (ii) the aggregate number of shares and shares underlying Grants that have not been reserved for issuance under the Other Plans as of September 1, 2011, plus (iii) any shares previously reserved for issuance under the Other Plans that, subsequent to September 1, 2011, pursuant to the terms of the applicable Other Plan, are shares under Grants that remain unexercised at the expiration, forfeiture or other termination of such Grant, or are shares pursuant to a Grant that are forfeited or repurchased and thus become available for re-issuance under the applicable Other Plan; provided, however, that in no event shall the aggregate number of shares reserved and available for issuance under the Other Plans and the 2011 Plan exceed 413,430 shares (or 15% of the Company's issued and outstanding shares as of January 1, 2011). For instance, shares not granted under the Other Plans as of September 1, 2011 and shares that are forfeited or otherwise would be returned to the available grant pool under the applicable Other Plan after September 1, 2011, may be granted under the 2011 Plan instead. Awards may be granted out of authorized but unissued shares, redeemed shares or shares bought on the open market for purposes of the 2011 Plan.

Option Price

The Option Price is to be fixed by the Compensation Committee and stated in each Grant Agreement and, except as set forth hereafter, will not be less than the greater of par value or 100% of the Fair Market Value of a share of Common Stock on the Grant Date of the Option (as determined in good faith by the Compensation Committee). Notwithstanding the foregoing, in the event the Grantee would otherwise be ineligible to receive an Incentive Stock Option by reason of the provisions of Sections 422(b) and 424 of the Code (both relating to stock ownership of more than 10%), the Option Price of an Option that is intended to be an Incentive Stock Option will be not less than the greater of par value or 110% of the Fair Market Value of a share of Common Stock on the Grant Date of such Option. Payment of the Option Price is to be made in cash or in such other form as the Compensation Committee may approve, including shares of Common Stock valued at the Fair Market Value on the date of exercise of the Option, or a combination of cash and/or such other form of property, or by delivery of a properly executed exercise notice together with irrevocable instructions to a broker to deliver promptly to the Company sale or loan proceeds sufficient to pay the Option Price.

Vesting and Termination of Options

Options will be exercisable in full at any time during their term, or be exercisable in cumulative or non-cumulative installments as specified in the grantee's Grant Agreement. Each Option granted under the 2011 Plan will be exercisable only during a Term commencing on the Grant Date, unless otherwise specified in the Grant Agreement, and ending (unless the Option shall have terminated earlier under other

provisions of the 2011 Plan) on a date to be fixed by the Compensation Committee but in no event later than the tenth anniversary of its date of grant; provided, however, that in the event the Grantee would otherwise be ineligible to receive an Incentive Stock Option by reason of the provisions of Section 422(b) and 424(d) of the Code (both sections relating to stock ownership of more than 10%), an Option granted to such Grantee that is intended to be an Incentive Stock Option will in no event be exercisable after the expiration of five years from the date it is granted. Stock option awards shall become fully vested upon a Change of Control or if the participant's employment or service terminates due to retirement, death or disability.

Terms of Restricted Stock/Unit Awards

Subject to the terms of the 2011 Plan, the Compensation Committee has the authority to determine the number of shares subject to each restricted stock award and the dates on which a restricted stock award will vest. Generally, the participant has all of the rights of a shareholder of the Company with respect to the shares subject to a restricted stock award, including, but not limited to, the right to vote and the right to receive dividends.

Restricted stock awards vest over time or at once, as determined by the Compensation Committee. Restricted stock awards shall become fully vested upon a Change of Control or if the participant's employment or service terminates due to retirement, death or disability. To the extent determined by the Compensation Committee, a participant may be deemed not to have a separation from service under certain circumstances.

Restricted Stock Units ("RSUs") are rights to receive shares of Common Stock or cash based on the value of Common Stock at the end of the restriction period, as the Compensation Committee may determine. Dividends equivalents, if any, may be credited to RSU holders, but not paid until delivery of the shares. A grantee of a RSU has none of the rights of a Company shareholder unless and until shares of Common Stock are delivered in satisfaction of such RSUs.

Terms of Stock Appreciation Rights

Subject to the terms of the 2011 Plan, the Compensation Committee may grant a stock appreciation right ("SAR") to any eligible participant. A SAR entitles the participant to surrender to the Company any then exercisable portion of the SAR in exchange for that number of shares of Common Stock, cash, or both having an aggregate Fair Market Value on the date of surrender equal to the product of (a) the excess of the Fair Market Value of a share of Common Stock on the date of surrender over the Base Price established by the Compensation Committee, which shall be the Fair Market Value of a share of Common Stock on the date the SAR was granted, and (b) the number of shares subject to such SAR.

SARs may become exercisable in full or in installments according to a vesting, as the Compensation Committee may determine. SARs shall become fully vested and exercisable upon a Change of Control or if the participant's employment or service terminates due to retirement, death or disability.

Modification of the 2011 Plan

The Board of Directors may at any time terminate, suspend or modify the 2011 Plan but the Board may not, without the authorization of the holders of a majority of the outstanding shares present or represented and entitled to vote, effect any change (other than through adjustments for changes in capitalization) which (a) increases the aggregate number of shares for which Grants may be made; (b) changes the class of employees eligible to receive Grants; (c) lowers the minimum Option Price or Base Price or otherwise materially increases the benefits accruing to Grantees through awards under the 2011

Plan; (d) renders any member of the Compensation Committee eligible to receive Grants while serving thereon greater than specifically provided in the 2011 Plan; (e) extends the effective period of the 2011 Plan; or (f) removes the restrictions that apply to Employee-Directors voting on 2011 Plan amendments. No termination, suspension or modification of the 2011 Plan will adversely affect any right acquired by any Grantee or any successor under the terms of a Grant granted before the date of such termination, suspension or modification, unless such Grantee or successor consents; but it will be conclusively presumed that any adjustment for changes in capitalization as provided in the 2011 Plan does not adversely affect any such right.

Management recommends that shareholders vote FOR the approval of the 2011 BNC Financial Group, Inc. Stock Option and Equity Award Plan. A majority of the votes cast by the shareholders present at the Annual Meeting in person or by proxy and entitled to vote is required to approve the Plan.

OTHER MATTERS

The Board of Directors is not aware of any matters proposed to be brought before the meeting other than the matters described herein. If any other matters are properly brought before the meeting, it is the intention of the persons authorized to vote the proxies to do so in accordance with their judgment in the best interests of the Company with respect to such matters.

BY ORDER OF THE BOARD OF DIRECTORS



Merrill Jay Forgotson
Chief Executive Officer

May 19, 2011

Appendix A

2011 BNC FINANCIAL GROUP, INC. STOCK OPTION AND EQUITY AWARD PLAN

**ARTICLE I
PURPOSE**

BNC Financial Group, Inc. is a dynamic and growing bank holding company that wishes to continue to promote a close identity between the interests of its shareholders and management. It also wishes to continue to attract and retain employees and directors and provide equity incentives for their efforts. In furtherance thereof, the 2011 BNC Financial Group, Inc. Stock Option and Equity Award Plan, which includes consideration of the grants from prior plans and imposes an overall cap on dilution to shareholders from all such plans, is designed as a further means of attracting and retaining these individuals and others who are in a position to make important and direct contributions to the Company's success.

**ARTICLE II
DEFINITIONS**

Section 2.1. Definitions.

Whenever used herein, the following terms shall have the meanings set forth below:

"BNC" means The Bank of New Canaan.

"BNCFG" means each of BNC Financial Group, Inc., The Bank of New Canaan and The Bank of Fairfield, collectively or individually, as the context so requires.

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

"Code" means the Internal Revenue Code of 1986, as amended, and the regulations thereunder.

"Committee" means the Board's Personnel and Compensation Committee or any similar committee designated by the Board to serve the functions of the Committee under the Plan. The Committee's responsibilities may be performed by the Board as a whole.

"Common Stock" means the Company's Common Stock, no par value per share.

"Company" means BNC Financial Group, Inc.

"Director" means a member of the Board.

"Disability," as applied to a Grantee, shall have the meaning set forth in Section 22(e)(3) of the Code.

"Eligible Grantee" means such persons referred to in Article IV including Directors and officers of the Company and directors, officers and other employees of the Banks.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Fair Market Value" shall be determined by the Committee as follows:

(i) If the Common Stock is readily tradeable on an established securities market, the fair market value shall be the average trading price of the stock for the 30-day period preceding the date of Grant. For these purposes, an over-the-counter market may be considered an established securities market; or

(ii) If the Committee determines, in its reasonable discretion based on available information, that the Common Stock is not "readily tradeable" (even if listed on an established securities market), the Committee may consider such other information as, in its discretion, it determines is appropriate to more accurately determine fair market value on the date of grant.

"Grant" means individually or collectively, an award granted under the Plan of Incentive Stock Options or Non-Qualified Stock Options (Incentive Stock Options and Non-statutory Stock Options are collectively referred to as "Options"), Restricted Stock, Restricted Stock Units and/or Stock Appreciation Rights (hereinafter collectively referred to as "Grants").

"Grant Agreement" means a written agreement in a form approved by the Committee to which is executed by an authorized member of the Committee and by the Grantee.

"Grantee" means an Eligible Grantee to whom a Grant is made.

"Grant Date," as used with respect to a Grant, means the date on which such Grant is granted by the Committee pursuant to the Plan as set forth in 6.1, 7.1 and 8.1 of the Plan.

"Incentive Stock Option" means an Option described in Code Section 422(b).

"Non-Employee Director" means a member of the Board who is not an employee of BNCFG or any Subsidiary.

"Non-Qualified Stock Option" means an Option that is not an Incentive Stock Option. All Options shall be Non-Qualified Stock Options unless identified as Incentive Stock Options.

"Option" means the right to purchase, at a price and for the term fixed by the Committee in accordance with the Plan, and subject to such other limitations and restrictions in the Plan and the applicable Grant Agreement, a number of Shares determined by the Committee.

"Option Price" means the exercise price per Share set by the Committee in accordance with Section 6.3 of the Plan.

"Other Plans" means the Company's 2002 Bank Management, Director and Founder Stock Option Plan, the Company's 2006 Stock Option Plan and the Company's 2007 Stock and Equity Award Plan, collectively.

"Performance Goal" means the objectives for the Eligible Grantee that may be established by the Committee for a Performance Period with respect to any performance-based Grants contingently awarded under the Plan. The Performance Goals shall be based on criteria, either individually or in any combination, specified by the Committee, applied individually, and measured over a period of time including any portion of a year, annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparison group, in each case as determined by the Committee. Notwithstanding the foregoing, the Committee may, at its discretion, adjust Performance Goals as it considers necessary or appropriate.

"Performance Period" means the period selected by the Committee during which the performance of any Eligible Grantee is measured for the purpose of determining the extent to which a performance-based Grant subject to Performance Goals has been earned.

"Plan" means The 2011 BNC Financial Group, Inc. Stock Option and Equity Award Plan, as amended from time to time.

"Retirement," as applied to an officer or other employee, shall mean when the officer's or other employee's employment with BNCFG or any present or future parent or Subsidiary of BNCFG terminates upon or after such person's age and complete years of service with BNCFG and Subsidiaries (measured as complete 12 month periods following one's first day of employment) equals 65.

"Retirement," as applied to a Non-Employee Director, shall mean the end of a sitting Non-Employee Director's first term expiration after he or she reaches age 65.

"Restricted Stock" is a Grant described in Article VII of the Plan.

"Restricted Stock Units" is a Grant described in Article VII of the Plan.

"Stock Appreciation Right" is a Grant described in Article VIII of the Plan.

"Shares" means shares of Common Stock.

"Subsidiary" means an entity of which, at the time such subsidiary status is to be determined, at least 50% of the total combined voting power of all classes of stock of such entity is held by BNCFG and their respective Subsidiaries (exclusive of ownership by the entity whose subsidiary status is being determined).

"Successor" means the legal representative of the estate of a deceased Grantee or the person or persons who shall acquire the right to exercise an Option by bequest or inheritance or by reason of the death of the Grantee.

"TBF" means The Bank of Fairfield.

"Term" means the period during which a particular Option or Stock Appreciation Right may be exercised.

**ARTICLE III
ADMINISTRATION**

Section 3.1. Effective Date and Duration of Plan. The effective date of the Plan is September 1, 2011 (the "Effective Date"), subject to the approval of the shareholders of the Company. The Plan shall terminate on, and no Grant shall be made hereunder on or after, on the tenth (10th) anniversary of the Effective Date; provided, however, that the Board may at any time prior to that date terminate the Plan.

Section 3.2. Administration of the Plan.

(a) The Plan shall be administered by the Committee. The Committee shall consist of at least two "Non-Employee Directors" as defined in Rule 16b-3 under the Exchange Act. Subject to the limitations of Section 3.2(b) hereof, nothing herein shall be deemed to prohibit any employee director from serving on the Committee for purposes unrelated to the Plan. The Committee shall have the responsibility of construing and interpreting the Plan and of establishing and amending such rules and regulations as it deems necessary or desirable for the proper administration of the Plan. Any decision or action taken or to be taken by the Committee, arising out of or in connection with the construction, administration, interpretation and effect of the Plan and of its rules and regulations, shall, to the extent permitted by law, be within its absolute discretion (except as otherwise specifically provided herein) and shall be conclusive and binding upon all Grantees and any person claiming under or through any Grantee.

(b) Any member of the Board or the Committee who is not a "Non Employee Director" shall be without vote on (i) any proposed amendment to the Plan, or (ii) any other matter which might affect such member's individual interest under the Plan; nor shall such member's presence be counted in determining whether a quorum is present at any meeting at which a vote involving the Plan or individual rights thereunder is taken.

**ARTICLE IV
ELIGIBILITY AND PARTICIPATION**

The Committee shall select the officers and other employees of BNCFG who are eligible to receive Grants under the Plan. All Directors and directors of each Bank shall also be eligible to receive Grants under the Plan.

**ARTICLE V
GRANTS**

Section 5.1. Grants.

(a) Type of Grants under the Plan. Grants may consist of awards of Options, Restricted Stock, Restricted Stock Units and/or Stock Appreciation Rights. Grants may be awarded singly or in combination with other Grants. All Grants shall be subject to the terms and conditions set forth herein and to such other terms and conditions consistent with this Plan as the Committee deems appropriate and as are specified in writing by the Committee to the Grantee in the Grant Agreement. The Committee shall approve the form and provisions of each Grant Agreement.

(b) Grant Determination. The Committee shall have plenary authority, subject to the provisions of the Plan, to (i) determine the type, size and terms of Grants to be awarded to each Grantee; (ii) determine the time when the Grants will be made and the duration of any applicable exercise or restriction period, including the criteria for acceleration of exercisability of Options and Stock Appreciation Rights, provided that no Incentive Stock Option shall be granted which is exercisable after the expiration of ten (10) years from the date it is granted, (iii) accelerate the vesting of all or any portion of Grants, (iv) if applicable, establish and review Grantee's performance against applicable Performance Goals for the Performance Period, and (v) establish such rules and regulations or take such action as it deems necessary or advisable for the proper administration of the Plan, including the authority to re-grant forfeited awards and to determine to whom such awards shall be granted. The Committee's consideration of Grants to be made under the Plan to employees shall be made in consultation with and after considering the recommendations of the Chief Executive Officer of the Company and/or Banks.

Section 5.2. Shares Subject to the Plan. Subject to adjustment in accordance with Sections 5.3, the aggregate number of Shares reserved and available for issuance in connection with Grants under the Plan shall be (i) 45,000 Shares, plus (ii) the aggregate number of Shares and Shares underlying Grants that have not been reserved for issuance under the Other Plans as of September 1, 2011, plus (iii) any Shares previously reserved for issuance under the Other Plan that subsequent to September 1, 2011, pursuant to the terms of the applicable Other Plan, are Shares under Grants that remain unexercised at the expiration, forfeiture or other termination of such Grant, or are Shares pursuant to a Grant that are forfeited or repurchased and thus become available for re-issuance under the applicable Other Plan; provided, however, that in no event shall the aggregate number of Shares reserved and available for issuance under the Other Plans and the Plan exceed 413,430 Shares (or 15% of the Company's issued and outstanding shares as of January 1, 2011).

If and to the extent (i) Options or Stock Appreciation Rights granted under the Plan terminate, expire, or are canceled, forfeited, exchanged or surrendered without having been exercised (other than for reasons of the Exercise Price of the Option or the Base Amount of the Stock Appreciation Right being less than the current Fair Market Value thereof), or (ii) any shares of Restricted Stock or Restricted Stock Units are forfeited, or (iii) Shares are used by the Grantee to pay withholding taxes or as payment for the Exercise Price of the Option or the Base Amount of the Stock Appreciation Right, then the Shares not made the subject of Grants, and the Shares subject to such terminated, expired, canceled, forfeited, exchanged or surrendered Grants shall again be available for purposes of the Plan in addition to the number of Shares made the subject of awards that are otherwise available for Grants. Shares issued hereunder may consist, in whole or in part, of authorized and unissued shares or treasury shares.

Section 5.3. Effect of Changes in Capitalization.

(a) Changes in Common Stock. If the outstanding Shares are increased or decreased or changed into or exchanged for a different number or kind of shares or other securities of the Company by reason of any recapitalization, reclassification, stock split-up, combination of shares, exchange of shares, stock dividend or other distribution payable in capital stock, or other increase or decrease in such shares effected without receipt of consideration by the Company, occurring after the effective date of the Plan, the number and kind of Shares available for Grants, the number of Shares covered by outstanding Grants and the price per share or the applicable

market value of such Grants, including a per share exercise price of Options and Stock Appreciation Rights, shall be adjusted by the Committee as it deems equitable and appropriate under the circumstances. This paragraph shall not apply to any merger between BNC and TBF.

(b) Reorganization in Which the Company is the Surviving Company. Subject to subsection (c) hereof, if the Company shall be the surviving company in any reorganization, merger, or consolidation of the Company with one or more other companies, any Grant theretofore awarded pursuant to the Plan shall pertain to and apply to the securities to which a holder of the number of Shares subject to such Grant would have been entitled immediately following such reorganization, merger, or consolidation, shall be adjusted proportionately and accordingly by the Committee to reflect any increase or decrease in the numbers of or change the kind or value of issued Shares to preclude, to the extent practicable, the enlargement or dilution of rights and benefits under such Grants; provided, however, that any fractional shares resulting from such adjustment shall be eliminated prior to such reorganization, merger, or consolidation. This paragraph shall not apply to any merger between BNC and TBF.

(c) Reorganization in Which the Company is Not the Surviving Company or Sale of Assets or Stock. Upon the dissolution or liquidation of the Company, or upon a merger, consolidation or reorganization of the Company with one or more other companies in which the Company is not the surviving company, or upon a sale of all or substantially all of the assets of the Company to another company, or upon any transaction approved by the Board which results in any person or entity owning 80% or more of the combined voting power of all classes of stock of the Company, the Plan and all Grants outstanding hereunder shall terminate, except to the extent provision is made in writing in connection with such transaction for the continuation of the Plan and/or the assumption of the Grants theretofore awarded, or for the substitution for such Grants covering the stock of a successor company, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kinds of shares and exercise prices, in which event the Plan and Grants theretofore awarded shall continue in the manner and under the terms so provided. In the event of any such termination of the Plan, each individual holding a Grant shall have the right (subject to the general limitations as otherwise specifically provided in the Grant Agreement relating to such Grant), immediately prior to the occurrence of such termination and during such period occurring prior to such termination as the Committee in its sole discretion shall determine and designate, to exercise or settle such Grant in whole or in part, whether or not such Grant was otherwise exercisable or available for settlement at the time such termination occurs and without regard to any installment limitation on exercise imposed pursuant to the Plan. The Committee shall send written notice of an event that will result in such a termination to all individuals with outstanding rights pursuant to such Grants not later than the time at which the Company gives notice thereof to its shareholders. This paragraph shall not apply to any merger between BNC and TBF.

(d) Adjustments. Adjustments under this Article V related to stock or securities of the Company shall be made by the Committee whose determination in that respect shall be final, binding, and conclusive. No fractional Shares or shares of other securities shall be issued pursuant to any such adjustment, and any fractions resulting from any such adjustment shall be eliminated in each case by rounding downward to the nearest whole share or unit.

(e) No Limitations on Company. The Grants of awards pursuant to the Plan shall not affect or limit in any way the right or power of the Company to make adjustments,

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

(f) Issuance of Securities. Except as provided in this Section 5.3, the issuance by the Company of Shares or securities convertible into shares of Common Stock of any class, shall not affect the outstanding Grants.

ARTICLE VI OPTIONS

Section 6.1. Grant of Options: Number and Source of Shares Subject to the Plan.

(a) The Committee may award Options to a Grantee subject to the limits under Section 5.2. The number of Shares which may be sold pursuant to Options under the Plan shall be determined consistent with limits under Article V of the Plan. Any Shares to be delivered by the Company upon the exercise of Options may, at the discretion of the Directors, be authorized but unissued Shares, reacquired Shares or Shares bought on the market for purposes of the Plan.

(b) The Committee may award available Options (including re-grant of forfeited Options) to Non-Employee Directors at an Option Price equal to the Fair Market Value on the Grant Date; provided, further, that Options may be awarded to Non-Employee Directors while serving thereon as a director of BNCFG.

(c) The Grant Date of an Option shall be the date on which the Committee's action is final or such later date as specified by the Committee.

(d) In the event that any Option expires, lapses or otherwise terminates prior to being fully exercised, any Share allocable to the unexercised portion of such Option may again be made subject to an Option.

Section 6.2. Limitation on Incentive Stock Options. The aggregate Fair Market Value (determined at the date an Incentive Stock Option is granted) of the Shares with respect to which Incentive Stock Options are exercisable for the first time by a Grantee during any calendar year (under the Plan or any other plan maintained by the Company or its Subsidiaries) shall not exceed \$100,000. Options so exceeding the \$100,000 level, if any, shall be Non-Qualified Stock Options.

Section 6.3. Option Price. The Option Price shall be fixed by the Committee and stated in each Grant Agreement and, except as set forth hereafter, shall be not less than the greater of par value or 100% of the Fair Market Value of a Share on the Grant Date of the Option (as determined in good faith by the Committee). Notwithstanding the foregoing, in the event the Grantee would otherwise be ineligible to receive an Incentive Stock Option by reason of the provisions of Sections 422(b)(6) and 424(d) of the Code (relating to stock ownership of more than 10%), the Option Price of an Option that is intended to be an Incentive Stock Option shall be not less than the greater of par value or 110% of the Fair Market Value of a Share on the Grant Date of such Option. The Committee may not modify the applicable Option Price set on the Grant Date established in accordance with Section 6.1(c) and this Section 6.3. Payment of the Option Price shall be made in cash or in such other form as the Committee may approve, including Shares valued at the Fair Market Value on the date of exercise of the Option, or a

combination of cash and/or such other form of property, or by delivery of a properly executed exercise notice together with irrevocable instructions to a broker to deliver promptly to the Company sale or loan proceeds sufficient to pay the Option Price.

Section 6.4. Terms and Exercise of Options; Limitations on Exercise and Transferability of Options.

(a) Each Option granted under the Plan shall be exercisable only during a Term commencing on the Grant Date, unless otherwise specified in the Grant Agreement, and ending (unless the Option shall have terminated earlier under other provisions of the Plan) on a date to be fixed by the Committee but in no event later than the tenth anniversary of its date of grant; provided, however, that in the event the Grantee would otherwise be ineligible to receive an Incentive Stock Option by reason of the provisions of Sections 422(b)(6) and 424(d) of the Code (relating to stock ownership of more than 10%), an Option granted to such Grantee that is intended to be an Incentive Stock Option shall in no event be exercisable after the expiration of five years from the date it is granted.

(b) The Committee shall have authority to grant Options exercisable in full at any time during their Term, or exercisable in cumulative or non-cumulative installments.

(c) Notwithstanding the provisions of subparagraph (b) hereof, an Option or portion thereof that has vested shall become fully exercisable upon the occurrence of the Grantee's death or withdrawal from the Board by reason of such person's Retirement or Disability, or on the day preceding a reorganization in which the Company is not the surviving company or sale of assets or stock as described in Section 5.3.

(d) Options shall be exercised in whole or in part in accordance with the procedures set forth in the Grantee's Grant Agreement.

(e) Subject to the provisions of subsection (f) hereof, upon compliance by the Grantee with such terms of exercise, the Company shall promptly deliver to the Grantee a certificate or certificates for the Shares purchased, without charge to the Grantee for any issue or transfer tax.

(f) The Committee may postpone any exercise of an Option for such time as the Committee in its discretion may deem necessary, in order to permit the Company with reasonable diligence to determine that the Shares are qualified for delivery under such securities laws and regulations as the Committee may deem to be applicable thereto; and the Company shall not be obligated by virtue of any Grant Agreement or any provision of the Plan to recognize the exercise of an Option to sell or issue Shares in violation of any applicable law. Any such postponement shall not extend the Term of an Option; and neither BNCFG nor its respective directors or officers shall have any obligation or liability to the Grantee of an Option, or to the Grantee's Successor, with respect to any Shares as to which the Option shall lapse because of such postponement.

(g) All Options granted under the Plan shall not be transferable other than by will or by the laws of descent and distribution or pursuant to a qualified domestic relations order as

defined by the Code or Title I of ERISA, or the rules thereunder, and may be exercised during the lifetime of the Grantee only by the Grantee, except the Committee may permit:

- (i) exercise, during the Grantee's lifetime, by the Grantee's guardian or legal representative;
- (ii) transfer, upon the Grantee's death, to beneficiaries designated by Grantee in a manner authorized by the Committee, provided that the Committee determines that such exercise and such transfer are, with respect to an Incentive Stock Option, consistent with the requirements of Section 422(b)(5) of the Code; and
- (iii) transfers for estate or other personal financial planning purposes, if the Committee determines that such transaction is not inconsistent with the purposes of this Plan, in its discretion.

(h) Upon the exercise of a Non-Qualified Stock Option by the Grantee, the stock certificate or certificates may, at the request of the Grantee, be issued in the Grantee's name and the name of another person as joint tenants with right of survivorship.

(i) The Committee may provide, in the Grant Agreement, for the lapse of the Option, prior to the expiration of its Term, upon the occurrence of any event specified by the Committee. The Committee may also provide, in the Grant Agreement or by subsequent determination, for extension of a Term of an Option beyond a termination of employment, provided the Term is not extended beyond its original expiration date or, if earlier, the 10th anniversary date following the Grant Date.

(j) A person electing to exercise an Option shall give written notice, in such form as the Committee may require, of such election to the Company and shall tender to the Company the full Option Price of the Shares for which the election is made.

Section 6.5. Exercise of Options by Grantee on Cessation of Employment. Except as otherwise specifically provided for herein, employment for the purposes of this Section shall mean continuous full-time salaried employment with either BNCFG or a Subsidiary, except vacations, sick leaves and other approved absences and severance pay periods shall be disregarded. Employment for the purposes of this section may, at the discretion of the Committee, also include continuous full-time salaried employment with a former Subsidiary under circumstances as determined by the Committee, which determination can be made either at the time of granting an Option or afterward. The following limitations shall apply to any provisions the Committee shall make in a Grant Agreement for exercises of Options following cessation of employment.

(a) Except as provided in Section 6.5 (b), (c) and (e) below, in the event Grantee ceases to be an employee of BNCFG or a Subsidiary through involuntary termination without cause by BNCFG or any voluntary termination, all Options held by such Grantee shall lapse on the date that is the earlier of (i) ninety (90) days following such termination, or (ii) the expiration date set forth in such Option.

(b) If such termination is due to Retirement, all Options held by such Grantee shall lapse on the date that is the earlier of (i) ninety (90) days after such termination in the case of the exercise of an Incentive Stock Option, except as otherwise provided in Section (d) below, and, such period of time as determined by the Committee and set forth in the Agreement evidencing such Option in the case of the exercise of a Non-Qualified Stock Option, or (ii) the expiration date set forth in such Option.

(c) If such termination is due to death or Disability, all Options held by such Grantee shall lapse on the date that is the earlier of (i) one (1) year after such termination in the case of the exercise of an Incentive Stock Option, except as otherwise provided in Section (d) below, and, such period of time as determined by the Committee and set forth in the Agreement evidencing such Option in the case of the exercise of a Non-Qualified Stock Option, or (ii) the expiration date set forth in such Option.

(d) An Incentive Stock Option not exercised within ninety (90) days after the date of termination due to Retirement or within twelve (12) months after the date of termination due to Disability or death shall not lapse and may be exercised within such period of time as determined by the Committee after the date of such termination to the extent set forth in the Agreement evidencing such Option (as the permitted period of exercise in such circumstances of a Non-Qualified Stock Option) but will no longer be eligible for the treatment afforded Incentive Stock Options under Section 422 of the Code.

(e) If a Grantee should die while employed by BNCFG or a Subsidiary or after Disability or Retirement, any Option previously granted to the Grantee under this Plan may be exercised by the person designated in such Grantee's last will and testament or, in the absence of such designation, by the Grantee's estate, to the full extent that such Option could have been exercised by such Grantee immediately prior to the Grantee's death, but not later than the anniversary of the Grantee's death in the case of the exercise of an Incentive Stock Option and such period of time as determined by the Committee and set forth in the Agreement evidencing such Option in the case of the exercise of a Non-Qualified Stock Option.

(f) No exercises may occur after expiration of the Term of the Option.

(g) In the event Grantee ceases to be an employee of BNCFG through involuntary termination for cause, all Options held by such Grantee shall lapse immediately upon such termination. "For Cause" shall be determined by the Directors or with reference to the employee's employment agreement, if any.

Section 6.6. Exercise of Options by Grantee other than on Cessation of Employment.

(a) In the event Grantee ceases to be a Non-Employee Director through removal for cause by BNCFG all Options held by such Grantee shall lapse immediately upon removal as a director.

(b) In the event Grantee ceases to be a Non-Employee Director due to Retirement, death or Disability, or for any other reason other than removal for cause, all Options held by such Grantee shall vest immediately if not earlier vested, and shall continue until the expiration of the Term.

- (c) No exercises may occur after expiration of the Term of the Option.

**ARTICLE VII
RESTRICTED STOCK AND RESTRICTED STOCK UNITS**

Section 7.1 (a) Restricted Stock Grants. Subject to the limits under Section 5.2, the Committee may award Shares to a Grantee with such restrictions as the Committee deems appropriate ("Restricted Stock").

(b) General Requirements. Shares issued or transferred pursuant to Restricted Stock Grants may be awarded pursuant to conditions established by the Committee under which restrictions on shares of Restricted Stock shall lapse over a period of time or according to such other criteria as the Committee deems appropriate. The period of time during which the Restricted Stock will remain subject to restrictions (the "Restriction Period") will be designated in the Grant Agreement.

(c) Number of Shares. The Committee shall determine the number of Shares to be awarded pursuant to a Restricted Stock Grant and the restrictions applicable to such Shares, subject to the limitations contained in Section 5.2.

(d) Disposition of Restricted Stock on Cessation of Employment. Except as otherwise specifically provided for herein, employment for the purposes of this subsection shall mean continuous full-time salaried employment with BNCFG or a Subsidiary, except vacations, sick leaves and other approved absences and severance pay periods shall be disregarded. Employment for the purposes of this subsection may, at the discretion of the Committee, also include continuous full-time salaried employment with a former Subsidiary under circumstances as determined by the Committee, which determination can be made either at the time of the Restricted Stock Grant or afterward. The following limitations shall apply to any provisions the Committee shall make in a Grant Agreement as to all shares covered by the Restricted Stock Grant following cessation of employment.

(i) Except as provided in paragraphs (ii), (iii) and (iv) below, in the event Grantee ceases to be an employee of BNCFG or a Subsidiary during the Restriction Period through involuntary termination without cause by BNCFG or any voluntary termination, the Restricted Stock Grant to such Grantee shall terminate as to all Shares covered by such Grant as to which the restrictions have not lapsed.

(ii) If such termination is due to Retirement, the Restricted Stock Grant to such Grantee shall vest immediately prior to termination.

(iii) If such termination is due to death or Disability, the Restricted Stock Grant to such Grantee shall vest immediately prior to termination.

(iv) If a Grantee should die while employed by BNCFG or a Subsidiary or after Disability or Retirement, any Restricted Stock Grant made to the Grantee under this Plan may be settled by the person designated in such Grantee's last will and testament or, in the absence of such designation, by the Grantee's estate, to the full extent that such Restricted Stock Grant could have been settled by such

Grantee immediately prior to the Grantee's death, but not later than such period of time as determined by the Committee and set forth in the Grant Agreement evidencing such Grant.

(v) In the event Grantee ceases to be an employee of BNCFG or a Subsidiary through involuntary termination for cause, the Restricted Stock Grant to such Grantee shall terminate as to all Shares covered by such Grant immediately upon such involuntary termination. "For Cause" shall be determined by the Directors or with reference to the employee's employment agreement, if any.

(e) Disposition of Restricted Stock by Grantee other than on Cessation of Employment.

(i) In the event Grantee ceases to be a Non-Employee Director through removal for cause by BNCFG the Restricted Stock Grant to such Grantee shall terminate as to all Shares covered by such Grant immediately upon removal as a director.

(ii) In the event Grantee ceases to be a Non-Employee Director due to Retirement, death or Disability, or any reason other than removal for cause, the Restricted Stock Grant to such Grantee shall vest immediately prior to such cessation.

(f) Restrictions on Transfer and Legend on Share Certificate. During the Restriction Period, a Grantee may not sell, assign, transfer, pledge or otherwise dispose of the shares of Restricted Stock except to a permitted Successor. The Committee may determine that the Company will issue certificates for shares of Restricted Stock, in which case each certificate for a share of Restricted Stock shall contain a legend giving appropriate notice of the restrictions in the Grant. The Grantee shall be entitled to have the legend removed from the share certificate covering the Shares subject to restrictions when all restrictions on such Shares have lapsed. The Committee may determine that the Company will not issue certificates for shares of Restricted Stock until all restrictions on such Shares have lapsed, or that the Company will retain possession of certificates for shares of Restricted Stock until all restrictions on such Shares have lapsed.

(g) Right to Vote and to Receive Dividends. Unless the Committee determines otherwise, in its discretion, the Grantee shall have the right to vote Restricted Stock. From the date of the Restricted Stock Grant through the earlier of (i) the date such Restricted Stock is forfeited, and (ii) the date certificates evidencing Shares are delivered, the Grantee shall be entitled to receive dividends or other distributions paid on such Shares; as deemed appropriate by the Committee; provided, however, that any such dividend equivalents shall not be payable unless and until the date certificates evidencing the Shares are delivered to the Grantee as provided above.

(h) Lapse of Restrictions. All restrictions imposed on Restricted Stock shall lapse upon the expiration of the applicable Restriction Period and the satisfaction of all conditions imposed by the Committee. The Committee may determine, as to any or all Restricted Stock Grants, that the restrictions shall lapse without regard to any Restriction Period.

Section 7.2. Restricted Stock Unit Grants.

(a) Restriction Period. Subject to the limits under Section 5.2, the Committee may grant Restricted Stock Units to Grantees representing the right to receive Shares, cash, or both, as determined by the Committee. At the end of the Restriction Period, cash or Shares or both shall be delivered to the Grantee (unless previously forfeited). Restricted Stock Units may not be sold, assigned, transferred, pledged or otherwise encumbered during the Restriction Period. A Grantee of Restricted Stock Units shall have none of the rights of a holder of Common Stock unless and until Shares are actually delivered in satisfaction of such Restricted Stock Units.

(b) Number of Units. The Committee shall determine the number of Restricted Stock Units pursuant to a Restricted Stock Unit Grant and the restrictions applicable to such shares, subject to the limitations contained in Section 5.2.

(c) Disposition of Restricted Stock Units on Cessation of Employment. Except as otherwise specifically provided for herein, employment for the purposes of this subsection shall mean continuous full-time salaried employment with BNCFG or a Subsidiary, except vacations, sick leaves and other approved absences and severance pay periods shall be disregarded. Employment for the purposes of this subsection may, at the discretion of the Committee, also include continuous full-time salaried employment with a former Subsidiary under circumstances as determined by the Committee, which determination can be made either at the time Restricted Stock Units are granted or afterward. The following limitations shall apply to any provisions the Committee shall make in a Grant Agreement as to all shares covered by the grant of Restricted Stock Units following cessation of employment.

(i) Except as provided in paragraphs (ii), (iii) and (iv) below, in the event Grantee ceases to be an employee BNCFG or a Subsidiary during the Restriction Period through involuntary termination without cause by the BNCFG or any voluntary termination, the Restricted Stock Units awarded to such Grantee shall terminate as to all Shares covered by such Grant as to which the restrictions have not lapsed.

(ii) If such termination is due to Retirement, the Restricted Stock Units awarded to such Grantee shall vest immediately prior to such termination.

(iii) If such termination is due to death or Disability, the Restricted Stock Units awarded to such Grantee shall vest immediately prior to such termination.

(iv) If a Grantee should die while employed by BNCFG or a Subsidiary or after Disability or Retirement, any grant of Restricted Stock Units made to the Grantee under this Plan may be settled by the person designated in such Grantee's last will and testament or, in the absence of such designation, by the Grantee's estate, to the full extent that such award of Restricted Stock Units could have been settled by such Grantee immediately prior to the Grantee's death, but not later than such period of time as determined by the Committee and set forth in the Grant Agreement evidencing such Grant.

(v) In the event Grantee ceases to be an employee of BNCFG or a Subsidiary through involuntary termination for cause, the award of Restricted Stock Units to such Grantee shall terminate as to all Shares covered by such Grant immediately upon such involuntary termination. "For Cause" shall be determined by the Directors or with reference to the employee's employment agreement, if any.

(d) Disposition of Restricted Stock Units by Grantee other than on Cessation of Employment.

(i) In the event Grantee ceases to be a Non-Employee Director through removal for cause by BNCFG, the award of Restricted Stock Units to such Grantee shall terminate as to all Shares covered by such Grant immediately upon removal as a director.

(ii) In the event Grantee ceases to be a Non-Employee Director due to Retirement, death or Disability, or any reason other than removal for cause, the award of Restricted Stock Units to such Grantee shall vest immediately prior to such cessation.

**ARTICLE VIII
STOCK APPRECIATION RIGHTS**

Section 8.1. Stock Appreciation Rights.

(a) General Requirements. The Committee may award Stock Appreciation Rights to a Grantee subject to the limits under Section 5.2. The Committee shall establish the base amount of the Stock Appreciation Right on the Grant Date of the Stock Appreciation Right. The base amount of each Stock Appreciation Right shall be equal to the Fair Market Value of a Share as of the Grant Date of the Stock Appreciation Right ("Base Amount"). The Committee may not modify the applicable Base Amount of the Stock Appreciation Right after the Grant Date.

(b) Terms and Exercise of Stock Appreciation Rights; Limitations on Exercise and Transferability of Stock Appreciation Rights. Each Stock Appreciation Right granted under the Plan shall be exercisable only during a Term commencing on the Grant Date, unless otherwise specified in the Grant Agreement, and ending (unless the Stock Appreciation Right shall have terminated earlier under other provisions of the Plan) on a date to be fixed by the Committee but in no event later than the tenth anniversary of its Grant Date.

(c) Exercise of Stock Appreciation Rights by Grantee on Cessation of Employment. Except as otherwise specifically provided for herein, employment for the purposes of this Section shall mean continuous full-time salaried employment with BNCFG or a Subsidiary, except that vacations, sick leaves and other approved absences and severance pay periods shall be disregarded. Employment for the purposes of this section may, at the discretion of the Committee, also include continuous full-time salaried employment with a former Subsidiary under circumstances as determined by the Committee, which determination can be made either at the time of granting a Stock Appreciation Right or afterward. The following limitations shall apply to any provisions the Committee shall make in a Grant Agreement for exercises of Stock Appreciation Rights following cessation of employment.

(d) Except as provided in Section 8(d)(i), (ii) and (iii) below, in the event Grantee ceases to be an employee of BNCFG or a Subsidiary through involuntary termination without cause by BNCFG or a Subsidiary or any voluntary termination, all Stock Appreciation Rights held by such Grantee shall lapse on the date that is the earlier of (i) ninety (90) days following such termination, or (ii) the expiration date set forth in such Stock Appreciation Right.

(i) If such termination is due to Retirement, all Stock Appreciation Rights held by such Grantee shall vest immediately prior to such termination.

(ii) If such termination is due to death or Disability, all Stock Appreciation Rights held by such Grantee shall vest immediately prior to such termination.

(iii) If a Grantee should die while employed by BNCFG or a Subsidiary or after Disability or Retirement, any Stock Appreciation Right granted to the Grantee under this Plan may be exercised by the person designated in such Grantee's last will and testament or, in the absence of such designation, by the Grantee's estate, to the full extent that such Stock Appreciation Right could have been exercised by such Grantee immediately prior to the Grantee's death, but not later than such period of time as determined by the Committee and set forth in the Grant Agreement evidencing such Stock Appreciation Right.

(iv) No exercises may occur after expiration of the Term of the Stock Appreciation Right.

(v) In the event Grantee ceases to be an employee of BNCFG or a Subsidiary through involuntary termination for cause, all Stock Appreciation Rights held by such Grantee shall lapse immediately upon such termination. "For Cause" shall be determined by the Directors or with reference to the employee's employment agreement, if any.

(e) Exercise of Stock Appreciation Rights by Grantee other than on Cessation of Employment.

(i) In the event Grantee ceases to be a Non-Employee Director through removal for cause by BNCFG, all Stock Appreciation Rights held by such Grantee shall lapse immediately upon removal as a director.

(ii) In the event Grantee ceases to be a Non-Employee Director due to Retirement, death or Disability, or any reason other than removal for cause, all Stock Appreciation Rights held by such Grantee shall vest immediately prior to such termination.

(iii) No exercises may occur after expiration of the Term of the Stock Appreciation Right.

(f) Value of Stock Appreciation Rights. When a Grantee exercises Stock Appreciation Rights, the Grantee shall receive in settlement thereof, Shares, cash, or both, as determined by the Committee, equal to the "spread value" for the number of Stock Appreciation

Rights exercised. The "spread value" for a Stock Appreciation Right is the amount representing the difference by which the Fair Market Value of the underlying Common Stock on the date of exercise of the Stock Appreciation Right exceeds the Base Amount of the Stock Appreciation Right as described in subsection (a).

(g) Form of Payment. For purposes of calculating the amount of Shares, cash, or both, to be received, Shares shall be valued at their Fair Market Value on the date of exercise of the Stock Appreciation Right and shall be distributed, subject to Section 9.6, net of applicable withholding taxes.

ARTICLE IX MISCELLANEOUS

Section 9.1. Shareholders' Rights. The existence of Grants shall not affect: the right or power of the Company or its shareholders to make adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure; the dissolution or liquidation of the Company, or sale or transfer of any part of its assets or business; or any other corporate act, whether of a similar character or otherwise.

Section 9.2. No Right to Employment or to Serve as a Director.

(a) Nothing in the Plan or any instrument executed pursuant hereto shall confer upon any employee any right to continue in the employ of BNCFG nor shall anything in the Plan affect the right of BNCFG to terminate the employment of any employee, with or without cause.

(b) Nothing in the Plan or any instrument executed pursuant hereto shall confer upon any Non-Employee Director any right to continue to serve as a Non-Employee Director nor shall anything in the Plan affect the right of the applicable board of directors to remove a Non-Employee Director from such board, with or without cause, in accordance with the Company or each Bank's Certificate of Incorporation and Bylaws, as applicable.

Section 9.3. Change in Control.

(a) Notwithstanding any other provision of the Plan, in the event of a Change in Control described in subsection (b), all restrictions and risks of forfeiture on Grants (other than those imposed by law or regulation) shall lapse, all vesting periods relating to Grants shall immediately expire, and (i) all unexercised Options and Stock Appreciation Rights shall become immediately and fully exercisable; (ii) all shares of Restricted Stock and Restricted Stock Units, not previously vested shall vest immediately and be delivered to the Grantee entitled thereto; and (iii) all dividend equivalents with respect to such Grants shall be immediately paid over to the Grantee entitled thereto. Notwithstanding the foregoing, the provisions of this Section 9.3 shall be superseded by the employee's existing employment agreement, if any.

(b) A "Change in Control" is the occurrence of any one of the following events:

(i) any Person (other than a Grantee, the Company or any trustee or other fiduciary holding securities under an employee benefit plan of the Company (or of any subsidiary of the Company)) is or becomes an "Acquiring Person";

(ii) less than eighty percent (80%) of the total membership of the Board shall be Continuing Directors; or

(iii) the shareholders of the Company shall approve a merger or consolidation of the Company or a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets to another Person, except in any such case in a transaction in which immediately after such merger, consolidation or sale, exchange or transfer, the shareholders of the Company, in their capacities as such and as a result thereof, shall own at least 50 percent in voting power of the then outstanding securities of the Company or of any surviving Person pursuant to any such merger (or of its parent), the consolidated corporation or business entity in any such consolidation, or of the other Person to which such sale, exchange or transfer of assets is made.

(c) A "Change in Control" shall be deemed not to have occurred if such event is mandated or directed by a regulatory body having jurisdiction over BNCFG's operations. It will also not be deemed to have occurred if there is a merger between BNC and TBF.

(d) For purposes of this Section 9.3:

(i) "Acquiring Person" shall mean any Person who becomes after the Effective Date a "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act) of securities of the Company representing twenty-five percent (25%) or more of the combined voting power of the Company's then outstanding voting securities, unless such Person has filed Form 13 G and all required amendments thereto with respect to its holdings and continues to hold such securities for investment in a manner qualifying such Person to utilize Form 13G for reporting of ownership.

(ii) "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Exchange Act as in effect on the date hereof.

(iii) "Continuing Directors" shall mean any member of the Board who was a member of the Board prior to the date hereof, and any successor of a Continuing Director while such successor is a member of the Board who is not an Acquiring Person or an Affiliate or Associate of an Acquiring Person or of any such Affiliate or Associate and is recommended or elected to succeed the Continuing Director by a majority of the Continuing Directors.

(iv) "Person" shall mean any individual, corporation, partnership, group, association or other "person", as such term is used in Section 13(d) and 14(d) of the Exchange Act.

Section 9.4. Termination, Suspension or Modification of Plan. Provided no employee member of the Board participates as provided by Section 3.2(b) hereof, the Board may at any time

terminate, suspend or modify the Plan, except that the Board shall not, without the authorization of the holders of a majority of the outstanding shares present or represented and entitled to vote at a duly held meeting of the Company's shareholders, effect any change (other than through adjustment for changes in capitalization as hereinabove provided) which (a) increases the aggregate number of Shares underlying Grants; (b) changes the class of Eligible Grantees eligible to be awarded Grants; (c) lowers the minimum Option Price or Base Amount or otherwise materially increases the benefits accruing to Grantees through Grants under the Plan; (d) renders any member of the Committee eligible to receive a Grant while serving thereon except as provided by the Plan; (e) extends the effective period of the Plan; or (f) removes the restrictions set forth in Section 3.2(b). No termination, suspension or modification of the Plan shall adversely affect any right acquired by any Grantee or any Successor under the terms of a Grant awarded before the date of such termination, suspension or modification, unless such Grantee or Successor shall consent; but it shall be conclusively presumed that any adjustment for changes in capitalization as provided in Section 5.3 does not adversely affect any such right.

Upon the dissolution or liquidation of the Company, the Plan shall terminate, and all Grants previously granted shall lapse on the date of such dissolution or liquidation.

Section 9.5. Legal Restrictions. The Company will not be obligated to issue Shares or make any payment on account of Grants underlying such Shares if counsel to the Company determines that such issuance or payment would violate any law or regulation of any governmental authority or any agreement between the Company and any securities exchange or quotations system upon which the Common Stock is listed. In connection with any stock issuance or transfer, the person acquiring the Shares shall, if requested by the Company, give assurances satisfactory to counsel to the Company regarding such matters as the Company may deem desirable to assure compliance with all legal requirements. The Company shall in no event be obliged to take any action in order to cause the exercise of any Option or Stock Appreciation Right or to make transfers on account of Grants.

The Grants will be forfeitable, at the direction of BNCFG's, TBF's or BNC's primary regulator or at the discretion of the Board, in the event BNCFG needs to raise capital in order to be adequately capitalized under applicable regulatory requirements. In such a case, Grantee will be notified in writing not less than 30 days prior to the date they are to be forfeited. Once forfeited, the Grants will no longer be outstanding and the holder thereof will have no rights with respect thereto.

Section 9.6. Withholding.

(a) Each Grantee exercising an Option or a Stock Appreciation Right as a condition to such exercise shall pay to the Company the amount, if any, required to be withheld from distributions resulting from such exercise under applicable Federal and State income tax laws and any portion of FICA that is due from Grantee ("Withholding Taxes"). Such Withholding Taxes shall be payable as of the date the payment is required from the Company to the taxing authority. The Committee may establish such procedures as it deems appropriate for the settling of withholding obligations with Shares, including, without limitation, the establishment of such procedures as may be necessary to comply with Rule 16b-3.

(b) The Company shall have the right to deduct from any settlement of a Grant of Restricted Shares or Restricted Share Units, including the delivery or vesting of Shares or dividend equivalents, an amount sufficient to cover withholding required by law for any federal, state or local taxes or to take such other action as may be necessary to satisfy any withholding obligations. The Committee, in its discretion and consistent with Applicable Laws, may permit Shares to be used to satisfy required tax withholding, and such shares shall be valued at the Fair Market Value as of the settlement date of the applicable Grant.

Section 9.7. Governing Laws. This Plan and all rights thereunder shall be construed in accordance with and governed by the laws of the State of Connecticut. Although the Company is not currently subject to the provisions of Section 16 of the Exchange Act, the intent of this Plan is to qualify for the exemption provided by Rule 16b-3 under the Exchange Act should the Company ever become subject to those provisions. To the extent any provision of the Plan does not comply with the requirements of Rule 16b-3, it shall be deemed inoperative to the extent permitted by law and deemed advisable by the Committee and shall not affect the validity of the Plan. In the event Rule 16b-3 is revised or replaced, the Committee may exercise discretion to modify this Plan in any respect necessary to satisfy the requirements of the revised exemption or its replacement.

Section 9.8. Deferred Compensation. No awards granted under the Plan are intended to be "deferred compensation" subject to Section 409A of the Internal Revenue.

Section 9.9. Non-exclusivity of the Plan. Neither the adoption of the Plan nor the submission of the Plan to the shareholders of the Company for approval shall be construed as creating any limitations upon the right and authority of the Board to adopt such other incentive compensation arrangements (which arrangements may be applicable either generally to a class or classes of individuals or specifically to a particular individual or individuals) as the Board in its discretion determines desirable, including, without limitation, the awarding of Grants other than under the Plan.

Section 9.10. Clawback of Plan Grants and Payments

Notwithstanding any provision in the Plan to the contrary, in the event that any Grant or payment(s) is made to "senior executive officer(s)" (as that term is defined in accordance with Section 111(b)(3) of the Emergency Economic Stabilization Act of 2008 ("EESA")) and it is later determined that the Grant or payment(s) was based on materially inaccurate financial statements or on any other materially inaccurate performance metric criteria, then in such event, to the extent necessary to comply with Section 111(b)(2)(B) of EESA, shall the Grant or the full amount of any and all payment(s) that have been made to such senior executive officer(s) become immediately due and owing to the Company, and the senior executive officer(s) who received such Grant or payment(s) shall forfeit such Grant, to the extent required, or repay the full amount of such payment(s) to the Company, as applicable, in accordance with and in a manner that complies with the requirements of Section 111(b)(2)(B) of EESA.