

MADISON NATIONAL BANK

April 6, 2009

Dear Shareholder:

You are cordially invited to attend the Annual Meeting of Shareholders of Madison National Bank at 9:00 a.m. on Tuesday, May 12, 2009. A formal notice setting forth the business to come before the meeting, a proxy statement, and the Bank's Annual Report to Shareholders are enclosed. The meeting will be held at the main office of Madison National Bank located at 888 Veterans Memorial Highway, Hauppauge, New York.

At the meeting you will be asked to elect three directors to serve for a three-year term and to consider a proposal to amend the Madison National Bank 2007 Stock Option Plan to increase the number of shares reserved for issuance thereunder and to provide for the issuance of stock awards under the Plan.

The Board of Directors unanimously recommends that you vote "FOR" the nominees for director and "FOR" the proposal to amend the Plan. You are encouraged to read the accompanying Proxy Statement, which provides information about Madison National Bank and the matter to be voted on at the Annual Meeting.

Regardless of the number of shares you own, it is important that they are voted at the meeting. Accordingly, you are asked to sign, date and mail the enclosed proxy in the envelope provided for your convenience.

On behalf of the Board of Directors, the officers and the employees of Madison National Bank, we thank you for your continued support and look forward to seeing you at the meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel L. Murphy", written over a horizontal line.

Daniel L. Murphy
Chairman of the Board

**MADISON NATIONAL BANK
888 Veterans Memorial Highway
Hauppauge, New York 11788**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 12, 2009**

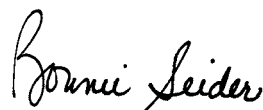
NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of Madison National Bank (the "Bank") will be held on Tuesday, May 12, 2009, at 9:00 a.m., at the main office of Madison National Bank, located at 888 Veterans Memorial Highway, Hauppauge, New York, to consider and act upon the following matters:

1. To elect three directors;
2. To consider a proposal to amend the Madison National Bank 2007 Stock Option Plan; and
3. The transaction of such other matters as may properly come before the Annual Meeting or any adjournments thereof. The Board of Directors is not aware of any other business to come before the Annual Meeting.

Only shareholders of record of the Bank's Common Stock at the close of business on March 19, 2009 are entitled to notice of, and to vote on, all business that may come before the Annual Meeting or any adjournment thereof.

IMPORTANT: Whether or not you plan to attend the meeting, please complete, sign and date the enclosed proxy and return it promptly in the envelope enclosed for your use. You may revoke the proxy at any time before it is exercised by filing with the Corporate Secretary of the Bank an instrument revoking the proxy. However, if you are a shareholder whose shares are not registered in your own name, you will need additional documentation from your record holder to vote in person.

By Order of the Board of Directors



Bonnie Seider
Corporate Secretary

Dated: April 6, 2009

PROXY STATEMENT
ANNUAL MEETING OF SHAREHOLDERS
MADISON NATIONAL BANK
MAY 12, 2009

INTRODUCTION

This Proxy Statement and the enclosed proxy are being furnished in connection with the solicitation by the Board of Directors of Madison National Bank (herein called the “Bank”) of proxies to be voted at the Annual Meeting of the Shareholders of the Bank, to be held on Tuesday, May 12, 2009, and any adjournments thereof. This Proxy Statement and the accompanying proxy are being distributed to shareholders on or about April 6, 2009.

Unless contrary instructions are received, the persons named in the accompanying proxy will vote the shares represented by each proxy returned **“FOR”** the election of the three (3) directors nominated and **“FOR”** the proposal to amend the Madison National Bank 2007 Stock Option Plan (the “Plan”). Each such proxy granted may be revoked by a shareholder at any time before it is exercised by filing with the Corporate Secretary of the Bank an instrument revoking the proxy and delivering such revocation to the Corporate Secretary of the Bank and the holders of the proxy at the meeting.

The Board of Directors knows of no additional matters that will be presented for consideration at the Annual Meeting other than those set forth in this Proxy Statement. Execution of a proxy, however, confers on the designated proxy holder discretionary authority to vote the shares represented by such proxy in accordance with their best judgment on such other business, if any, that may properly come before the Annual Meeting or any adjournment thereof.

Voting Procedures

The Bank’s Bylaws provide that a majority of shares entitled to vote and represented in person or by proxy at a meeting of the shareholders constitutes a quorum. Directors are elected at the Annual Meeting by a majority of the votes entitled to be cast. Approval of the proposal to amend the Plan requires the affirmative vote of a majority of the shares outstanding and entitled to vote at the Annual Meeting.

Shareholders of Record

The record of shareholders entitled to vote was taken at the close of business on March 19, 2009. Each share of Common Stock outstanding on that date is entitled to one vote on each matter to come before the Annual Meeting. On that date, the Bank had 3,350,720 shares of Common Stock issued and outstanding.

Pending Bank Holding Company Reorganization

Please note that the internal reorganization of Madison National Bank into a holding company structure as the subsidiary of Madison National Bancorp, Inc. (the “Reorganization”), which was approved by the Bank’s shareholders at a Special Meeting of Shareholders on March

16, 2009, remains pending. The Bank received Office of the Comptroller of the Currency approval for the Reorganization in late March, 2009 and expects to receive the non-objection of the Federal Reserve Board to the formation of a bank holding company by early May, 2009. Following receipt of the Federal Reserve Board's non-objection, the Bank will take such steps as are required to complete the Reorganization. We anticipate that the Reorganization will be completed by the end of May 2009. Assuming the Reorganization is consummated, our future annual meetings will be annual meetings of the shareholders of Madison National Bancorp, Inc., and the current directors of the Bank will serve as directors of Madison National Bancorp, Inc. for the same terms as they hold with the Bank.

PROPOSAL NUMBER ONE – ELECTION OF DIRECTORS OF THE BANK

The Articles of Association of Madison National Bank provide that the Board of Directors shall consist of not fewer than five and not more than 25 directors, with the exact number of directors to be determined from time to time by resolution of the Board of Directors. Currently, the number of directors constituting the entire Board of Directors is fixed at nine. The Board of Directors is divided into three classes as nearly equal in size as possible. Directors are elected for staggered three-year terms expiring at the annual meeting of shareholders three years following their election.

Richard M. Berman, Brian H. Madden and Michael P. Puorro, whose terms expire at the 2009 Annual Meeting, have been nominated to stand for re-election as directors of the Bank at the Annual Meeting for terms expiring in 2012. The accompanying proxy, unless otherwise specified, will be voted for the election of the three persons named above. If any nominee should become unavailable, which is not now anticipated, the persons voting the accompanying proxy may, in their discretion, vote for a substitute as proposed by the Board.

The following table sets forth certain information regarding the nominees for election as director, continuing directors and executive officers who are not also directors.

<u>Name and Positions</u>	<u>Age at December 31, 2008</u>	<u>Year First Elected or Appointed</u>	<u>Current Term To Expire</u>	<u>Shares of Common Stock Beneficially Owned as of the Record Date (1)</u>	<u>Percent Of Class (%)</u>
BOARD NOMINEES FOR TERM TO EXPIRE IN 2012					
Michael P. Puorro <i>President and Director</i>	49	2007	2009	227,683 ⁽²⁾	6.60%
Richard M. Berman <i>Director</i>	61	2007	2009	73,333 ⁽³⁾	2.19%
Brian H. Madden <i>Director</i>	55	2007	2009	38,333 ⁽⁴⁾	1.14%
DIRECTORS CONTINUING IN OFFICE					
Daniel L. Murphy <i>Chairman and Chief Executive Office, Director</i>	49	2007	2011	223,333 ⁽⁵⁾	6.48%
John F. Coffey <i>Director</i>	62	2007	2011	8,333 ⁽⁶⁾	*
Gerald J. Kaiser <i>Director</i>	52	2007	2010	142,333 ⁽⁷⁾	4.22%
Robert R. McMillan <i>Director</i>	76	2007	2010	19,333 ⁽⁸⁾	*
Donald J. Musso <i>Director</i>	49	2007	2010	221,667 ⁽⁹⁾	6.47%
John R. Sorrenti <i>Director</i>	58	2007	2011	28,333 ⁽¹⁰⁾	*
EXECUTIVE OFFICERS WHO ARE NOT DIRECTORS					
William P. Mackey <i>Chief Financial Officer</i>	47	--	--	83,333 ⁽¹¹⁾	2.48%
Estela M. Mendes <i>Chief Retail Banking Officer</i>	38	--	--	23,333 ⁽¹²⁾	*

* Less than 1%

- (1) Beneficial ownership is based on 3,350,720 outstanding shares of Common Stock as of March 19, 2009 plus, where applicable, the number of shares that may be purchased pursuant to the exercise of warrants and stock options. The securities "beneficially owned" by an individual may include securities owned by or for, among others, the spouse and/or minor children of the individual and any other relative who has the same home as such individual, as well as other securities as to which the individual has or shares voting or investment power. A person is deemed to beneficially own shares of Common Stock that such person does not own but has the right to acquire presently or within the next 60 days.
- (2) Includes 62,500 shares that may be purchased pursuant to the exercise of warrants and 35,833 shares that may be purchased pursuant to the exercise of stock options.
- (3) Includes 3,333 shares that may be purchased pursuant to the exercise of stock options.
- (4) Includes 3,333 shares that may be purchased pursuant to the exercise of stock options.
- (5) Includes 62,500 shares that may be purchased pursuant to the exercise of warrants and 35,833 shares that may be purchased pursuant to the exercise of stock options.
- (6) Includes 3,333 shares that may be purchased pursuant to the exercise of stock options.
- (7) Includes 20,000 shares that may be purchased pursuant to the exercise of warrants and 3,333 shares that may be purchased pursuant to the exercise of stock options.

- (8) Includes 3,333 shares that may be purchased pursuant to the exercise of stock options.
- (9) Includes 60,000 shares that may be purchased pursuant to the exercise of warrants and 16,667 shares that may be purchased pursuant to the exercise of stock options.
- (10) Includes 3,333 shares that may be purchased pursuant to the exercise of stock options.
- (11) Includes 8,333 shares that may be purchased pursuant to the exercise of stock options.
- (12) Includes 8,333 shares that may be purchased pursuant to the exercise of stock options.

Biographical Information

The principal business experience of each director and executive officer is set forth below.

Nominees for Directors:

Michael P. Puorro, a certified public accountant, has been a senior banking executive with over 20 years experience in all facets of developing successful financial institutions. Mr. Puorro has established a high level of confidence and credibility and possesses a pristine reputation with all Regulatory Authorities, as well as, Wall Street financial analysts, members of the investment community, and charitable and civic groups.

Prior to becoming a Founder, Director and President of Madison National Bank, Mr. Puorro served as Executive Vice President and Chief Financial Officer of New York Community Bancorp, Inc. and New York Community Bank where he was directly responsible for managing the financial functions of the fourth largest thrift in the United States with over \$24 billion in assets and \$5 billion in market capitalization. Prior to his tenure with New York Community Bank, Mr. Puorro served as Executive Vice President and Chief Financial Officer of Roslyn Bancorp, Inc. and The Roslyn Savings Bank where in addition to managing the Company's day-to-day financial operations, he was responsible for overseeing the Company's fiscal plans, (financial) operating standards, and policies and procedures, as well as, establishing current and long-term corporate objectives which supported Company growth from less than \$1 billion to over \$12 billion in assets, and five to 40 full service retail locations from 1992 through its merger with New York Community Bank in 2003. In addition, Mr. Puorro served as Treasurer of The Roslyn Savings Foundation from 1997-2005.

Prior to joining The Roslyn Savings Bank in 1992, Mr. Puorro was a senior member of the Financial Services Group in the public accounting firm of KPMG LLP, specializing in financial institutions ranging in size from local community banks to super money center institutions. While at KPMG, Mr. Puorro also served on the Firm's Professional Practice Review Committee.

Mr. Puorro serves as a Trustee of Dowling College, where he earned a B.B.A. from their School of Professional Accountancy, and in addition to being a certified public accountant, is a member of the American Institute of Certified Public Accountants and the New York State Society of Certified Public Accountants.

Mr. Puorro also serves as a member of the Board of Directors of The INN (Interfaith Nutrition Network), an organization which addresses the issues of hunger and homelessness on Long Island.

Richard M. Berman serves as a director. Mr. Berman is a CPA with over thirty years in public accounting and has been a partner at the accounting firm of Friedman LLP since 2003. Mr. Berman specializes in the real estate, construction, distribution and manufacturing industries. Mr. Berman has particular expertise with regard to evaluating operational procedures and monitoring cash flows, sales, alternative financing and lines of credit in addition to a history of building value through strategic tax planning and real estate tax analysis. Prior to joining Friedman LLP in 2003, Mr. Berman was a partner in the accounting firm of Deutsch Marin & Company, LLP.

Mr. Berman is a member of the American Institute of Certified Public Accountants and the New York State Society of Certified Public Accountants. Mr. Berman received a B.B.A. in accounting from Baruch College and has been a certified public accountant since 1973.

Brian H. Madden serves as a director. Mr. Madden is the President and co-founder of Liberty Title Company. Mr. Madden has enjoyed a successful career in real estate and transitioned to title insurance when he joined Congressional Abstract in 1989. Mr. Madden went on to become one of the founding partners in National Land Tenure, later selling his interest to found his current title company in 2001.

Mr. Madden serves and has served on numerous charitable, hospital, academic and corporate boards where he often finds himself in positions of leadership. Mr. Madden is a sought after speaker, author of numerous articles appearing in varied business and consumer publications and is often a guest on nationally syndicated programs. Mr. Madden has a B.B.A. from Iona College.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” THE ELECTION OF THE ABOVE NOMINEES.

Continuing Directors:

Daniel L. Murphy serves as Chairman of the Board of Directors and Chief Executive Officer. Mr. Murphy has over 30 years of experience in banking and has held various posts throughout his career. Mr. Murphy joined The Roslyn Savings Bank in 1978, subsequently holding the post of Chief Retail Banking Officer for fifteen years and was the chief architect for The Roslyn Savings Bank successful de novo strategy - managing that bank’s growth from five to forty branches and increasing deposits by five billion dollars with particular emphasis on core deposit and consumer product lines and services. Mr. Murphy oversaw all facets of the retail bank including: consumer lending, marketing, security, corporate insurance, automated payments, alternative investments and life insurance, systems, and the administration of the Bank’s branches. Concurrent with Roslyn’s merger with New York Community Bank in 2003, Mr. Murphy held the post of Executive Vice President and Chief Retail Banking Officer for New York Community Bank and oversaw its 144-branch network.

Mr. Murphy holds a B.A. degree in business from Molloy College, is a graduate of the America’s Community Bankers National School of Banking at Fairfield University and the American Banker’s Association National Graduate School of Compliance Management at The University of Oklahoma. Mr. Murphy earned his M.B.A. from the Dolan School of Business at Fairfield University. Mr. Murphy proudly serves on the following Boards: Molloy College,

SUNY Old Westbury Foundation, Queens Museum of Art, Arthritis Foundation, Theodore Roosevelt Council – Boy Scouts of America, Advancement for Commerce, Industry & Technology (ACIT) and Winthrop University Hospital.

John F. Coffey serves as a director. Mr. Coffey is a retired banker who has spent his entire career involved in the banking industry. He has been a bank lending officer for over 36 years, with a varied background in many types of commercial lending. He was the Senior Vice President and Senior Commercial Lending Officer of Roslyn Savings Bank from 1999 through 2003, where he managed the growth of the Bank's commercial loan portfolio from approximately \$300 million to \$3.5 billion, and oversaw a staff of 34. Prior to his employment at Roslyn, he served for three years as Group Senior Vice President in charge of the Commercial Real Estate Department of Fleet Bank, with responsibility for a total portfolio of approximately \$525 million and a staff of 15. In addition to his responsibilities at Roslyn, Mr. Coffey has been, and continues to be active in several trade and charitable organizations. He is a past Board member of the Long Island Builders Institute, and presently sits on the Boards of The Real Estate Practitioners Institute, The Long Island Housing Partnership, The Arthritis Foundation (past Board Chair) and The Family Service League. Mr. Coffey earned a B.S. Degree in Economics from St. John's University in 1968, and he is also a graduate of the ABA National Commercial Lending School and the Stonier Graduate School of Banking. The Bank may enter into a consulting agreement with Mr. Coffey whereby Mr. Coffey would advise the Bank on real estate conditions and trends, promote the Bank at various trade and industry functions, and advise the Bank on lending support.

Gerald J. Kaiser serves as a director. Mr. Kaiser spent a number of years as a practicing attorney and subsequently a partner in the law firm of Kaiser & Hirsch. In 1997, Mr. Kaiser formed the law firm of Napoli, Kaiser and Bern whose expertise was general liability and mass tort. Mr. Kaiser served as a partner of the firm until leaving the practice in 2003. Earlier in his career, Mr. Kaiser spent a number of years as an administrator for the Corporate Trustee Division of Chemical Bank specializing in all phases of long-term debt financing, working closely with New York State Dormitory Authority and the Hempstead Resource and Recovery plant.

Mr. Kaiser is a past President of the Mount Vernon Bar Association and Delegate of the Westchester County Bar Association. Mr. Kaiser is very active in civic and philanthropic endeavors and serves on a number of charitable and academic boards. Mr. Kaiser received a JD from Brooklyn Law School and a B.A. from Cathedral College of the Immaculate Conception.

Robert R. McMillan serves as a director. Since 2005, Mr. McMillan has been of Counsel at the law firm of Bee Ready Fishbein Hatter Donovan, LLP. In his capacity as an attorney Mr. McMillan has enjoyed a good deal of success having held the post of Senior Partner at prestigious law firms on Long Island for nearly twenty years, including McMillan, Rather, Bennett & Rigano, P.C. From December 1994 up until December 29, 2005, Mr. McMillan served on the Board of Directors of Well Choice, Inc. and chaired the Investment Committee with over \$2 billion in investment until its acquisition by Well Point, Inc. In addition, Mr. McMillan served on the Fannie Mae advisory board, providing significant input about affordable housing and predatory lending practices, as well as serving on Key Bank of New York's Advisory Board and its predecessors for 10 years, and one year on Key Corp's National Middle Market Advisory Board, ending when Key Bank branches on Long Island were acquired by

Dime Savings Bank of New York. Mr. McMillan began his career as an attorney in the Antitrust Division of the Department of Justice in 1960.

Mr. McMillan's career has many notable distinctions. Mr. McMillan was Counsel to U.S. Senator Kenneth Keating, Special Assistant to President Nixon, Chairman of the Panama Canal Commission and was the Republican candidate for the U.S. Senate in 1988. Mr. McMillan created the first affordable housing corporation in the nation and serves on the boards of dozens of charitable and civic organizations. He serves with distinction on many boards in the private sector and also served as a Member of the Board of Trustees of the American Medical Association (2002-2008), the first non-physician to serve on that Board. Mr. McMillan's work in the private sector includes: Director of Government Relations for Mobil Corporation, Senior Vice President for Abraham and Strauss Department Stores and Corporate Vice President of Avon Products, Inc. Mr. McMillan is a columnist and a local television personality. Mr. McMillan is a recipient of the Bronze Star Medal from his service in the Korean War. Mr. McMillan received his JD from Brooklyn Law School in 1960.

Donald J. Musso serves as a director. Mr. Musso founded FinPro, Inc. in 1987 as a consulting and investment banking firm located in New Jersey that specializes in providing advisory services to the financial institutions industry. Mr. Musso is a frequent speaker on financial institution related topics and teaches at the Stonier Graduate School of Banking, Graduate School of Bank Investments and Financial Management at the University of South Carolina, and the Graduate School of Banking at Colorado in 2004. Mr. Musso was one of the founding members of Nittany Bank, a federal savings bank chartered in 1998. Nittany Bank grew to over \$325 million in assets before being acquired by National Penn Bancshares in 2006. Prior to establishing FinPro, Donald had direct industry experience having managed the Corporate Planning and Mergers and Acquisitions departments for Meritor Financial Group, a \$20 billion firm in Philadelphia. Before that, he had responsibility for the banking, thrift and real estate consulting practice in the State of New Jersey for Deloitte Haskins & Sells. He began his career with Goldome Savings Bank. Donald earned a B.S. in Finance from Villanova University and a M.B.A. in Finance from Fairleigh Dickinson University. The Board has determined that Mr. Musso qualifies as a financial expert within the meaning of 15 U.S.C. § 7265.

John R. Sorrenti serves as a director. Mr. Sorrenti is the founder and president of JRS Architect, P.C., with offices in New York and New Jersey. Through his efforts, the firm has grown from six people starting in 1986 to over thirty people today. JRS has developed design expertise in the corporate, financial, healthcare, educational and residential markets. Mr. Sorrenti is recognized as a pioneer of alternative project delivery methods and marketing strategies.

Over the past twenty years, Mr. Sorrenti has held positions as the President of the New York State American Institute of Architects (AIA) and Vice President of the National AIA. In 1991, Mr. Sorrenti on behalf of the AIA helped to form the guidelines for the Americans With Disabilities Act (A.D.A.), and in 1993 assisted with the New York City ADA Code. Mr. Sorrenti has also served on the National Architectural Accrediting Board (NAAB) committee for college accreditation programs; has performed reviews of his peers for the American Council of Engineering Companies (ACEC) and is a Commissioner on the Town of North Hempstead's Historical Landmarks Preservation Commission. Mr. Sorrenti earned a B.S.

in Architectural Technology and a M.B.A. in Business Administration from New York Institute of Technology.

Executive Officers of the Bank Who Are Not Directors

William P. Mackey serves as Chief Financial Officer. Mr. Mackey has 25 years of experience in banking with concentration in all financial aspects of the industry. Most recently, Mr. Mackey has served as Vice President of Corporate Planning for North Fork Bank where he was responsible for managing interest rate risk for the bank's \$60 billion balance sheet position. Prior to this position, Mr. Mackey spent 5 years as the Vice President and Director of Financial Planning and Budgeting for Roslyn Savings Bank. As a member of such bank's Asset/Liability Committee, he was responsible for the development and monitoring of the bank's Strategic Plan, measuring profitability, and preparing the bank's annual operating budget. Prior to Roslyn Savings Bank, Mr. Mackey worked for Roosevelt Savings Bank where he held a similar position and grew with the company from an \$800 million dollar mutual bank to a public institution with \$5 billion in assets. Here, he started as a senior accountant and held various accounting positions gaining a full knowledge of all financial aspects of banking. Mr. Mackey also has 2 years of retail bank floor experience as an assistant manager with Savings of America. Mr. Mackey earned both his B.B.A. and M.B.A. in Finance from Hofstra University.

Estela M. Mendes serves as Chief Retail Banking Officer. In addition, Ms. Mendes serves as the Bank's BSA & Compliance Officer. Ms. Mendes has nearly 22 years experience, holding various posts within Roslyn Savings Bank. Concurrent with Roslyn's merger with New York Community Bank in 2003, Ms. Mendes served as Vice President and Regional Manager for 19 branch locations with 200 employees and over \$900 million in deposits for a regional bank in the New York Metro area. She was responsible for the oversight, professional development and training of the employees in the region and ensured that all branches maintained a role in their communities. While with Roslyn, Ms. Mendes was also a member of the Retail Administration group for Roslyn Savings Bank, which was responsible for overseeing all facets of the retail banking operations including being a key participant in the successful openings of over 15 de novo branches, member of the de novo strategy, and authored many of the bank's key retail strategies. She is a member of the Business Honor Society at Hofstra University. Ms. Mendes is also a member of the Board of Directors of the Education & Assistance Corporation (EAC).

PROPOSAL NUMBER TWO – APPROVAL OF AN AMENDMENT TO THE OPTION PLAN

The Board of Directors has adopted an Amendment (“Amendment”) to the Madison National Bank 2007 Stock Option Plan (“Plan”), subject to shareholder approval of the Amendment at a meeting of shareholders. The Amendment will become effective as of the date it is approved by the shareholders.

Such Amendment provides that the total number of shares of Common Stock of the Bank reserved for issuance under the Plan will be increased by 335,072 shares of Common Stock from a total of 502,608 shares reserved under the Plan to a new total amount of 837,680 shares of common stock for issuance upon the exercise of awards pursuant to the Plan. In addition, such Amendment permits the granting of Stock Awards under the Plan in addition to Options to acquire shares of Common Stock. The maximum number of shares of Stock Awards that may be issued under the Plan will be 167,536 shares in the aggregate, and no one individual may receive Stock Awards in excess of 41,884 shares of Common Stock. All of the Bank’s employees, officers, and directors are eligible to participate in the Plan. A summary of the Plan and the Amendment is set forth below. This summary is qualified in its entirety by the full text of the Plan, as amended, which is attached to this proxy statement as *Appendix A*.

Summary of the Plan

Purpose. The purpose of the Plan is to promote the success, and enhance the value of the Bank, by linking the personal, financial and economic interests of employees, officers and directors of the Bank to those of the Bank’s shareholders and by providing such persons with additional incentives for outstanding performance.

Permissible Awards. The Plan currently authorizes the granting of awards in form of options to purchase shares of Bank common stock. Such options may be incentive stock options in accordance with Section 422 under the U.S. Internal Revenue Code (the “Code”) or non-statutory stock options, options that do not satisfy the requirements of the Code. Awards may be made for a period of ten years from the effective date of the Plan. The proposed Amendment to the Plan adds Stock Awards as a form of permissible award under the Plan

Terms of Awards. The exercise price of options awarded shall not be less than the fair market value of the Bank’s common stock as of the date of grant of such option. Except as otherwise provided for under the terms of the Plan or by the Compensation Committee, Options may be exercised for a period of up to ten years from the date of grant. As determined by the Committee, the exercise price may be paid in the form of cash, Bank common stock or a combination of cash and stock. Generally, the right to exercise Options shall lapse upon the earlier of: the expiration date of such Option; three months after the date of termination of service of a participant for reasons other than death or disability; one year after termination of service resulting from the death or disability of the participant (but not later than the expiration date of such Option). In accordance with the proposed Amendment, Stock Awards shall be earned and non-forfeitable at a rate not more quickly than one-third as of the one-year anniversary of such date of grant and an additional one-third following each of the next two

successive years during such periods of continuous service of the Participant; provided that, such Award shall be immediately 100% earned and non-forfeitable in the event of the death or Disability of such Participant or upon a Change in Control of the Bank. Recipients of Stock Awards shall be eligible to receive compensation comparable to any dividends paid on the underlying Bank common stock, if any, during the period that such awards are not yet earned. Such recipients shall not have voting rights with respect to stock awards prior to the date that such Stock Awards are earned and the Bank Common Stock is issued to such recipients.

Shares Available for Awards. In accordance with the proposed Amendment, the total number of shares of Bank Common Stock issuable under the Plan will increase from 502,608 shares to 837,680 shares. Such shares issuable under the Plan shall be subject to adjustment in accordance with the Plan. Only shares actually issued and delivered upon the exercise of options or the vesting of Stock Awards shall be considered in determining the number of shares remaining available for issuance pursuant to awards granted under the Plan.

Limitations on Awards. In accordance with the Amendment, the maximum number of shares of Bank common stock that may be awarded pursuant to options granted under the Plan to any one person is increased to 209,420 shares; provided that the maximum number of options that may be granted to any non-employee director is increased to 104,710 shares. The maximum number of Shares subject to Stock Awards to any individual Eligible Participant shall not exceed 41,884 Shares; and that such limitation shall be 20,942 shares with respect to Stock Awards that may be awarded to any individual Eligible Participant that serves as a Non-Employee Director.

Administration. The Plan will be administered by the Compensation Committee of the Board of Directors, or the Board of Directors as a whole. The Compensation Committee will have the authority to designate participants; determine the number, terms and conditions of awards to be granted to each participant, to establish, adopt or revise any rules, regulations, guidelines or procedures as it may deem necessary or advisable to administer the Plan; and make all other decisions and determinations that may be required under the Plan.

Limitations on Transfer; Beneficiaries. Generally, participants may not assign or transfer awards other than by will or the laws of descent and distribution. A participant may, in the manner determined by the Compensation Committee, designate a beneficiary to exercise the rights of the participant and to receive any distribution with respect to any award upon the participant's death.

Acceleration Upon Certain Events. Options granted in the first three years following the Bank's effective date of organization shall become exercisable at a rate no greater than 33.3% per year over three years from the date of the Bank's organization, except that such limitation shall not affect the vesting of options upon the death or disability of the participant. Unless otherwise provided in an award agreement, if a participant's service terminates by reason of death or disability, all of the participant's outstanding options will become fully vested and exercisable and all time-based vesting restrictions on the outstanding awards will lapse. Except for options granted within the first three year's of the Bank's organization, the vesting of awards will also accelerate upon a change of control of the Bank, as defined in the Plan. In the event of a change in control, all outstanding options will remain exercisable for their remaining term, without regard to any termination of service or employment. Stock Awards shall be immediately

100% earned and non-forfeitable in the event of the death or Disability of such Participant or upon a Change in Control of the Bank.

Adjustments. In the event of a stock split, a dividend payable in shares of Bank common stock, or a combination or consolidation of the Bank's common stock into a lesser number of shares, the share authorization limits under the Plan will automatically be adjusted proportionately, and the shares then subject to each award will automatically be adjusted proportionately, without any change in the aggregate purchase price for each award. If the Bank is involved in another corporate transaction or event that affects its common stock, such as an extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination or exchange of shares, the share authorization limits under the Plan will be adjusted proportionately, and the Compensation Committee will adjust the Plan and outstanding awards to preserve the benefits or potential benefits of the awards.

Termination and Amendment

The Board of Directors may, at any time and from time to time, terminate or amend the Plan. An amendment to the Plan will be subject to shareholder approval if the amendment would materially increase the number of shares of stock issuable under the Plan, expand the types of awards provided under the Plan, materially expand the class of participants eligible to participate in the Plan, materially extend the term of the Plan, or otherwise constitute a material amendment requiring shareholder approval under applicable law, stock market or stock exchange listing requirements, policies or regulations. In addition, the Board of Directors may condition any amendment on the approval of the shareholders for any other reason. No termination or amendment of the Plan may adversely affect any award previously granted under the Plan without the written consent of the participant.

The Compensation Committee may amend or terminate outstanding awards; however, such actions may require the consent of the participant and, unless approved by the shareholders or otherwise permitted by the anti-dilution provisions of the Plan, the exercise price of an outstanding option may not be reduced, directly or indirectly, and the original term of an option may not be extended.

The shareholders of the Bank have approved a Plan of Reorganization whereby a new company will become the parent bank holding company for the Bank ("Holding Company"). Upon such reorganization transaction, the obligations of the Bank in accordance with the Plan will become obligations of the Holding Company. Such reorganization will not be deemed a change in control transaction of the Bank in accordance with the Plan. Upon completion of the reorganization transaction, the Plan will become a Plan of the Holding Company and outstanding options to purchase Bank Common Stock will be converted into options to purchase Holding Company Common Stock.

Certain Federal Income Tax Effects

Non-statutory Stock Options. There will be no federal income tax consequences to the optionee or to the Bank upon the grant of a non-statutory stock option under the Plan. When the optionee exercises a non-statutory option, however, he or she will recognize ordinary income equal to the excess of the fair market value of the common stock received upon exercise of the

option at the time of exercise over the exercise price, and the Bank will be allowed a corresponding deduction, subject to any applicable limitations under Code Section 162(m). Any gain that the optionee realizes when he or she later sells or disposes of the option shares will be short-term or long-term capital gain, depending on how long the shares were held.

Incentive Stock Options. There typically will be no federal income tax consequences to the optionee or to the Bank upon the grant or exercise of an incentive stock option. If the optionee holds the option shares for at least two years after the date the option was granted or for one year after exercise, the difference between the exercise price and the amount realized upon sale or disposition of the option shares will be long-term capital gain or loss, and the Bank will not be entitled to a federal income tax deduction. If the optionee disposes of the option shares in a sale, exchange, or other disqualifying disposition before the required holding period ends, he or she will recognize taxable ordinary income in an amount equal to the excess of the fair market value of the option shares at the time of exercise over the exercise price, and the Bank will be allowed a federal income tax deduction equal to such amount. While the exercise of an incentive stock option does not result in current taxable income, the excess of the fair market value of the option shares at the time of exercise over the exercise price will be an item of adjustment for purposes of determining the optionee's alternative minimum taxable income.

Stock Awards. Generally, the recipient of a Stock Award recognizes ordinary income, and the Bank is entitled to a corresponding tax deduction, equal to the Fair Market Value of the stock upon the lapse of any transfer or forfeiture restrictions placed on the shares (i.e., upon vesting of the shares). A Stock Award recipient who makes an election under Section 83(b) of the Internal Revenue Code, however, recognizes ordinary income equal to the Fair Market Value of the stock at the time of grant, rather than at the time restrictions lapse, and the Bank is entitled to a corresponding deduction at that time. If the recipient makes a Section 83(b) election, there are no further federal income tax consequences to either the recipient or the Bank at the time any applicable transfer or forfeiture restrictions lapse. A recipient of a Stock Award may elect to have a portion of such Stock Award withheld by the Bank in order to meet any necessary tax withholding obligations.

Benefits to Senior Executive Officers and Others

Awards with respect to additional shares to be authorized in accordance with the Amendment and the granting of Stock Awards will be granted under the Plan, at a future date, if at all, only after the Amendment to the Plan is approved by shareholders. **The Compensation Committee does not have any current plan of allocation for the additional shares that would be authorized under the Plan if the Amendment is approved by Bank's stockholders.** Any future awards under the Plan will be made solely at the discretion of the Compensation Committee or under delegated authority. Therefore, it is not possible to determine the benefits or amounts that will be received by any individuals or groups pursuant to the Amendment to the Plan in the future, or the benefits or amounts that would have been received by any individuals or groups for the last completed fiscal year if the Amendment to the Plan had been in effect.

Required Vote to Approve the Amendment to the Plan

An affirmative vote by a majority of the total votes entitled to be cast, in person or by proxy, on the Proposal is required for shareholder approval of the Amendment to the Plan.

The Board of Directors recommends that you vote “FOR” approval of the Amendment to the Madison National Bank 2007 Stock Option Plan.

OTHER MATTERS

The Bank’s Board of Directors is not aware of any other matters that may come before the meeting. However, the proxies may be voted with discretionary authority with respect to any other matters that may properly come before the meeting.

Dated: April 6, 2009

By Order of the Board of Directors

A handwritten signature in black ink that reads "Bonnie Seider". The signature is written in a cursive style with a large initial 'B'.

Bonnie Seider
Corporate Secretary

MADISON NATIONAL BANK 2007 STOCK OPTION PLAN

AS AMENDED AND RESTATED

**ARTICLE I
PURPOSE**

The purpose of the Madison National Bank 2007 Stock Option Plan, as amended and restated (the “Plan”) is to promote the success, and enhance the value of Madison National Bank (the “Bank”), by linking the personal, financial and economic interests of employees, officers and directors of the Bank or any Affiliate (as defined below) to those of Bank shareholders and by providing such persons with additional incentives for outstanding performance. The Plan is intended to promote the continuing involvement of employees, officers and directors to support successful operation of the Bank and to provide flexibility to the Bank to recruit employees, officers and directors. Accordingly, the Plan permits the granting of options to purchase common stock of the Bank from time to time and the granting of stock awards to selected employees, officers and directors of the Bank and its Affiliates.

**ARTICLE II
DEFINITIONS**

When a word or phrase appears in this Plan with the initial letter capitalized and the word or phrase does not commence a sentence, the word or phrase shall generally be given the meaning ascribed to it in this Article 2 unless a clearly different meaning is required by the context. The following words and phrases shall have the following meanings:

“Award” means an Option or Stock Award granted to a Participant under the Plan.

“Affiliate” means an entity that directly or through one or more intermediaries controls, is controlled by or is under common control with, the Bank, as determined by the Committee.

“Bank” means Madison National Bank, or any successor corporation or Parent.

“Board of Directors” means the Board of Directors of the Bank.

“Change in Control” means the occurrence of any one of the following events: (a) Merger: The Bank merges into or consolidates with another corporation, or merges another corporation into the Bank, and, as a result, less than a majority of the combined voting power of the resulting corporation immediately after the merger or consolidation is held by persons who were shareholders of the Bank immediately before the merger or consolidation. (b) Acquisition of Significant Share Ownership: A report on Schedule 13D or another form or schedule (other than Schedule 13G) is filed or is required to be filed

under Sections 13(d) or 14(d) of the Securities Exchange Act of 1934, if the schedule discloses that the filing person or persons acting in concert has or have become the beneficial owner of 25% or more of a class of the Bank's voting securities, but this clause (b) shall not apply to beneficial ownership of Bank voting shares held in a fiduciary capacity by an entity of which the Bank directly or indirectly beneficially owns fifty percent (50%) or more of its outstanding voting securities; (c) Change in Board Composition: During any period of two consecutive years, individuals who constitute the Bank's Board of Directors at the beginning of the two-year period cease for any reason to constitute at least a majority of the Bank's Board of Directors; provided, however, that for purposes of this clause (c), each director who is first elected by the board (or first nominated by the board for election by the shareholders) by a vote of at least two-thirds (2/3) of the directors who were directors at the beginning of the two-year period shall be deemed to have also been a director at the beginning of such period; or (d) Sale of Assets: The Bank sells to a third party all or substantially all of its assets. Notwithstanding anything in this Plan to the contrary, in no event shall the reorganization of the Bank into a holding company form of organization constitute a "Change in Control" for purposes of this Plan.

"Change in Control Price" means the highest price per share of Shares offered in conjunction with any transaction resulting in a Change in Control (as determined in good faith by the Committee if any part of the offered price is payable other than in cash) or, in the case of a Change in Control occurring solely by reason of a change in the composition of the Board of Directors, the highest Fair Market Value of the Shares on any of the thirty (30) trading days immediately preceding the date on which a Change in Control occurs.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Committee" means the committee of the Board of Directors described in Article 4 of the Plan.

"Continuous Status as a Participant" means the absence of any interruption or termination of service as an employee, officer or director of the Bank or any Affiliate, as applicable. Continuous service shall not be considered interrupted in the case of sick leave, military leave or any other absence approved by the Bank or an Affiliate, in the case of transfers between payroll locations or between the Bank, an Affiliate or a successor or performance of services in an advisory or consulting capacity, provided, however, that for purposes of an Incentive Stock Option, "Continuous Status as a Participant" means the absence of any interruption or termination of service as an employee of the Bank or any Parent or Subsidiary, as applicable.

"Covered Employee" means a covered employee as defined in Section 162(m)(3) of the Code.

"Director Emeritus" means a person serving as a director emeritus, advisory director, consulting director or other similar position as may be appointed by the Board of Directors of the Bank from time to time.

“Disability” means any illness or other physical or mental condition of a Participant that renders the Participant incapable of performing his customary and usual duties for the Bank, or any medically determinable illness or other physical or mental condition resulting from a bodily injury, disease or mental disorder that, in the judgment of the Committee, is permanent and continuous in nature. The Committee may require such medical or other evidence as it deems necessary to judge the nature and permanency of the Participant’s condition. Notwithstanding the above, with respect to an Incentive Stock Option, Disability shall mean Permanent and Total Disability as defined in Section 22(e)(3) of the Code.

“Effective Date” has the meaning assigned such term in Section 3.1 of the Plan.

“Eligible Participant” means an employee, officer or non-employee director of the Bank or any Affiliate.

“Exchange” means any national securities exchange or any market on which the Stock may from time to time be listed or traded.

“Fair Market Value” on any date, means (i) if the Stock is listed or traded on an Exchange, the closing sales price on such exchange or over such system on such date or, in the absence of reported sales on such date, the closing sales price on the immediately preceding date on which sales were reported, or (ii) if the Stock is not listed on a securities exchange, Fair Market Value shall be based upon a reasonable valuation method that complies with Section 409A of the Code and any regulations issued there under.

“Grant Date” means the date an Award is made by the Committee.

“Incentive Stock Option” means an Option that is intended to be an incentive stock option and meets the requirements of Section 422 of the Code or any successor provision thereto.

“Non-Employee Director” means a director of the Bank or an Affiliate who is not a common law employee of the Bank or an Affiliate.

“Nonstatutory Stock Option” means an Option that is not an Incentive Stock Option.

“Option” means a right granted to a Participant under Article 7 of the Plan to purchase Stock at a specified price during specified time periods. An Option may be either an Incentive Stock Option or a Non-statutory Stock Option, an Option not qualifying as an Incentive Stock Option.

“Option Agreement” means a written document, in such form as the Committee prescribes from time to time, setting forth the terms and conditions of an Option.

“Parent or Subsidiary” means a “parent” or “subsidiary” as such terms are defined in Sections 424(e) and (f) of the Code.

“Participant” means a person who, as an employee, officer or director of the Bank or any Affiliate, has been granted an Option under the Plan; provided that in the case of the death of a Participant, the term “Participant” refers to a beneficiary designated pursuant to Article 8.2 of the Plan or the legal guardian or other legal representative acting in a fiduciary capacity on behalf of the Participant under applicable state law and court supervision.

“Plan” means the Madison National Bank 2007 Stock Option Plan, as amended from time to time.

“Shares” means shares of Stock. If there has been an adjustment or substitution pursuant to Article 9 of the Plan, the term “Shares” shall also include any shares of stock or other securities that are substituted for Shares or into which Shares are adjusted pursuant to Article 9 of the Plan.

“Stock” means the common stock of the Bank, par value \$0.01, and such other securities of the Bank as may be substituted for Stock pursuant to Article 11 of the Plan.

“Stock Award” means an Award of shares of restricted stock granted to a Participant pursuant to Section 7.3 of the Plan.

“1933 Act” means the Securities Act of 1933, as amended from time to time.

“1934 Act” means the Securities Exchange Act of 1934, as amended from time to time.

ARTICLE III EFFECTIVE TERM OF PLAN

3.1 EFFECTIVE DATE. The Plan shall be effective as of the date it is approved by a vote of the shareholders of the Bank (the “Effective Date”).

3.2 TERMINATION OF PLAN. The Plan shall terminate on the tenth anniversary of the Effective Date. The termination of the Plan on such date shall not affect the validity of any Award outstanding on the date of termination.

ARTICLE IV ADMINISTRATION

4.1 COMMITTEE. The Plan shall be administered by a committee appointed by the Board of Directors or, at the discretion of the Board from time to time, the Plan may be administered by the Board of Directors. It is intended that at least two of the directors appointed to serve on the Committee shall be “non-employee directors” (within the meaning of Rule 16b-3 promulgated under the 1934 Act) and “outside directors” (within the meaning of Code Section 162(m) and the regulations thereunder) and that any such members of the Committee who do not so qualify shall abstain from participating in any decision to make or administer Awards that are made to Eligible Participants who at the time of consideration for such Award (i) are persons subject to the

short-swing profit rules of Section 16 of the 1934 Act, or (ii) are reasonably anticipated to become Covered Employees during the term of the Award. However, the mere fact that a Committee member shall fail to qualify under either of the foregoing requirements or shall fail to abstain from such action shall not invalidate any Award made by the Committee which Award is otherwise validly made under the Plan. The members of the Committee shall be appointed by, and may be changed at any time and from time to time in the discretion of the Board of Directors. The Board of Directors may reserve for itself any or all of the authority and responsibility of the Committee under the Plan or may act as administrator of the Plan for any and all purposes. To the extent the Board of Directors has reserved any authority and responsibility or during any time that the Board of Directors is acting as administrator of the Plan, it shall have all the powers of the Committee hereunder, and any reference herein to the Committee (other than in this Section 4.1) shall include the Board of Directors. To the extent any action of the Board of Directors under the Plan conflicts with actions taken by the Committee, the actions of the Board of Directors shall control.

4.2 ACTION AND INTERPRETATIONS BY THE COMMITTEE.

For purposes of administering the Plan, the Committee may from time to time adopt rules, regulations, guidelines and procedures for carrying out the provisions and purposes of the Plan and make such other determinations, not inconsistent with the Plan, as the Committee may deem appropriate. The Committee's interpretation of the Plan, any Awards granted under the Plan, any Option Agreement and all decisions and determinations by the Committee with respect to the Plan are final, binding, and conclusive on all parties. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Bank or any Affiliate, the Bank's or an Affiliate's independent certified public accountants, Bank counsel or any executive compensation consultant or other professional retained by the Bank to assist in the administration of the Plan.

4.3 AUTHORITY OF COMMITTEE. Except as provided below, the Committee has the exclusive power, authority and discretion to:

- (a) Grant Awards;
- (b) Designate Participants;
- (c) Determine the number of Awards to be granted;
- (d) Determine the terms and conditions of any Award granted under the Plan, including but not limited to, the exercise price and any restrictions or limitations on the Award;
- (e) Accelerate the vesting or exercisability of any outstanding Award in accordance with the Plan, based in each case on such considerations as the Committee in its sole discretion determines;
- (f) Prescribe the form of each Option Agreement or Stock Award Agreement, which need not be identical for each Participant;

- (g) Decide all other matters that must be determined in connection with an Award;
- (h) Establish, adopt or revise any rules, regulations, guidelines or procedures as it may deem necessary or advisable to administer the Plan;
- (i) Make all other decisions and determinations that may be required under the Plan or as the Committee deems necessary or advisable to administer the Plan; and
- (j) Amend the Plan or any Option Agreement or Stock Award Agreement as provided herein.

Notwithstanding the above, the Board of Directors or the Committee may also delegate, to the extent permitted by applicable law, to one or more officers of the Bank, the Committee's authority under subsections (a) through (j) above, pursuant to a resolution that specifies the total number of Options or Stock Awards that may be granted under the delegation, provided that no officer may be delegated the power to designate himself or herself as a recipient of such Awards; and provided further that no delegation of its duties and responsibilities may be made to officers of the Bank with respect to Awards to Eligible Participants who as of the Grant Date are persons subject to the short-swing profit rules of Section 16 of the 1934 Act, or who as of the Grant Date are reasonably anticipated to become Covered Employees during the term of the Award. The acts of such delegates shall be treated hereunder as acts of the Committee and such delegates shall report to the Committee regarding the delegated duties and responsibilities.

4.4 AWARD AGREEMENTS. Each Option shall be evidenced by an Option Agreement. Each Option Agreement shall include such provisions, not inconsistent with the Plan, as may be specified by the Committee. Each Stock Award shall be evidenced by a Stock Award Agreement. Each Stock Award Agreement shall include such provisions, not inconsistent with the Plan, as may be specified by the Committee.

ARTICLE V SHARES SUBJECT TO THE PLAN

5.1 NUMBER OF SHARES. Subject to adjustment as provided in Article 9 of the Plan, the aggregate number of Shares reserved and available for issuance pursuant to Awards granted under the Plan shall be 502,608 shares. The maximum number of shares of Bank common stock that may be awarded pursuant to Options granted under the Plan to any individual Eligible Participant shall not exceed 125,000 shares, all of which may be granted as Incentive Stock Options pursuant to the terms of the Plan subject to adjustment in accordance with Section 9.1, herein; provided that such limitation shall be 62,500 shares with respect to Options that may be awarded to any individual Eligible Participant that serves as a Non-Employee Director. Notwithstanding

the foregoing, subject to approval by the stockholders of the Bank within one year of April 6, 2009, the maximum number of Shares of Bank common stock reserved for issuance under the Plan shall be increased from 502,608 Shares to 837,680 Shares; provided that the total number of Shares that may be issued pursuant to Stock Awards shall not exceed 167,536 Shares; and further, provided that the maximum number of shares of Bank common stock that may be awarded pursuant to Options granted under the Plan to any individual Eligible Participant shall not exceed 209,420 shares, all of which may be granted as Incentive Stock Options pursuant to the terms of the Plan, subject to adjustment in accordance with Section 9.1, herein; that such limitation shall be 104,710 shares with respect to Options that may be awarded to any individual Eligible Participant that serves as a Non-Employee Director; that the maximum number of Shares subject to Stock Awards to any individual Eligible Participant shall not exceed 41,884 Shares; and that such limitation shall be 20,942 shares with respect to Stock Awards that may be awarded to any individual Eligible Participant that serves as a Non-Employee Director.

5.2 SHARE COUNTING.

- (a) To the extent that an Award is canceled, terminates, expires, is forfeited or lapses for any reason, any unissued Shares subject to the Award will again be available for issuance pursuant to Awards granted under the Plan.
- (b) If the exercise price of an Option is satisfied by delivering Shares to the Bank (by either actual delivery or attestation), only the number of Shares issued in excess of the delivery or attestation shall be considered for purposes of determining the number of Shares remaining available for issuance pursuant to Awards granted under the Plan.
- (c) To the extent that the full number of Shares subject to an Option is not issued upon exercise of the Option for any reason (other than Shares used to satisfy an applicable tax withholding obligation), only the number of Shares issued and delivered upon exercise of the Option shall be considered for purposes of determining the number of Shares remaining available for issuance pursuant to Awards granted under the Plan. Nothing in this subsection shall imply that any particular type of cashless or broker-assisted exercise of an Option is permitted under the Plan, that decision being reserved to the Committee or other provisions of the Plan.

5.3 STOCK DISTRIBUTED. Any Stock distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Stock, treasury Stock or Stock purchased in the open market or through privately negotiated transactions.

ARTICLE VI ELIGIBILITY

Awards may be granted only to Eligible Participants, except that Incentive Stock Options may be granted only to Eligible Participants who are employees of the Bank or a Parent or Subsidiary of the Bank.

ARTICLE VII PLAN AWARDS

Except as otherwise detailed herein, the Committee shall determine the type or types of Award(s) to be made to each Eligible Participant or Non-Employee Director. Awards may be granted singularly, in combination or in tandem. Awards also may be made in combination or in tandem with, in replacement of, as alternatives to, or as the payment form for grants or rights under any other employee or compensation plan of the Bank. The types of Awards that may be granted under this Plan are Stock Options, both Incentive Stock Options and those not qualifying as such, and Stock Awards, as follows:

7.1 STOCK OPTIONS. The Committee is authorized to grant Options to Participants on the following terms and conditions:

- (a) Exercise Price. The exercise price of an Option shall not be less than the Fair Market Value as of the Grant Date.
- (b) Time and Conditions of Exercise. The Committee shall determine the time or times at which an Option may be exercised in whole or in part, subject to Section 7.1(d) and 11.11(d) of the Plan. The Committee shall also determine the conditions, if any, that must be satisfied before all or part of an Option may be exercised or vested. Subject to Section 11.11(d) of the Plan, the Committee may waive any exercise or vesting provisions in whole or in part based upon factors as the Committee may determine in its sole discretion so that the Option becomes exercisable or vested at an earlier date.
- (c) Payment. The Committee shall determine the methods by which the exercise price of an Option may be paid and the form of payment (cash, Stock or a combination of cash and Stock).
- (d) Lapse of Option. Subject to any earlier termination provision contained in the Award Agreement or as otherwise provided for at Section 9.2(c) herein, an Option shall lapse upon the earliest of the following circumstances:
 - (1) The expiration date set forth in the Award Agreement.
 - (2) The tenth anniversary of the Grant Date.

- (3) Three months after termination of the Participant's Continuous Status as a Participant for any reason other than the Participant's Disability or death.
- (4) One year after termination of the Participant's Continuous Status as a Participant by reason of the Participant's Disability.
- (5) One year after the termination of the Participant's Continuous Status as a Participant if the Participant dies while employed, or during the three-month period described in paragraph (3), above, or during the one period described in paragraph (4), above, and in each instance before the Award otherwise lapses.

Unless the exercisability of the Option is accelerated as provided in Articles 9 or 10 of the Plan, if a Participant exercises an Option after termination of employment or service, the Option may be exercised only with respect to the Shares that were otherwise vested as of the date of the Participant's termination of employment or service. Upon the Participant's death, any exercisable Incentive Stock Options may be exercised by the Participant's beneficiary, determined in accordance with Section 8.2 of the Plan

7.2 INCENTIVE STOCK OPTIONS. The terms of any Incentive Stock Options granted under the Plan must comply with the following additional rules:

- (a) Individual Dollar Limitation. The aggregate Fair Market Value (determined as of the Grant Date) of all Shares with respect to which Incentive Stock Options are first exercisable by a Participant in any calendar year may not exceed \$100,000 (or any higher value as may be permitted under Section 422 of the Code).
- (b) Ten Percent Owners. No Incentive Stock Option shall be granted to any individual who, at the Grant Date, owns stock possessing more than ten percent of the total combined voting power of all classes of stock of the Bank or any Parent or Subsidiary unless the exercise price per share of such Option is at least 110% of the Fair Market Value per Share at the Grant Date and the Option expires no later than five years after the Grant Date.
- (c) Expiration of Authority to Grant Incentive Stock Options. No Incentive Stock Option may be granted pursuant to the Plan after the day immediately prior to the tenth anniversary of the date the Plan was approved by shareholders, or the termination of the Plan, if earlier.

- (d) Right to Exercise. During a Participant's lifetime, an Incentive Stock Option may be exercised only by the Participant or, in the case of the Participant's Disability, by the Participant's guardian or legal representative.
- (e) Eligible Grantees. The Committee may not grant an Incentive Stock Option to a person who is not at the Grant Date an employee of the Bank or of an Affiliate.

7.3 STOCK AWARDS. The Committee may make grants of Stock Awards, which shall consist of the grant of some number of Shares of common stock to an Eligible Participant upon such terms and conditions as it may determine, to the extent such terms and conditions are consistent with the following provisions:

- (i) Grants of Stock. Stock Awards may only be granted in whole shares of common stock.
- (ii) Non-Transferability. Except to the extent permitted by the Code and the rules promulgated under Section 16(b) of the Exchange Act or any successor statutes or rules, if applicable:
 - (1) The recipient of a Stock Award grant shall not sell, transfer, assign, pledge, or otherwise encumber Shares subject to the grant until full vesting of such Shares has occurred. For purposes of this Section 7.3, the separation of beneficial ownership and legal title through the use of any "swap" transaction is deemed to be a prohibited encumbrance.
 - (2) Unless otherwise determined by the Committee, and except in the event of the Participant's death or pursuant to a qualified domestic relations order, a Stock Award grant is not transferable and may be earned only by the individual to whom it is granted during his or her lifetime. Upon the death of a Participant, a Stock Award shall be transferred to the Beneficiary. The designation of a Beneficiary shall not constitute a transfer.
 - (3) If the recipient of a Stock Award is subject to the provisions of Section 16 of the Exchange Act, Shares of common stock subject to the grant may not, without the written consent of the Committee (which consent may be given in the Award Agreement), be sold or otherwise disposed of within six (6) months following the date of grant.
- (iii) Issuance of Certificates. The Committee shall take such action as is reasonably necessary for the prompt issuance of

Shares of common stock to be issued pursuant to a Stock Award prior to the time that such Award shall be deemed earned and non-forfeitable, with such stock certificate evidencing such shares registered in the name of the Participant to whom the Stock Award was granted; provided, however, that the Company may not cause a stock certificate to be issued unless it has received a stock power duly endorsed in blank with respect to such shares. Further, each such stock certificate shall bear the following legend:

THE TRANSFERABILITY OF THIS CERTIFICATE AND THE SHARES OF STOCK REPRESENTED HEREBY ARE SUBJECT TO THE RESTRICTIONS, TERMS AND CONDITIONS (INCLUDING FORFEITURE PROVISIONS AND RESTRICTIONS AGAINST TRANSFER) CONTAINED IN THE MADISON NATIONAL BANK 2007 STOCK OPTION PLAN, AS AMENDED AND RESTATED AND THE RELATED AWARD AGREEMENT ENTERED INTO BETWEEN THE REGISTERED OWNER OF SUCH SHARES AND THE MADISON NATIONAL BANK. THE PLAN AND AWARD AGREEMENT IS ON FILE IN THE OFFICE OF THE CORPORATE SECRETARY OF MADISON NATIONAL BANK.

This legend shall not be removed until the individual becomes vested in such Stock Award pursuant to the terms of the Plan and respective Award Agreement. Each certificate issued pursuant to this Section 7.3 shall be held by the Bank or its Affiliates, unless the Committee determines otherwise.

- (iv) Treatment of Dividends. Participants are entitled to all dividends and other distributions declared and paid on all Shares of common stock subject to a Stock Award from and after the date of grant of such Stock Award. Such dividends and other distributions shall be distributed to the holder of such Stock Award within 30 days of the payment date applicable to such distributions declared and paid with respect to the Shares of common stock; provided that in the event of the forfeiture of such Stock Award, all future dividend rights shall cease.

- (v) **Voting Rights Associated with of Stock Awards.** Voting rights associated with any Stock Award shall not be exercised by the Participant until certificates of Common Stock representing such Award have been issued to such Participant and the Stock Award shall be deemed earned and non-forfeitable. Any shares of Common Stock outstanding prior to such time shall be voted by the Committee. Any shares of Common Stock held by the Bank prior to such time shall be voted by the Committee in accordance with the stock power held by the Bank applicable to such Awards.

- (vi) **Vesting of Stock Awards.** Notwithstanding anything herein to the contrary, such Stock Awards shall be earned and non-forfeitable at a rate not more quickly than one-third as of the one-year anniversary of such date of grant and an additional one-third following each of the next two successive years during such periods of continuous service of the Participant; provided that, such Award shall be immediately 100% earned and non-forfeitable in the event of the death or Disability of such Participant or upon a Change in Control of the Bank.

**ARTICLE VIII
GENERAL PROVISIONS APPLICABLE TO AWARDS**

8.1 **LIMITS ON TRANSFER.** No right or interest of a Participant in any Award may be sold, pledged, encumbered, or hypothecated to or in favor of any party other than the Bank or an Affiliate, or shall be subject to any lien, obligation, or liability of such Participant to any other party other than the Bank or an Affiliate. No Award shall be assignable or transferable by a Participant other than by will or the laws of descent and distribution.

8.2 **BENEFICIARIES.** Notwithstanding Section 8.1 of the Plan, a Participant may, in the manner determined by the Committee, designate a beneficiary to exercise the rights of the Participant and to receive any distribution with respect to any Award upon the Participant's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights under the Plan is subject to all terms and conditions of the Plan and any Award Agreement applicable to the Participant, except to the extent the Plan and Award Agreement otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Committee. If no beneficiary has been designated or survives the Participant, payment shall be made to the Participant's estate. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Participant at any time provided the change or revocation is filed with the Committee.

8.3 **STOCK CERTIFICATES.** All Stock issuable under the Plan is subject to any stop-transfer orders and other restrictions as the Committee deems

necessary or advisable to comply with federal or state securities laws, rules and regulations and the rules of any national securities exchange or automated quotation system on which the Stock is listed, quoted, or traded. The Committee may place legends on any Stock certificate or issue instructions to the transfer agent to reference restrictions applicable to the Stock.

8.4 ACCELERATION UPON DEATH OR DISABILITY. Except as otherwise provided in the Award Agreement, upon the Participant's death or Disability during his or her Continuous Status as a Participant, all of such Participant's outstanding Options and other Awards in the nature of rights that may be exercised shall become fully exercisable and all time-based vesting restrictions on the Participant's outstanding Awards shall lapse. Any Awards shall thereafter continue or lapse in accordance with the other provisions of the Plan and the Award Agreement. To the extent that this provision causes Incentive Stock Options to exceed the dollar limitation set forth in Sections 7.2(a) and (b) of the Plan, the Options in excess of such limitation shall be deemed to be Nonstatutory Stock Options.

8.5 TERMINATION OF EMPLOYMENT. Whether military, government or other service or other leave of absence shall constitute a termination of employment shall be determined in each case by the Committee at its discretion, and any determination by the Committee shall be final and conclusive. A Participant's Continuous Status as a Participant shall not be deemed to terminate in a circumstance in which a Participant transfers from the Bank to an Affiliate, transfers from an Affiliate to the Bank, or transfers from one Affiliate to another Affiliate. To the extent that this provision causes Incentive Stock Options to extend beyond three months from the date a Participant is deemed to be an employee of the Bank, a Parent or Subsidiary for purposes of Sections 424(e) and 424(f) of the Code, the Options held by such Participant shall be deemed to be Non-statutory Stock Options, that being Options that do not qualify as Incentive Stock Options.

ARTICLE IX CHANGE IN CAPITAL STRUCTURE; CHANGE IN CONTROL

9.1 CHANGES IN CAPITAL STRUCTURE. In the event of a corporate event or transaction involving the Bank (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, merger, consolidation, split-up, spin-off, combination or exchange of shares), the authorization limits under Article 5 shall be adjusted proportionately, and the Committee shall proportionately adjust the Plan and Awards to preserve the benefits or potential benefits of the Awards. Action by the Committee may include: (i) proportionate adjustment of the number and kind of shares which may be delivered under the Plan; (ii) proportionate adjustment of the number and kind of shares subject to outstanding Awards; (iii) proportionate adjustment of the exercise price of outstanding Awards or the measure to be used to determine the amount of the benefit payable on an Award; and (iv) any other adjustments that the Committee determines to be equitable. Without limiting the foregoing, in the event of a subdivision of the outstanding stock (stock-split), a declaration of a dividend payable in Shares, or a combination or consolidation of the

outstanding stock unto a lesser number of Shares, the authorization limits under Article 5 shall automatically be adjusted proportionately, and the Shares then subject to each Award shall automatically be adjusted proportionately without any change in the aggregate purchase price therefore.

9.2 ACCELERATED VESTING AND PAYMENT. Subject to the provisions of Sections 9.3, 11.11(b) and 11.11(d) of the Plan or as otherwise provided in the Option Agreement or the Stock Award Agreement, in the event of a Change in Control, unless otherwise specifically prohibited under law or by the rules and regulations of an Exchange:

- (a) Any and all Awards granted hereunder shall become immediately earned and non-forefeitable and Options shall become immediately exercisable; provided that, if such acceleration of exercisability results in exceeding the limitations with respect to Incentive Stock Options as set forth at Section 7.2(a), then such Options in excess of such limitations shall thereupon be deemed Nonstatutory Stock Options;
- (b) With respect to Options other than Options granted in the first three years following the Bank's organization, the Committee shall have the ability to unilaterally determine that all outstanding Awards are cancelled upon a Change in Control, and the value of such Awards, as determined by the Committee in accordance with the terms of the Plan and the Award Agreement, be paid out in cash in an amount based on the Change in Control Price within a reasonable time subsequent to the Change in Control; and
- (c) Upon a Change in Control, such Options shall remain exercisable for the remaining full term of exercisability without regard to any prior termination of service or employment; provided that if such Options that are deemed Incentive Stock Options are not exercised within three months of any termination of employment, then such Options shall thereafter be deemed Nonstatutory Stock Options.

9.3 ALTERNATIVE AWARDS. Notwithstanding Section 9.2 of the Plan, no cash settlement or other payment shall occur with respect to any Award if the Committee reasonably determines in good faith prior to the occurrence of a Change in Control that such Award shall be honored or assumed, or new rights substituted therefor (such honored, assumed or substituted Award hereinafter called an "Alternative Award") by any successor as described in Section 11.16 of the Plan; provided that any such Alternative Award must:

- (a) Be based on stock which is traded on an established U.S. securities market, or that the Committee reasonably believes will be so traded within sixty (60) days after the Change in Control;
- (b) Provide such Participant with rights and entitlements substantially equivalent to or better than the rights, terms and conditions applicable under such Award;
- (c) Have substantially equivalent economic value to such Award (determined at the time of the Change in Control); and
- (d) Have terms and conditions which provide that if the Participant's employment is involuntarily terminated or constructively terminated, any conditions on a Participant's rights under, or any restrictions on transfer or exercisability applicable to, each such Alternative Award shall be waived or shall lapse, as the case may be.

ARTICLE X
AMENDMENT, MODIFICATION AND TERMINATION

10.1 AMENDMENT, MODIFICATION AND TERMINATION. The Board or the Committee may, at any time and from time to time, amend, modify or terminate the Plan without shareholder approval; provided, however, that if an amendment to the Plan would, in the reasonable opinion of the Board of Directors or the Committee, either (i) materially increase the number of Shares available under the Plan, (ii) expand the types of awards under the Plan, (iii) materially expand the class of participants eligible to participate in the Plan, (iv) materially extend the term of the Plan, or (v) otherwise constitute a material change requiring shareholder approval under applicable laws, policies or regulations or the applicable listing or other requirements of an Exchange, then such amendment shall be subject to shareholder approval; and provided, further, that the Board of Directors or Committee may condition any other amendment or modification on the approval of shareholders of the Bank for any reason, including by reason of such approval being necessary or deemed advisable to (i) permit Awards made hereunder to be exempt from liability under Section 16(b) of the 1934 Act, (ii) to comply with the listing or other requirements of an exchange, or (iii) to satisfy any other tax, securities or other applicable laws, policies or regulations.

10.2 AWARDS PREVIOUSLY GRANTED. At any time and from time to time, the Committee may amend, modify or terminate any outstanding Award without approval of the Participant; provided, however:

- (a) Subject to the terms of the applicable Option Agreement, such amendment, modification or termination shall not, without the Participant's consent, reduce or diminish the value of such Award

determined as if the Award had been exercised, vested, or otherwise settled on the date of such amendment or termination (with the per-share value of an Option for this purpose being calculated as the excess, if any, of the Fair Market Value as of the date of such amendment or termination over the exercise price of such Award);

- (b) The original term of an Option may not be extended without the prior approval of the shareholders of the Bank;
- (c) Except as otherwise provided in Article 9 of the Plan, the exercise price of an Option may not be reduced, directly or indirectly, without the prior approval of the shareholders of the Bank; and
- (d) No termination, amendment, or modification of the Plan shall adversely affect any Award previously granted under the Plan, without the written consent of the Participant affected thereby. An outstanding Award shall not be deemed to be “adversely affected” by a Plan amendment if such amendment would not reduce or diminish the value of such Award determined as if the Award had been exercised, vested, or otherwise settled on the date of such amendment (with the per-share value of an Option for this purpose being calculated as the excess, if any, of the Fair Market Value as of the date of such amendment over the exercise or base price of such Award).

ARTICLE XI GENERAL PROVISIONS

11.1 NO RIGHTS TO AWARDS; NON-UNIFORM DETERMINATIONS. No Participant or any Eligible Participant shall have any claim to be granted any Award under the Plan. Neither the Bank, its Affiliates nor the Committee is obligated to treat Participants or Eligible Participants uniformly, and determinations made under the Plan may be made by the Committee selectively among Eligible Participants who receive, or are eligible to receive, Awards (whether or not such Eligible Participants are similarly situated).

11.2 NO SHAREHOLDER RIGHTS. Except as otherwise provided in this Plan or an Award Agreement, no Award gives a Participant any of the rights of a shareholder of the Bank unless and until Shares are in fact issued to such person in connection with such Award.

11.3 WITHHOLDING. The Bank or any Affiliate shall have the authority and the right to deduct or withhold a portion of Shares with respect to an Award, or require a Participant to remit to the Bank, an amount sufficient to satisfy federal, state, and local taxes (including the Participant’s FICA obligation) required by law to be withheld with respect to any exercise, lapse of restriction or other taxable event

arising as a result of the Plan. In no event shall the Shares withheld exceed the minimum whole number of shares required for tax withholding under applicable law.

11.4 NO RIGHT TO CONTINUED SERVICE. Nothing in the Plan, any Award Agreement or any other document or statement made with respect to the Plan, shall interfere with or limit in any way the right of the Bank or any Affiliate to terminate any Participant's employment or status as an employee, officer, director or consultant at any time, nor confer upon any Participant any right to continue as an employee, officer, director, or consultant of the Bank or any Affiliate, whether for the duration of a Participant's Award or otherwise.

11.5 UNFUNDED STATUS OF AWARDS. The Plan is intended to be an "unfunded" plan for incentive and deferred compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award Agreement shall give the Participant any rights that are greater than those of a general creditor of the Bank or any Affiliate. The Plan is not intended to be subject to the Employee Retirement Income Security Act of 1974 ("ERISA").

11.6 RELATIONSHIP TO OTHER BENEFITS. No payment under the Plan shall be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare or benefit plan of the Bank or any Affiliate unless provided otherwise in such other plan.

11.7 EXPENSES. The expenses of administering the Plan shall be borne by the Bank and its Affiliates.

11.8 TITLES AND HEADINGS. The titles and headings of the Sections in the Plan are for convenience of reference only, and in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

11.9 GENDER AND NUMBER. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine; the plural shall include the singular and the singular shall include the plural.

11.10 FRACTIONAL SHARES. No fractional Shares shall be issued and the Committee shall determine, in its discretion, whether cash shall be given in lieu of fractional Shares or whether such fractional Shares shall be eliminated by rounding up or down.

11.11 GOVERNMENT AND OTHER REGULATIONS.

- (a) Notwithstanding any other provision of the Plan, no Participant who acquires Shares pursuant to the Plan may, during any period of time that such Participant is an affiliate of the Bank (within the meaning of the rules and regulations of the Securities and Exchange Commission under the 1933 Act), sell such Shares, unless such offer and sale is made (i) pursuant to an effective registration

statement under the 1933 Act, which is current and includes the Shares to be sold, or (ii) pursuant to an appropriate exemption from the registration requirement of the 1933 Act, such as that set forth in Rule 144 promulgated under the 1933 Act.

- (b) Notwithstanding any other provision of the Plan, if at any time the Committee shall determine that the registration, listing or qualification of the Shares covered by an Award upon any Exchange or under any federal, state or local law or practice, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the granting of such Award or the purchase or receipt of Shares thereunder, no Shares may be purchased, delivered or received pursuant to such Award unless and until such registration, listing, qualification, consent or approval shall have been effected or obtained free of any condition not acceptable to the Committee. Any Participant receiving or purchasing Shares pursuant to an Award shall make such representations and agreements and furnish such information as the Committee may request to assure compliance with the foregoing or any other applicable legal requirements. The Bank shall not be required to issue or deliver any certificate or certificates for Shares under the Plan prior to the Committee's determination that all related requirements have been fulfilled. The Bank shall in no event be obligated to register any securities pursuant to the 1933 Act or applicable state law or to take any other action in order to cause the issuance and delivery of such certificates to comply with any such law, regulation or requirement.
- (c) Notwithstanding any other provision contained in the Plan, all Options are subject to the following "exercise or forfeit" provision required by the Office of the Comptroller of the Currency ("OCC"). If the Bank's capital falls below the minimum requirements contained in 12 C.F.R. Part 3, or falls below a higher requirement as determined by the OCC in connection with a cease and desist order, consent order, formal written agreement or Prompt Corrective Action directive, the OCC may direct the Bank to require that Participants exercise or forfeit their rights to Options. The Bank will notify Participants within 45 days from the date the OCC notifies the Bank in writing that Participants must exercise or forfeit their rights to Options. The Bank will cancel Options not exercised within 21 days of the Bank's notification to the Participant.

- (d) Notwithstanding any other provision contained in the Plan, Options granted in the first three years following the Bank's effective date of organization shall become exercisable at a rate no greater than 33.3% per year over three years from the date of the Bank's organization. Further, the vesting of Options granted in the first three years following the Bank's organization may not be accelerated prior to the third anniversary of the Bank's organization, except in the case of a Participant's death or Disability.

11.12 GOVERNING LAW. To the extent not governed by federal law, the Plan and all Award Agreements shall be construed in accordance with and governed by the laws of the State of New York.

11.13 ADDITIONAL PROVISIONS. Each Award Agreement may contain such other terms and conditions as the Committee may determine; provided that such other terms and conditions are not inconsistent with the provisions of the Plan.

11.14 INDEMNIFICATION. To the extent allowable under applicable law, each member of the Committee shall be indemnified and held harmless by the Bank from any loss, cost, liability or expense that may be imposed upon or reasonably incurred by such member in connection with or resulting from any claim, action, suit or proceeding to which such member may be a party or in which he may be involved by reason of any action or failure to act under the Plan and against and from any and all amounts paid by such member in satisfaction of judgment in such action, suit or proceeding against him provided he gives the Bank an opportunity, at its own expense, to handle and defend the same before he undertakes to handle and defend it on his own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Bank's Charter or Bylaws, as a matter of law, or otherwise, or any power that the Bank may have to indemnify them or hold them harmless.

11.15 NO LIMITATIONS ON RIGHTS OF BANK. Subject to Section 11.16 of the Plan, the grant of any Award shall not in any way affect the right or power of the Bank to make adjustments, reclassification or changes in its capital or business structure or to merge, consolidate, dissolve, liquidate, sell or transfer all or any part of its business or assets. The Plan shall not restrict the authority of the Bank, for proper corporate purposes, to draft or assume Awards, other than under the Plan, to or with respect to any person. If the Committee so directs, the Bank may issue or transfer Shares to an Affiliate, for such lawful consideration as the Committee may specify, upon the condition or understanding that the Affiliate will transfer such Shares to a Participant in accordance with the terms of an Award granted to such Participant and specified by the Committee pursuant to the provisions of the Plan.

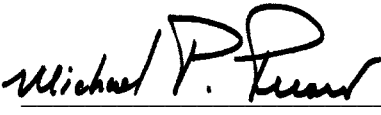
11.16 SUCCESSORS. Any obligations of the Bank or an Affiliate under the Plan with respect to Awards granted hereunder, shall be binding on any successor to

the Bank or Affiliate, respectively, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Bank or Affiliate, as applicable.

11.17 SECTION 409A COMPLIANCE. To the extent that any Award is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code (a "409A Award"), the Award shall be subject to such additional rules and requirements as specified by the Committee from time to time in order to comply with Section 409A of the Code. In this regard, if any amount under a 409A Award is payable upon a "separation from service" (within the meaning of Section 409A of the Code) to a Participant who is then considered a "specified employee" (within the meaning of Section 409A of the Code), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the Participant's separation from service, or (ii) the Participant's death, but only to the extent such delay is necessary to prevent such payment from being subject to interest, penalties and/or additional tax imposed pursuant to Section 409A of the Code. Further, the settlement of any such Award may not be accelerated except to the extent permitted by Section 409A of the Code. To the extent that an Award is deemed to constitute a 409A Award, and the settlement of, or distribution of benefits thereunder of, such Award is to be triggered solely by a Change in Control, then with respect to such Award, a Change in Control shall be defined as required in conformity with the limitations under Section 409A of the Code, as in effect at the time of such Change in Control transaction.

IN WITNESS WHEREOF, this Madison National Bank 2007 Stock Option Plan, as amended, has been executed this 6th day of April, 2009.

Madison National Bank

By: 

Michael P. Puorro
President

