

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

**FORM S-8**

**REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

**HANMI FINANCIAL CORPORATION**

(Exact Name of Registrant as Specified in its Charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**95-4788120**  
(I.R.S. Employer Identification Number)

**3660 Wilshire Boulevard  
Suite PH-A  
Los Angeles, California 90010  
(213) 382-2200**  
(Address, including ZIP Code and Telephone Number,  
Including Area Code, of Principal Executive Offices)

**INDIVIDUAL STOCK BONUS & STOCK OPTION AGREEMENTS**

(Full Title of Agreements)

**Dr. Sung Won Sohn  
President and Chief Executive Officer  
3660 Wilshire Boulevard  
Suite PH-A  
Los Angeles, California 90010  
(213) 382-2200**

Copy to:

**Stephen W. Fackler, Esq.  
Simpson Thacher & Bartlett LLP  
3330 Hillview Avenue  
Palo Alto, California 94304-1203  
(650) 251-5000**

**CALCULATION OF REGISTRATION FEE**

<b>Title of Securities to be Registered (1)</b>	<b>Amount to be Registered (2)</b>	<b>Proposed Maximum Offering Price Per Share</b>	<b>Proposed Maximum Aggregate Offering Price</b>	<b>Amount of Registration Statement Fee</b>
Common Stock, \$0.001 per share	175,000 (3)	\$ 34.33(5)	\$ 6,007,750.00(5)	\$ 707.11
Common Stock, \$0.001 per share	50,000 (4)	\$ 35.25(6)	\$ 1,762,500(6)	\$ 207.45
<b>TOTAL</b>				\$ 914.56

(1) The securities being registered include options and rights to acquire common stock.

(2) Pursuant to Rule 416(a) under the Securities Act of 1933, this registration statement also covers any additional securities that may be offered or issued in connection with any stock split, stock dividend or similar transaction.

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- (3) Represents shares reserved for issuance upon the exercise of options granted pursuant to the terms of the Stock Option Agreement between Dr. Sung Won Sohn and Hanmi Financial Corporation dated November 3, 2004.
- (4) Represents shares of restricted stock granted pursuant to the terms of the Stock Bonus Grant Notice and Stock Bonus Agreement between Dr. Sung Won Sohn and Hanmi Financial Corporation.
- (5) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(h)(1) of the Securities Act of 1933, as amended, based upon the actual exercise price per share (\$34.33) of 175,000 option shares granted pursuant to the terms of the Stock Option Agreement between Dr. Sung Won Sohn and Hanmi Financial Corporation dated November 3, 2004.
- (6) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) of the Securities Act of 1933, as amended, based upon the average of the high and low sales prices reported on the NASDAQ National Market on January 28, 2005, which average was \$35.25 per share, for 50,000 restricted shares granted pursuant to the terms of the Stock Bonus Grant Notice and Stock Bonus Agreement between Dr. Sung Won Sohn and Hanmi Financial Corporation.

This registration statement will become effective upon filing in accordance with Rule 462(a) under the Securities Act.

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## INTRODUCTION

The Registrant is filing this Registration Statement on Form S-8 to register shares of Common Stock issuable pursuant to a stock bonus and options granted to Dr. Sung Won Sohn pursuant to the terms of the Stock Option Agreement between Dr. Sung Won Sohn and Hanmi Financial Corporation dated November 3, 2004 and the Stock Bonus Grant Notice and Stock Bonus Agreement between Dr. Sung Won Sohn and Hanmi Financial Corporation (the "Agreements").

### PART I

#### INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

The document(s) containing the information specified in Part I will be sent or given to Dr. Sung Won Sohn as specified by Rule 428(b)(1) of the Securities Act of 1933, as amended (the "Securities Act"). Such documents are not being filed with the Securities and Exchange Commission (the "Commission") either as part of this Registration Statement or as prospectuses or prospectus supplements pursuant to Rule 424 of the Securities Act. Such documents and the documents incorporated by reference in this Registration Statement pursuant to Item 3 of Part II hereof, taken together, constitute a prospectus that meets the requirements of Section 10(a) of the Securities Act.

### PART II

#### INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

##### Item 3. Incorporation of Documents by Reference

The following documents previously filed with the Commission by the Registrant are incorporated herein by reference:

- (a) Annual Report on Form 10-K filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), containing audited financial statements for the Registrant's latest fiscal year ended December 31, 2003 as filed with the Commission on March 15, 2004, as amended by Form 10-K/A filed with the Commission on March 22, 2004;
- (b) Quarterly Report on Form 10-Q for the quarter ended March 31, 2004 as filed with the Commission on May 10, 2004; Quarterly Report on Form 10-Q for the quarter ended June 30, 2004 as filed with the Commission on August 9, 2004; Quarterly Report on Form 10-Q for the quarter ended September 30, 2004 as filed with the Commission on November 9, 2004;
- (c) Current Reports on Form 8-K filed on January 9, 2004, January 27, 2004, January 30, 2004, March 10, 2004, April 22, 2004, April 28, 2004, May 3, 2004, June 23, 2004, July 14, 2004, July 26, 2004, August 10, 2004, September 8, 2004, October 22, 2004, November 9, 2004 (2 filings), January 19, 2005, January 25, 2005, January 27, 2005 and January 28, 2005; and
- (d) The description of the Registrant's Common Stock contained in its registration statement on Form 8-A (No. 000-30421) filed under Section 12 of the Exchange Act, and any amendment or report filed for the purpose of updating that description.

In addition, all documents filed by the Registrant pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Registration Statement and prior to the filing of a post-

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effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference into this Registration Statement and to be a part hereof from the date of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein or in any subsequently filed document which also is incorporated or deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

### **Item 4. Description of the Securities**

The Registrant's common stock is registered under Section 12 of the Exchange Act.

### **Item 5. Interests of Named Experts and Counsel**

Not applicable.

### **Item 6. Indemnification of Directors and Officers**

Section 145 of the Delaware General Corporation Law allows for the indemnification of officers, directors and any corporate agents in terms sufficiently broad to indemnify such persons under certain circumstances for liabilities (including reimbursement for expenses incurred) arising under the Securities Act. The Registrant's amended and restated certificate of incorporation and amended and restated bylaws provide for indemnification of its directors, officers, employees and other agents to the extent and under the circumstances permitted by the Delaware General Corporation Law. The Registrant has also entered into agreements with its directors and executive officers that require it, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors and executive officers to the fullest extent permitted by Delaware law. In addition, the Registrant has purchased directors and officers liability insurance, which provides coverage against certain liabilities including liabilities under the Securities Act.

### **Item 7. Exemption from Registration Claimed**

Not applicable.

### **Item 8. Exhibits**

The following exhibits are filed with or incorporated by reference into this Registration Statement on Form S-8:

<u>Exhibit Number</u>	<u>Exhibit</u>
5.1	Opinion of Simpson Thacher & Bartlett LLP as to the legality of the shares being registered
23.1	Consent of Simpson Thacher & Bartlett LLP (included in Exhibit 5.1)

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<u>Exhibit Number</u>	<u>Exhibit</u>
23.2	Consent of KPMG LLP
24.1	Power of Attorney (included on the signature pages of this Registration Statement)
99.1	Stock Option Agreement
99.2	Stock Bonus Grant Notice and Stock Bonus Agreement

### **Item 9. Undertakings**

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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**SIGNATURE**

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Los Angeles, State of California, on this 13th day of January, 2005.

HANMI FINANCIAL CORPORATION

By: /s/ SUNG WON SOHN  
Dr. Sung Won Sohn  
President and Chief Executive Officer

**SIGNATURES AND POWER OF ATTORNEY**

The officers and directors of Hanmi Financial Corporation whose signatures appear below, hereby constitute and appoint Dr. Sung Won Sohn and Michael J. Winiarski and each of them, their true and lawful attorneys and agents, with full power of substitution, each with power to act alone, to sign and execute on behalf of the undersigned any amendment or amendments to this registration statement on Form S-8, and each of the undersigned does hereby ratify and confirm all that each of said attorney and agent, or their, his or her substitutes, shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ SUNG WON SOHN</u> Sung Won Sohn	President and Chief Executive Officer	January 13, 2005
<u>/s/ MICHAEL J. WINIARSKI</u> Michael J. Winiarski	Senior Vice President and Chief Financial Officer (principal financial and accounting officer)	January 13, 2005
<u>/s/ UNG KYUN AHN</u> Ung Kyun Ahn	Director	January 13, 2005
<u>/s/ RICHARD B.C. LEE</u> Richard B.C. Lee	Director	January 13, 2005
<u>Joseph K. Rho</u>	Director	
<u>I Joon Ahn</u>	Director	
<u>/s/ JOON H. LEE</u> Joon H. Lee	Director	January 13, 2005
<u>Stuart S. Ahn</u>	Director	
<u>/s/ CHANG KYU PARK</u> Chang Kyu Park	Director	January 13, 2005

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<u>Signature</u>	<u>Title</u>	<u>Date</u>
<hr/> <i>/s/</i> M. CHRISTIAN MITCHELL <hr/> M. Christian Mitchell	Director	January 13, 2005
<hr/> <i>/s/</i> WON R. YOON <hr/> Won R. Yoon	Director	January 13, 2005
<hr/> <i>/s/</i> WILLIAM J. RUH <hr/> William J. Ruh	Director	January 13, 2005
<hr/> Kraig A. Kupiec	Director	

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**EXHIBIT INDEX**

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99.2	Stock Bonus Grant Notice and Stock Bonus Agreement



[SIMPSON THACHER & BARTLETT LLP LETTERHEAD]

January 18, 2005

Hanmi Financial Corporation  
3660 Wilshire Boulevard  
Suite PH-A  
Los Angeles, California 90010  
Ladies and Gentlemen:

We have acted as counsel to Hanmi Financial Corporation, a Delaware corporation (the "Company"), in connection with the Registration Statement on Form S-8 (the "Registration Statement") filed by the Company with the Securities and Exchange Commission under the Securities Act of 1933, as amended, relating to shares of Common Stock, par value \$0.001 per share (the "Shares"), of the Company to be issued to Dr. Sung Won Sohn by the Company pursuant to the Employment Agreement, Stock Bonus Agreement, and Stock Option Agreement with Dr. Sohn (the "Agreements").

We have examined the Registration Statement, a form of the share certificate, and the Agreements. We also have examined the originals, or duplicates or certified or conformed copies, of such records, agreements, instruments and other documents and have made such other and further investigations as we have deemed relevant and necessary in connection with the opinions expressed herein. As to questions of fact material to this opinion, we have relied upon certificates of public officials and representations of officers and representatives of the Company.

In rendering the opinion set forth below, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as duplicates or certified or conformed copies, and the authenticity of the originals of such latter documents.

Based upon the foregoing, and subject to the qualifications and limitations stated herein, we are of the opinion that (1) the Shares have been duly authorized and (2) upon (a) the issuance of the Shares in accordance with the terms of the Agreements and (b) the delivery of the consideration therefor pursuant to the terms of such Agreements, the Shares will be validly issued, fully paid and nonassessable.

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We do not express any opinion herein concerning any law other than the Delaware General Corporation Law (including the statutory provisions, all applicable provisions of the Delaware Constitution and reported judicial decisions interpreting the foregoing).

We hereby consent to the filing of this opinion letter as Exhibit 5.1 to the Registration Statement. Except as stated herein, this opinion letter may not be relied upon by you for any other purpose, or relied upon by, or furnished to, any other person, firm or corporation without our prior written consent.

Very truly yours,

/s/ Simpson Thacher & Bartlett LLP

SIMPSON THACHER & BARTLETT LLP

Consent of Independent Registered Public Accounting Firm

The Board of Directors  
Hanmi Financial Corporation:

We consent to the incorporation by reference in the registration statement on Form S-8 of Hanmi Financial Corporation of our report dated January 25, 2004, with respect to the consolidated statements of financial condition of Hanmi Financial Corporation and subsidiary as of December 31, 2003 and 2002, and the related consolidated statements of operations, changes in shareholders' equity and comprehensive income, and cash flows for each of the years in the three year period ended December 31, 2003, which report appears in the December 31, 2003 annual report on Form 10-K/A of Hanmi Financial Corporation.

/s/ KPMG LLP

Los Angeles, California  
February 2, 2005

## HANMI FINANCIAL CORPORATION

## STOCK OPTION AGREEMENT

## NON-STATUTORY STOCK OPTION

THIS AGREEMENT to grant Non-Statutory Stock Options ("Agreement") is entered into by and between Hanmi Financial Corporation, a Delaware corporation (the "Company"), and DR. SUNG WON SOHN ("Optionee").

WHEREAS, the Board of Directors of the Company has authorized the grant to Optionee of Stock Options to purchase all or any part of ONE HUNDRED SEVENTY FIVE THOUSAND (175,000) shares of the Company's Common Stock, such Stock Option to be for the term and upon the terms and conditions hereinafter stated;

NOW, THEREFORE, it is hereby agreed:

1. Definitions. For the purposes of this Agreement, the following terms shall have the following meanings:

a. "Change in Control." A Change in Control shall be deemed to have occurred in the event of:

(i) The consummation of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, if more than 50% of the combined voting power of the continuing or surviving entity's securities outstanding immediately after such merger, consolidation or other reorganization is owned by persons who were not stockholders of the Company immediately prior to such merger, consolidation or other reorganization; or

(ii) The sale, transfer or other disposition of all or substantially all of the Company's assets; or

(iii) A change in the composition of the Board, as a result of which fewer than one-half of the directors are incumbent directors who either (x) had been directors of the Company on the date twenty-four (24) months prior to the date of the event that may constitute a Change in Control (the "original directors") or (y) were elected, or nominated with the affirmative votes of at least a majority of the aggregate of the original directors who were still in office at the time of the election or nomination and the directors whose election or nomination was previously so approved; or

(iv) Any transaction as a result of which any person is the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing at least 50% of the total voting power represented by the Company's then outstanding voting securities. For purposes of this Paragraph (iv), the term "person" shall have the same meaning as when used in Sections 13(d) and 14(d) of the

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Exchange Act but shall exclude: (A) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or a subsidiary of the Company; and (B) a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the common stock of the Company.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transactions.

b. "Code." This term shall mean the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

c. "Common Stock." This term shall mean shares of the Company's common stock, subject to adjustment pursuant to Section 16.

d. "Company." This term shall mean Hanmi Financial Corporation.

e. "Constructive Termination." This term shall mean (i) the failure by the Company to pay or cause to be paid to Optionee his base salary or any earned annual cash incentive bonus payment when due; (ii) the reduction of Optionee's annual base salary without his consent; (iii) a material diminution in Optionee's authority, responsibilities, duties or reporting relationships as President and Chief Executive Officer; or (iv) the relocation of Optionee's primary work place with the Company in Los Angeles, California to a location more than thirty-five (35) miles from its current location as of the date of this Agreement without Optionee's consent, in each if such breach is not cured by the Company within ten (10) business days following the date on which Optionee notifies the Board in writing of the existence of such breach.

f. "Employment Agreement." This term shall mean the Employment Agreement between Optionee and the Company dated November 3, 2004.

g. "Exchange Act." This term shall mean the Securities Exchange Act of 1934, as amended.

h. "Good Cause." This term shall mean: (i) Optionee's willful or grossly negligent failure to comply with the lawful directions of the Board; (ii) Optionee's gross negligence or willful misconduct (including but not limited to any willfully dishonest or fraudulent act or omission) in the performance or intentional nonperformance of any of Optionee's material duties and responsibilities hereunder or continued neglect of Optionee's duties to the Company (including its subsidiaries); (iii) Optionee's material misappropriation of property of the Company (including its subsidiaries) for his own personal financial benefit; or (iv) Optionee's conviction or plea of guilty or "no contest" to a felony, in each case provided that Optionee has failed to cure such act or omission to the Company's reasonable satisfaction, if such act or omission is reasonably capable

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of being cured, no later than ten (10) days following delivery of written notice by the Company to Optionee of such offending act or omission.

i. "Non-Statutory Stock Option." This term shall mean a Stock Option which is not an incentive stock option within the meaning of Section 422 of the Code.

j. "Option Shares." This term shall mean Common Stock covered by and subject to any outstanding unexercised Stock Option granted pursuant to this Agreement.

k. "Optionee." This term shall mean Dr. Sung Won Sohn, to whom a Stock Option has been granted pursuant to this Agreement, provided that at least part of the Stock Option is outstanding and unexercised.

l. "Plan." This term shall mean the Hanmi Financial Corporation Year 2000 Stock Option Plan as embodied herein and as may be amended from time to time in accordance with the terms hereof and applicable law.

m. "Stock Option." This term shall mean the right to purchase Common Stock under this Agreement in a specified number of shares, at a price and upon the terms and conditions determined by the Stock Option Committee.

n. "Stock Option Committee." The Board of Directors of the Company (the "Board") may select and designate a Stock Option Committee consisting of two or more directors of the Company each of whom may be an "outside director" within the meaning of Section 162(m) of the Code and a "non-employee director" within the meaning of Rule 16b-3 of the Exchange Act. Regardless of whether a Stock Option Committee is selected, the Board may act as the Stock Option Committee and any action taken by said Board as such shall be deemed to be action taken by the Stock Option Committee. All references in this Agreement to the "Stock Option Committee" shall be deemed to refer to the Board acting as the Stock Option Committee and to a duly appointed Stock Option Committee, if there be one. In the event of any conflict between action taken by the Board acting as a Stock Option Committee and action taken by a duly appointed Stock Option Committee, the action taken by the Board shall be controlling and the action

taken by the duly appointed Stock Option Committee shall be disregarded.

Any such action taken by the Stock Option Committee in the administration of this Agreement shall be valid and binding, so long as the same is not inconsistent with the terms and conditions of this Agreement, unless pursuant to an amendment in accordance with Section 25 hereunder. Subject to the express provisions of the Agreement, the Stock Option Committee shall have the authority to construe and interpret this Agreement, to define the terms used herein, to prescribe, amend, and rescind rules and regulations relating to the administration of the Agreement, and to make all other determinations necessary or advisable for administration of the Agreement. Determinations of the Stock Option Committee on matters referred to in this Section shall be final and conclusive so long as the same are not clearly inconsistent with the terms of this Agreement.

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o. "Subsidiary." This term shall mean each "subsidiary corporation" (treating the Company as the employer corporation) as defined in Section 424(f) of the Code.

2. Grant of Stock Option. Pursuant to resolutions adopted by the Board, the Company hereby grants to Optionee the following Non-Statutory Options, upon and subject to the terms and conditions stated herein:

- a. The "First Option": The grant of a Stock Option to purchase all or any part of Seventy-Five Thousand (75,000) shares of the Company's Common Stock having an exercise price per share equal to \$34.33, the closing price of the Company Common Stock on the Grant Date, as defined below.
- b. The "Second Option": The grant of a Stock Option to purchase all or any part of One Hundred Thousand (100,000) shares of the Company's Common Stock having an exercise price per share equal to \$34.33, the closing price of the Company Common Stock on the Grant Date, as defined below.

For purposes of this Agreement, the date of grant is November 3, 2004 (the "Grant Date"). The First Option and the Second Option (collectively the "Options") granted hereunder are designated as Non-Statutory Stock Options and shall not be treated as incentive stock options under Section 422 of the Code.

3. Exercisability. These Stock Options shall vest and become exercisable as follows:

- a. The First Option: The shares under the First Option shall vest and become exercisable on each anniversary of January 3, 2005 (the "Vesting Commencement Date"), in equal annual installments of 16.666666% per year (rounded to the nearest whole share) over a period of six (6) years from the Vesting Commencement Date and upon termination of employment for any reason shall continue to vest and become exercisable as if Optionee had continued employment with the Company for the remainder of such six-year vesting period (the "Term"), except as otherwise expressly provided in this Agreement. Option Shares of this First Option, which become vested and exercisable may be purchased at any time prior to expiration of this Stock Option.
- b. The Second Option: Subject to the Optionee's continued employment with the Company (except as provided in Sections 8 and 14 below), the shares under the Second Option shall vest and become exercisable on each anniversary of the Vesting Commencement Date, in equal annual installments of 16.666666% per year (rounded to the nearest whole share) over a period of six (6) years from the Vesting Commencement Date. Option Shares of the Second Option that become vested and exercisable may be purchased at any time prior to expiration of this Stock Option.

Notwithstanding any other provision of this Agreement to the contrary, if any Stock Option granted hereunder is not exercisable solely because of the restrictions set forth in Section 17 below relating to "Approvals," the Stock Option shall not expire until the earlier of the

Expiration Date specified in Section 7 hereof or until it shall have been exercisable for an aggregate period of ninety (90) days. If the exercise of any Stock Option is prevented within the applicable time periods set forth in this Section 3 or in Sections 8, 9, 10, or 11 for any other reason caused by the Company, the Stock Option shall remain exercisable until thirty (30) days after the date that Optionee is notified by the Company that the Stock Option is again exercisable, but in any event no later than the Expiration Date specified in Section 7 hereof.

4. Notice of Exercise. Subject to the other terms and conditions hereof, the Optionee may exercise the Stock Options, to the extent vested and exercisable, by delivering written notice of exercise to the Company in the form established by the Company stating the number of Option Shares with respect to which the Stock Option is being exercised and specifying whether the Optionee is electing to purchase shares of Common Stock under the First Option or Second Option, together with concurrent payment in full of the exercise price as provided in Section 5. Not less than ten (10) Option Shares may be purchased at any one time unless the number purchased is the total number which remains to be purchased under the First Option or Second Option, and in no event may the Stock Options be exercised with respect to fractional shares.

5. Method of Exercise of Options. The exercise price of a Stock Option may be paid (i) in currency of the United States of America; or by a bank, cashier's, or certified check (such modes of payment collectively referred to as "cash") payable to the Company in U.S. dollars or (ii) if permitted at or before the time of exercise by the Stock Option Committee, (a) by delivery of previously-owned shares of Common Stock having an aggregate value equal to the full amount of the purchase price of such Option Shares or (b) by a combination of cash and previously-owned shares of Common Stock.

6. Tax Withholding. Upon the exercise of the Stock Option, Optionee shall remit an amount sufficient to satisfy all federal, state, and local tax withholding requirements relating to such exercise.

7. Termination and Terminating Events. Subject to earlier termination as provided in this Agreement, the Stock Options shall terminate on the tenth (10th) year anniversary from the date of grant, which shall be November 3, 2014 ("Expiration Date"). In the event of: (i) the consummation of a plan of dissolution or liquidation of the Company, or (ii) the consummation of a plan of reorganization, merger, consolidation, or similar transaction or acquisition with respect to the Company, as a result of which the Company is not the surviving controlling entity, the Stock Options shall terminate to the extent unexercised at such time, and prior to such time the Stock Options shall become immediately exercisable, whether or not vested, as to all unexercised Option Shares for such period of time as may be determined by the Stock Option Committee, but in any event not less than thirty (30) days prior to the consummation of such transaction, on the condition that the accelerating event described in this Section 7 is consummated; provided, however, that if provision is made in connection with such transaction for assumption, substitution, or continuation of the Stock Options, with appropriate adjustments as to number and kind of shares and prices, the Stock Options shall be exercisable in accordance with the terms of this Agreement.

8. Termination without Good Cause or Resignation by the Optionee on Account of Constructive Termination. If the Optionee's employment by the Company or a Subsidiary is terminated by the Company without Good Cause or the Optionee resigns on account of a Constructive Termination, any Stock Options that are outstanding on the date of Optionee's termination without Good Cause or the date of Optionee's resignation on account of a

Constructive Termination shall continue to vest and become exercisable as if Optionee had continued to deliver services to the Company under the Employment Agreement for the remainder of the Term, provided that Optionee executes an effective release of claims as required by the Employment Agreement and continues to comply with the covenants set forth in Sections 3, 5 and 6 of the Employment Agreement. In the event that Optionee violates one or more of the covenants set forth in Sections 3, 5 or 6 of the Employment Agreement, no further vesting with respect to any outstanding Stock Options shall occur. An outstanding Stock Option that is fully vested and exercisable on the date of such termination shall terminate ninety (90) days following the date of termination. An outstanding Stock Option that is not fully vested and exercisable on the date of such termination shall terminate as to each vesting installment on the later of (a) ninety (90) days following the date of termination or (b) ninety (90) days following the date of vesting, whichever occurs later, but in no event later than the Expiration Date specified in Section 7 hereof.

9. Resignation by the Optionee Other Than on Account of Constructive Termination. If the Optionee resigns other than on account of a Constructive Termination, the First Option shall continue to vest and become exercisable as if Optionee had continued to deliver services to the Company for the remainder of the Term, and will terminate ninety (90) days following the end of the Term (or, if earlier, on the Expiration Date specified in Section 7 hereof), unless terminated earlier as provided in this Agreement. The Second Option shall expire ninety (90) days after the date of such resignation or on the Expiration Date specified in Section 7 hereof, whichever is earlier. During such period of ninety days (or less, if the Expiration Date falls within such ninety-day period), this Stock Option shall be exercisable only as to those increments, if any, which have become vested and exercisable as of the date on which the Optionee ceased to be employed by the Company or Subsidiary, and any Stock Options or increments which have not become vested and exercisable as of such date shall expire and terminate automatically on such date. Any portion of the Stock Option not exercised within the period described above shall expire at the end of such period.

10. Termination for Good Cause. If Optionee's employment by the Company or a Subsidiary is terminated for Good Cause, the First Option shall continue to vest and become exercisable as if Optionee had continued to deliver services to the Company for the remainder of the Term, and will terminate at the end of the Term (or, if earlier, on the Expiration Date specified in Section 7 hereof), unless terminated earlier as provided in this Agreement. The Second Option shall automatically expire as to both vested and unvested Option Shares immediately upon the date of termination (taking into account any cure period provided in Section 4(c) of the Employment Agreement), unless reinstated by the Stock Option Committee within thirty (30) days of such termination by giving written notice of such reinstatement to Optionee. In the event of such reinstatement, Optionee may exercise the Second Option only to such extent, for such time, and upon such terms and conditions as if Optionee had resigned other than on account of a Constructive Termination as described in Section 9 above.

11. Disability or Death of Optionee. If Optionee becomes disabled or dies while employed by the Company or a Subsidiary, or dies while one or both Stock Options are outstanding, the First Option shall become immediately fully vested and exercisable as of the date of such disability or death and any then outstanding Stock Option shall expire and terminate on the earlier of (a) the one (1) year anniversary of the date of such disability or death or (b) the Expiration Date, as specified in Section 7 hereof. After Optionee's disability or death, but before such expiration, and subject to the provisions of Section 17 hereof, the Optionee or the person or persons to whom Optionee's rights under this Stock Option shall have passed by order of a court

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of competent jurisdiction or by will or the applicable laws of descent and distribution, or the executor, administrator or conservator of Optionee's estate, if applicable, shall have the right to exercise this Stock Option as to any vested, but previously unexercised, Option Shares. Any portion of the Stock Option not exercised within such remaining period described above shall expire at the end of such period. For purposes hereof, "disability" shall mean that the Optionee's incapacity due to physical or mental illness or injury has resulted in either (i) the Optionee's absence from his full-time duties hereunder for substantially all of six (6) consecutive months, or (ii) such incapacity as can reasonably be expected to result in death or to last for a continuous period of not less than twelve (12) months and to render Optionee unable to perform effectively the duties and responsibilities of his office.

12. Nontransferability. The Stock Options shall not be transferable except by will or by the laws of descent and distribution, and shall be exercisable during Optionee's lifetime only by Optionee.

13. Privileges of Stock Ownership. Optionee shall have no rights as a stockholder with respect to the Option Shares unless and until said Option Shares are issued to Optionee. Except as provided herein, no adjustment will be made for dividends or other rights in respect of which the record date is prior to the date such stock certificates are issued.

14. Change in Control. In the event of a Change in Control, if (i) Optionee resigns on account of a Constructive Termination or his employment is terminated by the Company without Good Cause, and such resignation or termination of employment occurs upon or within thirteen (13) months following the occurrence of a Change in Control, or (ii) the Company and Optionee have not received written notice at least five (5) business days prior to the anticipated closing date of the transaction giving rise to the Change in Control from the successor to all or a substantial portion of the Company's business and/or assets that such successor is willing and able as of the closing to assume and agree to perform the Company's obligations under the Employment Agreement in the same manner and to the same extent that the Company is required to perform under the Employment Agreement, then upon Optionee's termination of employment, all then outstanding Options shall become fully vested and exercisable on the effective date of the termination, provided that Optionee executes an effective

release of claims as required by the Employment Agreement and complies with the covenants set forth in Sections 3, 5, and 6 of the Employment Agreement.

15. Notification of Sale. Optionee agrees that the Optionee will notify the Company in writing not more than five (5) days after any sale or other disposition of Option Shares.

16. Adjustment Upon Changes in Capitalization. If the outstanding shares of Common Stock of the Company are increased, decreased, materially changed in value, or changed into or exchanged for a different number or kind of shares, securities, and/or other property of the Company, through a reorganization, merger, spin-off, recapitalization, reclassification, forward or reverse stock split, stock dividend, extraordinary dividend or distribution, stock consolidation, combination, exchange of shares of Common Stock or other corporate exchange, any distribution to stockholders of Common Stock other than regular cash dividends, or any transaction similar to the foregoing, without consideration to the Company, an appropriate and proportionate adjustment shall be made in the number or kind of Option Shares, securities or other property subject to the Stock Options, and the exercise price of unexercised Stock Options, or portions thereof, which have been granted prior to any such change, shall

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likewise be made. Adjustments under this Section shall be made by the Stock Option Committee, whose determination as to what adjustments shall be made, and the extent thereof, shall be final and conclusive. No fractional shares of stock shall be issued on account of such adjustments, and fractional share interests shall be disregarded, except that they may be accumulated.

17. Approvals; Authorization. This Agreement and the issuance of Option Shares hereunder are expressly subject to the approval of all regulatory agencies having jurisdiction with respect thereto, if such approval is required by law, and of the securities exchanges upon which securities of the Company are listed, if any, have been complied with, and the Option Shares must prior to issuance either (i) then be registered under the Securities Act of 1933, as amended (the "Securities Act") or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act. The issuance of Option Shares must comply with other applicable laws and regulations, and the Option Shares will not be issued if the Company determines that such issuance would not be in material compliance with such laws and regulations. The Option Shares will be issued out of the authorized but unissued shares of the Company's Common Stock, as authorized pursuant to the Company's Certificate of Incorporation.

18. Notices. Any notices provided for in this Agreement shall be deemed given and effective upon the occurrence of (i) the signing by the recipient of an acknowledgement of receipt form accompanying delivery through the U.S. mail sent by certified mail, return receipt requested, with postage prepaid, (ii) personal service by a process server, or (iii) delivery to the recipient's address by overnight delivery (e.g., FedEx, UPS, or DHL) or other commercial delivery service, with all delivery charges paid by the sender. Notices sent to the Company shall be sent to the attention of the Company's General Counsel at the address for the Company's main offices. Notices addressed to you shall be sent to the address that you most recently provided to the Company and is reflected in the Company's books and records.

19. Governing Law. THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICTING PROVISION OR RULE (WHETHER OF THE STATE OF CALIFORNIA OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF CALIFORNIA TO BE APPLIED. IN FURTHERANCE OF THE FOREGOING, THE INTERNAL LAW OF THE STATE OF CALIFORNIA WILL CONTROL THE INTERPRETATION AND CONSTRUCTION OF THIS AGREEMENT, EVEN IF UNDER SUCH JURISDICTION'S CHOICE OF LAW OR CONFLICT OF LAW ANALYSIS, THE SUBSTANTIVE LAW OF SOME OTHER JURISDICTION WOULD ORDINARILY APPLY.

#### 20. Resolution of Disputes

a. Arbitration. Any dispute, controversy or claim arising out of or relating to this Agreement or the Plan shall be settled by binding arbitration held in Los Angeles, California, in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect, except as specifically otherwise provided in this Section 20. This Section shall be construed and enforced in accordance with the Federal Arbitration Act, notwithstanding any other choice of law provision in this Agreement. Notwithstanding the foregoing:

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b. Any party hereto may, in its discretion, apply to a



court of competent jurisdiction for equitable relief. Such an application shall not be deemed a waiver of the right to compel arbitration pursuant to this Section.

c. Arbitrators. The panel to be appointed shall consist of three neutral arbitrators: one selected by the Company, one selected by the Optionee, and one selected by the designees of the Company and Optionee.

d. Procedures. The arbitrator(s) shall allow such discovery as the arbitrator(s) determine appropriate under the circumstances and applicable law and shall resolve the dispute as expeditiously as practicable, and if reasonably practicable, within one hundred twenty (120) days after the selection of the arbitrator(s). The arbitrator(s) shall give the parties written notice of the decision, with the reasons therefor set out, and shall have thirty (30) days thereafter to reconsider and modify such decision if any party so requests within ten (10) days after the decision.

e. Authority. The arbitrator(s) shall have authority to award relief under legal or equitable principles, including interim or preliminary relief, and to allocate responsibility for the costs of the arbitration and to award recovery of attorneys fees and expenses in such manner as is determined to be appropriate by the arbitrator(s) in accordance with applicable law.

f. Entry of Judgment. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having in personam and subject matter jurisdiction. Company and Optionee hereby submit to the in personam jurisdiction of the Federal and State courts in Los Angeles, California, for the purpose of confirming any such award and entering judgment thereon.

g. Confidentiality. All proceedings under this Section, and all evidence given or discovered pursuant hereto, shall be maintained in confidence by all parties and by the arbitrators to the maximum extent permitted under applicable law.

h. Continued Performance. The fact that the dispute resolution procedures specified in this Section shall have been or may be invoked shall not excuse any party from performing its obligations under this Agreement and during the pendency of any such procedure all parties shall continue to perform their respective obligations in good faith.

21. No Employment Commitment by Company. Nothing in this Agreement constitutes an employment commitment by the Company, affects the Optionee's status as an employee who is subject to termination without cause, confers upon the Optionee any right to remain employed by the Company or any Subsidiary, interferes in any way with the right of the Company or any Subsidiary at any time to terminate such employment, or affects the right of the Company or any Subsidiary to increase or decrease the Optionee's compensation or other benefits. The preceding sentence is subject, however, to the terms of any written employment agreement between the Optionee and the Company (which may not be modified by any oral agreement).

22. Counterparts. This Agreement may be executed in one or more counterparts, and each such counterpart shall be deemed to be an original, but all such counterparts together shall constitute but one agreement.

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23. Entire Agreement. This Agreement and the other writings referred to herein constitute the entire agreement between the parties with respect to the subject matter hereof and thereof and supersede all prior written or oral negotiations, commitments, representations and agreements with respect thereto.

24. Severability. It is the desire and intent of the parties hereto that the provisions of this Agreement be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Agreement shall be adjudicated by a court of competent jurisdiction to be invalid, prohibited or unenforceable for any reason, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction. Notwithstanding the foregoing, if such provision could be more narrowly drawn so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

25. Amendments and Termination. Except as otherwise provided herein, this Agreement may not be modified, amended or terminated except by a writing signed by both parties hereto; provided that the Company, upon written notice to the Optionee, may unilaterally amend this Agreement in any way that

does not materially adversely affect the Optionee's rights in or to the Options.

26. Construction. Where the context or construction requires, all words applied in the plural herein shall be deemed to have been used in the singular and vice versa, and the masculine gender shall include the feminine and the neuter and vice versa.

27. Headings. The headings of the several sections herein are inserted solely for convenience of reference and are not intended to form a part of and are not intended to govern, limit or aid in the construction of any term or provision hereof.

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28. Successors. This Agreement shall be binding upon the respective successors, assigns, heirs, executors, administrators, guardians and personal representatives of the Company and Optionee.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

HANMI FINANCIAL CORPORATION

-----  
By: Joon Hyung Lee  
Its: Chairman of the Board

ACKNOWLEDGMENT:

I hereby acknowledge receipt of a copy of this Agreement.

OPTIONEE

-----  
DR. SUNG WON SOHN

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HANMI FINANCIAL CORPORATION  
STOCK BONUS GRANT NOTICE

Hanmi Financial Corporation (the "Company"), pursuant to the terms of that Employment Agreement between the Company and Dr. Sung Won Sohn dated November 3, 2004 (the "Employment Agreement"), hereby grants to Dr. Sohn (the "Participant") a stock bonus grant (the "Award") of that number of shares of the Company's Common Stock set forth below (the "Shares"). This Award is subject to all of the terms and conditions set forth herein and in the Stock Bonus Agreement attached hereto and incorporated herein in its entirety (collectively, the "Award Documents").

Participant: Dr. Sung Won Sohn  
Grant Date: February [ ], 2005  
Vesting Commencement Date: [ ], 2005  
Number of Shares: 50,000  
Fair Market Value on Grant Date (Per Share): [\$\_\_\_\_\_]

- VESTING SCHEDULE:
- One-fifth (1/5th) of the Shares will be released from the restrictions on transfer set forth in Section 12 of the Stock Bonus Agreement on the Vesting Commencement Date.
  - One-fifth (1/5th) of the Shares will be released from the restrictions on transfer set forth in Section 12 of the Stock Bonus Agreement on each of the first four anniversaries of the Vesting Commencement Date (or if the Shares are then listed on a national securities exchange, automatic quotation system or similar public securities market, but are not actively traded on such date (for example, because such date falls on a weekend or holiday), then the date of release shall be the first trading day immediately preceding such anniversary date) in accordance with the standard set forth in Section 4 of the Stock Bonus Agreement.
  - All Shares shall be released from the restrictions on transfer set forth in Section 12 of the Stock Bonus Agreement in the event of the Participant's death or disability, or certain terminations of employment upon or within 13 months after the occurrence of a Change in Control, as described in further detail in the Section 4 of the Stock Bonus Agreement and the Employment Agreement.

CONSIDERATION: The Shares are awarded to the Participant in consideration for past services rendered to the Company as an employee of the Company, including Participant's execution of the Employment Agreement. No payment is required for the Shares, although payment may be required for the amount of any withholding taxes due as a result of the award of, or release of, the Shares, as described in greater detail in the Stock Bonus Agreement.

ADDITIONAL TERMS/ACKNOWLEDGEMENTS: The undersigned Participant acknowledges receipt of the Award Documents, and understands and agrees to the terms set forth in the Award Documents. Participant further acknowledges that as of the Grant Date, the Award Documents set forth the entire understanding between Participant and the Company regarding the acquisition of shares of the Company's Common Stock and supersede all prior oral and written agreements on that subject with the exception of (i) stock options previously granted and delivered to Participant under the Employment Agreement, and (ii) the Employment Agreement.

HANMI FINANCIAL CORPORATION DR. SUNG WON SOHN:  
By: \_\_\_\_\_  
Signature Signature

Title: \_\_\_\_\_ Date: \_\_\_\_\_

Date: \_\_\_\_\_

ATTACHMENTS: I. Stock Bonus Agreement

ATTACHMENT I

STOCK BONUS AGREEMENT

HANMI FINANCIAL CORPORATION  
STOCK BONUS AGREEMENT

Pursuant to the provisions of the Employment Agreement between you and the Company dated November 3, 2004 ("Employment Agreement"), Hanmi Financial Corporation (the "Company") grants you that number of shares of Common Stock of the Company under the terms of the Stock Bonus Grant Notice to which this Stock Bonus Agreement is attached ("Stock Bonus Grant Notice") and this Stock Bonus Agreement ("Agreement") (together the Stock Bonus Grant Notice and the Agreement shall be referred to as the "Award Documents"). Defined terms not explicitly defined in the Award Documents but defined in the Employment Agreement shall have the same definitions as in the Employment Agreement.

The details of your Award are as follows:

1. THE AWARD. The Company hereby awards to you the aggregate number of shares of Common Stock specified in your Stock Bonus Grant Notice (the "Shares"). The Shares are awarded to you in consideration for past service to the Company as an employee of the Company, including your execution of the Employment Agreement.

2. DOCUMENTATION. As a condition to the award of the Shares, and prior to the receipt of any share certificates by you, you agree to execute the Stock Bonus Grant Notice and to deliver the same to the Company, along with such additional documents as the Company may reasonably require.

3. CONSIDERATION FOR THE AWARD. No cash payment is required for the Shares, although you may be required to tender payment in cash or other acceptable form of consideration for the amount of any withholding taxes due as a result of the award of, or release from the restrictions on transfer of, the Shares.

4. RELEASE FROM RESTRICTIONS.

(a) Subject to the limitations contained in Sections 11 and 12 of this Agreement and the terms of the Employment Agreement, the Shares will be released to you as provided in the Stock Bonus Grant Notice. If your employment with the Company terminates for any reason prior to the release of any number of Shares, the Shares will nevertheless be released from the restrictions on transfer in accordance with the release schedule provided in the Stock Bonus Grant Notice as if you had continued to deliver services to the Company under the Employment Agreement for the remainder of the term of the Employment Agreement; provided that you execute an effective release of claims to the extent required by the Employment Agreement and comply with the covenants set forth in Sections 3, 5, and 6 of the Employment Agreement.

(b) Notwithstanding the foregoing, in the event that: (i) your employment is terminated due to your death; (ii) your employment is terminated due to your disability (as defined in the Employment Agreement); or (iii) (A) your employment is terminated without "good cause" (as defined in the Employment Agreement) or you resign on account of a Constructive Termination (as defined in the Employment Agreement), and such termination of employment or resignation occurs upon or within thirteen (13) months following the occurrence of a Change in Control (as defined in the Employment Agreement), or (B) you and the Company have not received written notice at least five (5) business days prior to the anticipated closing

date of the transaction giving rise to the Change in Control from the successor to all or a substantial portion of the Company's business and/or assets that such successor is willing and able as of the closing to assume and agree to perform the Company's obligations under the Employment Agreement in the same manner and to the same extent that the Company is hereby required to perform, then in either case termination or failure to assume the Company's obligations under this Agreement shall be treated as a termination of the Employment Agreement by the Company without "good cause" and upon your termination of employment (including a resignation by you for any reason pursuant to Section 4(b)(iii)(B) above); then all of the Shares subject to this Award shall be released in their entirety from the restrictions on transfer set forth in Section 12 hereof on the effective date of the termination, provided that in the event of a termination pursuant to Section 4(b)(iii) above, you must execute an effective release of claims to the extent required by the Employment Agreement and comply with the covenants set forth in Sections 3, 5, and 6 of the Employment Agreement..

5. NUMBER OF SHARES. If the outstanding shares of Common Stock of the Company are increased, decreased, or changed into or exchanged for a different number or kind of securities and/or property, through a reorganization, merger, recapitalization, reclassification, spin-off, combination, exchange of shares of

Common Stock of the Company or other corporate exchange, forward stock split, reverse stock split, stock dividend, stock consolidation, any distribution to stockholders of Common Stock other than regular cash dividends, or any transaction similar to the foregoing, in each case without consideration to the Company, an appropriate and proportionate adjustment shall be made to the Shares awarded to you. Adjustments under this Section shall be made by the Committee appointed by the Company's Board of Directors to administer your award of the Shares, whose determination as to what adjustments shall be made, and the extent thereof, shall be final and conclusive. No fractional shares of stock shall be issued or made available under this award of Shares on account of such adjustments, and fractional share interests shall be disregarded, except that they may be accumulated.

6. CERTIFICATES. Certificates evidencing the Shares shall be issued by the Company and shall be registered in your name as soon as reasonably practicable after the Grant Date.

7. RIGHTS AS A STOCKHOLDER. You shall be the record owner of the Shares, and as record owner shall be entitled to the rights of a common stockholder of the Company, including, without limitation, voting rights with respect to the Shares and you shall receive, when paid, any dividends on all of the Shares granted hereunder as to which you are the record holder on the applicable record date; provided that any cash or in-kind dividends paid with respect to the Shares which remain subject to the restrictions on transfer set forth in this Agreement shall be retained by the Company and shall be paid to you only when, and if, such Shares are released from such restrictions pursuant to Section 4 and the Stock Bonus Grant Notice.

8. SECURITIES LAWS. You may not be issued any Shares under your Award unless the Shares are either (i) then registered under the Securities Act or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act. Your Award must also comply with other applicable laws and regulations governing the Award, and you will not receive such Shares if the Company determines that such receipt would not be in material compliance with such laws and regulations.

9. LEGENDS ON CERTIFICATES. The certificates representing the Shares delivered to you shall be subject to such stop transfer orders and other restrictions as the Company may deem advisable under this Agreement or the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which such Shares are listed, and any applicable federal, state or foreign laws, and the Company may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

10. AWARD NOT A SERVICE CONTRACT. Your Award is not an employment or service contract, and nothing in your Award shall be deemed to create in any way whatsoever any obligation on your part to continue to serve as an employee of the Company. In addition, nothing in your Award shall obligate the Company, its stockholders, its Board or employees to continue any relationship that you might have as an employee of the Company or any affiliate of the Company or as a member of the Company's Board of Directors or the board of directors of any affiliate of the Company, or otherwise.

11. WITHHOLDING OBLIGATIONS.

(a) At the time your Award is made, or at any time thereafter as requested by the Company, you agree to make adequate provision for any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company, if any, which arise in connection with your Award. You agree that in the event that you do not make adequate provision for the payment of such sums, the Company shall be entitled, but not obligated, to withhold that number of Shares with a value sufficient to satisfy its withholding obligations from those Shares to be released from the restrictions on transfer provided for herein.

(b) Unless the tax withholding obligations of the Company, if any, are satisfied, the Company shall have no obligation to release such Shares from any restrictions on transfer provided for herein, notwithstanding the release schedule set forth in the Stock Bonus Grant Notice or the terms of Section 4 hereof.

12. RESTRICTIONS ON TRANSFER. You agree that you will not transfer any Shares except as permitted under the terms of the Award Documents, including the provisions of this Section 12.

(a) You agree that you will not sell, or otherwise dispose of in an exchange subject to income and/or employment tax, all or any part of the Shares subject to this Award prior to the time that they are released from this restriction according to the terms of the release schedule set forth in the Stock Bonus Grant Notice and Section 4 hereof and the satisfaction of the Company's tax withholding obligations pursuant to Section 11 hereof.

(b) You agree that you may not transfer in a transaction that is not

subject to income and/or employment tax, any part of the Shares subject to this Award prior to the time that they are released from this restriction according to the terms of the release schedule set forth in the Stock Bonus Grant Notice and Section 4 hereof and the satisfaction of the Company's tax withholding obligations pursuant to Section 11 hereof. The Company may in its discretion permit such a non-taxable transfer upon such terms and conditions as it shall determine, including but not limited to an agreement by the transferee to accept such a transfer of Shares subject to the same conditions and limitations imposed on you had such a transfer not occurred.

(c) In the event of any purported transfer of Shares which is in violation of the terms of this Agreement, such purported transfer shall be void and of no effect, and the Company shall have an irrevocable option (the "Reacquisition Option") to reacquire from you all of the Shares subject to the purported transfer at no cost to the Company.

(d) Each certificate representing Shares held by you will bear a legend on the face thereof substantially to the following effect (with such additions thereto or changes therein as the Company may be advised by counsel are required by law or necessary to give full effect to this Agreement or to reflect restrictions imposed under applicable securities and other law.

"THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO AN AGREEMENT IN FAVOR OF THE COMPANY, A COPY OF WHICH IS ON FILE WITH THE COMPANY. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE, DIRECTLY OR INDIRECTLY, MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF SUCH AGREEMENT. THE HOLDER OF THIS CERTIFICATE, BY ACCEPTANCE OF THIS CERTIFICATE, AGREES TO BE BOUND BY ALL OF THE PROVISIONS OF SUCH AGREEMENT."

The Company shall also be authorized to issue stop transfer instructions to the Company's transfer agent in order to enforce further the restrictions on transfer set forth herein. \_

13. NOTICES. Any notices provided for in your Award Documents shall be deemed given and effective upon the occurrence of (i) the signing by the recipient of an acknowledgement of receipt form accompanying delivery through the U.S. Mail sent by certified mail, return receipt requested, with postage prepaid, (ii) personal service by a process server, or (iii) delivery to the recipient's address by overnight delivery (e.g., FedEx, UPS, or DHL) or other commercial delivery service, with all delivery charges paid by the sender. Notices sent to the Company shall be sent to the attention of the Company's General Counsel at the address for the Company's main offices. Notices addressed to you shall be sent to the address that you most recently provided to the Company and is reflected in the Company's books and records.

14. ADMINISTRATION AND INTERPRETATION. The Award Documents shall be interpreted and administered by the Stock Option Committee. The Board of Directors of the Company may select and designate a Stock Option Committee consisting of two or more directors of the Company, each of whom may be an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, and a "non-employee director" within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934, as amended. Regardless of whether a Stock Option Committee is selected, the Board of Directors may act as the Stock Option Committee and any action taken by said Board of Directors as such shall be deemed to be action taken by the Stock Option Committee. All references in this Agreement to the "Stock Option Committee" shall be deemed to refer to the Board of Directors acting as the Stock Option Committee and to a duly appointed Stock Option Committee, if there be one. In the event of any conflict between action taken by the Board of Directors acting as a Stock Option Committee and action taken by a duly appointed Stock Option Committee, the action taken by the Board of Directors shall be controlling and the action taken by the duly appointed Stock Option Committee shall be disregarded.

Any such action taken by the Stock Option Committee in the administration of this Agreement shall be valid and binding, so long as the same is not inconsistent with the terms and conditions of this Agreement. Subject to the express provisions of the Agreement, the Stock Option Committee shall have the authority to construe and interpret this Agreement, to define the terms used herein, to prescribe, amend, and rescind rules and regulations relating to the administration of the Agreement, and to make all other determinations necessary or advisable for administration of the Agreement. Determinations of the Stock Option Committee on matters referred to in this Section shall be final and conclusive so long as the same are not clearly inconsistent with the terms of this Agreement.

#### 15. MISCELLANEOUS.

(a) You agree upon request to execute any further documents or instruments necessary or desirable in the good faith determination of the Company to carry out the purposes or intent of this Award.

(b) You acknowledge and agree that you have reviewed your Award Documents in their entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting your Award and fully understand all provisions of your Award Documents.

(c) The waiver by either party of compliance with any provision of the Award by the other party shall not operate or be construed as a waiver of any other provision of the Award, or of any subsequent breach by such party of a provision of the Award.

(d) The Shares will be issued out of the authorized but unissued shares of the Company's Common Stock, as authorized pursuant to the Company's Certificate of Incorporation.