

Section 1: S-8 (S-8)

As filed with the Securities and Exchange Commission on May 4, 2018

Registration Statement No. 333-_____

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-8

REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

BANNER CORPORATION

(Exact name of registrant as specified in its charter)

Washington
(State or other jurisdiction of
incorporation or organization)

10 South First Avenue, Walla Walla, Washington
(Address of principal executive offices)

91-1691604
(I.R.S. Employer
Identification No.)

99362
(Zip code)

Banner Corporation 2018 Omnibus Incentive Plan
(Full title of the plan)

Albert H. Marshall
Senior Vice President
Banner Corporation
10 South First Avenue
Walla Walla, Washington 99362
(509) 526-8894

John F. Breyer, Jr.
Breyer & Associates PC
8180 Greensboro Drive
Suite 785
McLean, Virginia 22102
(703) 883-1100

(Name, address and telephone number of agent for service)

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

Title of securities to be registered	Amount to be registered	Proposed maximum offering price per share	Proposed maximum aggregate offering price	Amount of registration fee
Common stock, \$.01 par value per share	900,000 ⁽¹⁾	\$57.56 ⁽²⁾	\$51,804,000	\$6,450

⁽¹⁾ Pursuant to Rule 416 under the Securities Act of 1933, this Registration Statement includes an indeterminate number of additional shares which may be necessary to adjust the number of shares reserved for issuance pursuant to the Banner Corporation 2018 Omnibus Incentive Plan as a result of a stock split, stock dividend or similar adjustment of the outstanding common stock of the registrant.

⁽²⁾ Estimated in accordance with Rule 457(c) and Rule 457(h) of the Securities Act of 1933, calculated on the basis of \$57.56 per share, the average of the high and low sale prices per share of the registrant's common stock on the Nasdaq Global Select Market on May 1, 2018.

PART I

INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

The document(s) containing the information specified in Part I of Form S-8 will be sent or given to participants in the Banner Corporation 2018 Omnibus Incentive Plan, as specified by Rule 428(b)(1) promulgated by the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933. This document is not being filed with the Commission, but constitutes (along with the documents incorporated by reference into this Registration Statement pursuant to Item 3 of Part II hereof) a prospectus that meets the requirements of Section 10(a) of the Securities Act of 1933.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference

The following documents previously or concurrently filed by Banner Corporation (the "Registrant") with the Commission are hereby incorporated by reference in this Registration Statement and the prospectus to which this Registration Statement relates (the "Prospectus"):

- (a) the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 (File No. 0-26584) filed with the Commission on February 23, 2018;
- (b) all other reports filed by the Registrant pursuant to Section 13(a) or 15(d) of the Securities Exchange Act since the end of the fiscal year covered by the Annual Report on Form 10-K referred to in Item 3(a) above; and
- (c) the description of the Registrant's common stock set forth in its Registration Statement on Form 8-A registering the Registrant's common stock pursuant to Section 12(g) of the Securities Exchange Act, filed August 8, 1995, and all amendments thereto or reports filed for the purpose of updating such description.

All documents filed by the Registrant with the Commission pursuant to Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, as amended ("Exchange Act") (excluding any portions of such documents that have been "furnished" and not "filed" for purposes of the Exchange Act) after the filing of this Registration Statement, and prior to the filing of a post-effective amendment which indicates that all securities offered hereby have been sold or which deregisters all securities then remaining unsold, shall be deemed incorporated by reference into this Registration Statement and the Prospectus and to be a part hereof and thereof from the date of the filing of such documents. Any statement contained in the documents incorporated, or deemed to be incorporated, by reference herein or therein shall be deemed to be modified or superseded for purposes of this Registration Statement and the Prospectus to the extent that a statement contained herein or therein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein or therein 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 and the Prospectus.

All information appearing in this Registration Statement is qualified in its entirety by the detailed information, including financial statements, appearing in the documents incorporated herein by reference.

Item 4. Description of Securities

Not Applicable

Item 5. Interests of Named Experts and Counsel

Not Applicable

Item 6. Indemnification of Directors and Officers

Article XIV of the Registrant's Articles of Incorporation requires indemnification of directors and officers to the fullest extent permitted by the Washington Business Corporation Act ("WBCA"). However, the indemnity does not apply to (1) acts or omissions finally adjudged to violate law, (2) conduct finally adjudged to violate the WBCA prohibition against unlawful distributions by the corporation or (3) any transaction with respect to which it was finally adjudged that the director or officer personally received a benefit to which he/she was not legally entitled.

Effective January 26, 2010, the Registrant entered into an indemnification agreement with each of its directors. Each indemnification agreement provides generally that the Registrant will hold harmless and indemnify the director to the fullest extent permitted by law against any and all losses, claims, damages and liabilities, including but not limited to judgments, fines, amounts paid in settlement and any related expenses, incurred with respect to any proceeding in which the director is or is threatened to be made a party by reason of the fact that he or she is or was serving as a director of the Registrant or, at the request of the Registrant, is or was serving as a director, officer, employee, trustee or agent of the Registrant or of another entity. Each indemnification agreement further provides that, upon the director's request, the Registrant will advance expenses to the director, subject to the director's agreeing to repay the advanced funds if it is ultimately determined, by a final, non-appealable court decision, that he or she is not entitled to be indemnified for such expenses. In addition, each indemnification agreement requires the Registrant to use its best efforts to maintain in effect director and officer liability insurance coverage containing substantially the same terms and conditions as the director and officer liability insurance policy in effect at the time the indemnification agreement was entered into.

The WBCA provides for indemnification of directors, officers, employees and agents in certain circumstances. WBCA Section 23B.08.510 provides that a corporation may indemnify an individual made a party to a proceeding because the individual is or was a director against liability incurred in the proceeding if (a) the director acted in good faith, (b) the director reasonably believed that the director's conduct was in the best interests of the corporation, or in certain instances, at least not opposed to its best interests and (c) in the case of any criminal proceeding, the director had no reasonable cause to believe the director's conduct was unlawful. However, a corporation may not indemnify a director under this section (a) in connection with a proceeding by or in the right of the corporation in which the director was adjudged liable to the corporation or (b) in connection with any other proceeding charging improper personal benefit to the director in which the director was adjudged liable on the basis that personal benefit was improperly received by the director. WBCA Section 23B.08.520 provides that unless limited by the articles of incorporation, a corporation must indemnify a director who was wholly successful in the defense of any proceeding to which the director was a party because of being a director of the corporation against reasonable expenses incurred by the director in connection with the proceeding. WBCA Section 23B.08.540 provides a mechanism for court-ordered indemnification.

WBCA Section 23B.08.570 provides that unless a corporation's articles of incorporation provide otherwise, (1) an officer of the corporation who is not a director is entitled to mandatory indemnification under WBCA Section 23B.08.520, and is entitled to apply for court-ordered indemnification under WBCA Section 23B.08.540, (2) the corporation may indemnify and advance expenses under WBCA Section 23B.08.510 through 23B.08.560 to an officer, employee or agent of the corporation who is not a director to the same extent as to a director and (3) a corporation may also indemnify and advance expenses to an officer, employee or agent who is not a director to the extent, consistent with law, that may be provided by its articles of incorporation, bylaws, general or specific action of its board of directors or contract. WBCA Section 23B.08.580 provides that a corporation may purchase insurance on behalf of an individual who is or was a director, officer, employee or agent of the corporation against liability asserted against or incurred by the individual in that capacity, whether or not the corporation would have power to indemnify the individual against the same liability under WBCA Section 23B.08.510 or 23B.08.520.

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>Description of Document</u>
<u>4.1(a)</u>	<u>Amended and Restated Articles of Incorporation of the Registrant⁽¹⁾</u>
<u>4.1(b)</u>	<u>Articles of Amendment to the Registrant's Amended and Restated Articles of Incorporation⁽²⁾</u>
<u>4.2</u>	<u>Bylaws of the Registrant⁽³⁾</u>
<u>5</u>	<u>Opinion of Breyer & Associates PC</u>
<u>10.1</u>	<u>Banner Corporation 2018 Omnibus Incentive Plan</u>
<u>10.2</u>	<u>Form of Incentive Stock Option Award Agreement under the Banner Corporation 2018 Omnibus Incentive Plan</u>
<u>10.3</u>	<u>Form of Non-Qualified Stock Option Award Agreement under the Banner Corporation 2018 Omnibus Incentive Plan</u>
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<u>10.9</u>	<u>Form of Performance Unit Award Agreement under the Banner Corporation 2018 Omnibus Incentive Plan</u>
<u>23.1</u>	<u>Consent of Moss Adams LLP</u>
<u>23.2</u>	<u>Consent of Breyer & Associates PC (contained in its opinion filed as Exhibit 5)</u>
<u>24</u>	<u>Power of attorney (contained in the signature page of the Registration Statement)</u>

⁽¹⁾ Incorporated by reference to the Registrant's Current Report on Form 8-K filed with the Commission on April 29, 2010, as amended on May 26, 2011 (incorporated by reference to the Current Report on Form 8-K filed with the Commission on June 1, 2011).

⁽²⁾ Incorporated by reference to the Registrant's Current Report on Form 8-K filed with the Commission on March 18, 2015.

⁽³⁾ Incorporated by reference to the Registrant's Current Report on Form 8-K filed with the Commission on December 20, 2016.

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: (i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933; (ii) to reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered

(if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement; and (iii) to include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change in such information in the Registration Statement; provided, however, that clauses (i) and (ii) do not apply if the information required to be included in a post-effective amendment by those clauses is contained in reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Registration Statement.

2. That, for the purposes 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 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 the 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 Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the Registration Statement shall be deemed to 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, officer 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 Securities Act of 1933 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 Securities Act of 1933 and will be governed by the final adjudication of such issue.

SIGNATURES

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 Walla Walla, State of Washington, on May 4, 2018.

BANNER CORPORATION

By: /s/ Mark J. Grescovich

Mark J. Grescovich
President and Chief Executive Officer
(Duly Authorized Representative)

POWER OF ATTORNEY

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 dates indicated. Each person whose signature appears below hereby makes, constitutes and appoints Mark J. Grescovich or Lloyd W. Baker as his or her true and lawful attorney, with full power to sign for such person and in such person's name and capacity indicated below, and with full power of substitution any and all amendments to this Registration Statement, hereby ratifying and confirming such person's signature as it may be signed by said attorney to any and all amendments.

/s/ Mark J. Grescovich
Mark J. Grescovich
President, Chief Executive Officer and Director
(Principal Executive Officer)
May 4, 2018

/s/ Peter J. Conner
Peter J. Conner
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)
May 4, 2018

/s/ John R. Layman
John R. Layman
Director
May 4, 2018

/s/ Robert D. Adams
Robert D. Adams
Director
May 4, 2018

/s/ Connie R. Collingsworth
Connie R. Collingsworth
Director
May 4, 2018

/s/ David I. Matson
David I. Matson
Director
May 4, 2018

/s/ Gary Sirmon
Gary Sirmon
Chairman of the Board
May 4, 2018

/s/ Merline Saintil
Merline Saintil
Director
May 4, 2018

/s/ Brent A. Orrico
Brent A. Orrico
Director
May 4, 2018

/s/ Gordon E. Budke
Gordon E. Budke
Director
May 4, 2018

/s/ David A. Klaue
David A. Klaue
Director
May 4, 2018

/s/ Roberto Herencia
Roberto Herencia
Director
May 4, 2018

/s/ Kevin F. Riordan
Kevin F. Riordan
Director
May 4, 2018

/s/ Terry Schwakopf
Terry Schwakopf
Director
May 4, 2018

BANNER CORPORATION

EXHIBIT INDEX

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Section 2: EX-5 (EXHIBIT 5)

Exhibit 5

Opinion of Breyer & Associates PC

May 4, 2018

Board of Directors
Banner Corporation
10 South First Avenue
Walla Walla, Washington 99362

Ladies and Gentlemen:

We have acted as special counsel to Banner Corporation, a Washington corporation (the "Corporation"), in connection with the preparation and filing with the Securities and Exchange Commission of the Registration Statement on Form S-8 under the Securities Act of 1933, as amended ("Registration Statement"), relating to the 900,000 shares of the Corporation's common stock, par value \$.01 per share (the "Common Stock"), to be offered pursuant to the Banner Corporation 2018 Omnibus Incentive Plan (the "Plan").

In this connection, we have reviewed originals or copies, certified or otherwise identified to our satisfaction, of the Plan, the Registration Statement, the Amended and Restated Articles of Incorporation and Bylaws of the Corporation, resolutions of the Board of Directors and such other documents and corporate records as we have deemed appropriate for the purpose of rendering this opinion. We have assumed without investigation the genuineness of all signatures, the legal capacity of natural persons, the authenticity, accuracy and completeness of all documents submitted to us as originals, the conformity to authentic and complete original documents of all documents submitted to us as certified, conformed or photostatic copies and the authenticity, accuracy and completeness of the originals of such copies. We have further assumed the accuracy of certifications of public officials, government agencies and departments, corporate officers and individuals, and statements of fact, on which we are relying, and have made no independent investigations thereof.

Based upon the foregoing, it our opinion that:

1. The shares of Common Stock being so registered have been duly authorized.
2. Such shares will be, when and if issued, sold and paid for as contemplated by the Plan, validly issued, fully paid and non-assessable.

In rendering the opinion set forth herein, we express no opinion as to the laws of any jurisdiction other than the Washington Business Corporation Act, as currently in effect. This opinion is limited to the facts bearing on this opinion as they exist on the date of this letter. We disclaim any obligation to review or supplement this opinion or to advise you of any changes in the circumstances, laws or events that may occur after this date or otherwise update this opinion.

We hereby consent to the inclusion of this opinion as Exhibit 5 to the Registration Statement. In giving this consent, we do not admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission thereunder.

Sincerely,

/s/ Breyer & Associates PC

BREYER & ASSOCIATES PC

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Section 3: EX-10.1 (EXHIBIT 10.1)

Exhibit 10.1

Banner Corporation 2018 Omnibus Incentive Plan

BANNER CORPORATION
2018 OMNIBUS INCENTIVE PLAN

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Banner Corporation 2018 Omnibus Incentive Plan

ARTICLE I ESTABLISHMENT, PURPOSE AND DURATION

Section 1.1 Establishment of the Plan.

The Company hereby establishes an incentive compensation plan to be known as the "Banner Corporation 2018 Omnibus Incentive Plan" (the "Plan"), as set forth in this document. The Plan permits the granting of Nonqualified Stock Options, Incentive Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units, Other Stock-Based Awards and Cash Awards.

The Plan was originally adopted effective as of February 26, 2018 by the Board, and became effective on April 24, 2018 (the "Effective Date"), the date the Plan was approved by the Company's shareholders.

As of the Effective Date, this Plan shall be treated as a new plan for purposes of Section 422 of the Code (as herein defined), so that an Option granted hereunder on a date that is not more than ten years after the Effective Date, and that is intended to qualify as an Incentive Stock Option under Section 422 of the Code, complies with the requirements of Section 422(b)(2) of the Code and the applicable regulations thereunder.

Section 1.2 Purpose of the Plan.

The purpose of the Plan is to promote the success, and enhance the value, of the Company by linking the personal interests of Employees and Directors with those of Company shareholders. The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of Employees and Directors upon whose judgment, interest, and special effort the successful conduct of its operation largely is dependent.

Section 1.3 Duration of the Plan.

Subject to approval by the shareholders of the Company, the Plan shall commence on the Effective Date, as described in Section 1.1 herein, and shall remain in effect, subject to the right of the Board to terminate the Plan at any time pursuant to Article XII herein. However, in no event may an Award be granted under the Plan on or after the tenth anniversary of the Effective Date.

ARTICLE II DEFINITIONS

The following definitions shall apply for the purposes of this Plan, unless a different meaning is plainly indicated by the context:

Affiliate means any "parent corporation" or "subsidiary corporation" of the Company, as those terms are defined in Sections 424(e) and (f), respectively, of the Code.

Award means, individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares, Performance Share Units, Other Stock-Based Awards or Cash Awards.

Award Agreement means a written instrument evidencing an Award under the Plan and establishing the terms and conditions thereof.

Beneficiary means the Person designated by a Participant to receive any Shares subject to a Restricted Stock Award made to such Participant that become distributable, to have the right to exercise any Options or Stock

Appreciation Rights granted to such Participant that are exercisable, or to receive any cash or Shares paid out under an Award to such Participant where such payout is made following the Participant's death.

Board means the Board of Directors of Banner Corporation and any successor thereto.

Cash Award means an Award pursuant to Article IX.

Change in Control means the first to occur of a "change in the ownership of the Company," a "change in the effective control of the Company" or a "change in the ownership of a substantial portion of the Company's assets," as those phrases are determined under Section 409A.

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

Committee means the Committee described in Article IV.

Company means Banner Corporation, a Washington corporation, and any successor thereto.

Director means any individual who is a member of the Board or the board of directors of an Affiliate or an advisory or emeritus director of the Company or an Affiliate who is not currently an Employee.

Disability means a total and permanent disability, within the meaning of Section 22(e)(3) of the Code, as determined by the Committee in good faith, upon receipt of sufficient competent medical advice from one or more individuals, selected by the Committee, who are qualified to give professional medical advice.

Domestic Relations Order means a domestic relations order that satisfies the requirements of Section 414(p)(1)(B) of the Code, or any successor provision, as if such section applied to the applicable Award.

Employee means a full-time or part-time employee of the Company or an Affiliate. Directors who are not otherwise employed by the Company or an Affiliate shall not be considered Employees under the Plan.

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

Exercise Period means the period during which an Option or Stock Appreciation Right may be exercised.

Exercise Price means the price per Share at which Shares subject to an Option may be purchased upon exercise of the Option and on the basis of which the Shares due upon exercise of a Stock Appreciation Right is computed.

Fair Market Value means, with respect to a Share on a specified date:

(a) If the Shares are listed on any U.S. national securities exchange registered under the Securities Exchange Act of 1934 ("National Exchange"), the closing sales price for such stock (or the closing bid, if no sales were reported) as reported on that exchange on the applicable date, or if the applicable date is not a trading day, on the trading day immediately preceding the applicable date;

(b) If the Shares are not listed on a National Exchange but are traded on the over-the-counter market or other similar system, the mean between the closing bid and the asked price for the Shares at the close of trading in the over-the-counter market or other similar system on the applicable date, or if the applicable date is not a trading day, on the trading day immediately preceding the applicable date; and

(c) In the absence of such markets for the Shares, the Fair Market Value shall be determined in good faith by the Committee.

Notwithstanding anything herein to the contrary, the determination of Fair Market Value shall comply with Section 409A, where necessary for the Award or benefit provided thereunder to comply with Section 409A.

Family Member means with respect to any Participant, any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, registered domestic partner (as determined under state law), former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the Participant's household (other than a tenant or employee), a trust in which these persons have more than fifty percent of the beneficial interest, a foundation in which these persons (or the Participant) control the management of assets, and any other entity in which these persons (or the Participant) own more than fifty percent of the voting interests.

Incentive Stock Option means a right to purchase Shares that is granted to an Employee that is designated by the Committee to be an Incentive Stock Option and that satisfies the requirements of Section 422 of the Code.

Involuntary Separation from Service means an "involuntary separation from service" within the meaning of Treasury Regulations Section 1.409A-1(n), which shall include a voluntary separation from service for good reason as defined therein.

Non-Qualified Stock Option means a right to purchase Shares that is not an Incentive Stock Option.

Option means either an Incentive Stock Option or a Non-Qualified Stock Option.

Option Holder means, at any relevant time with respect to an Option, the person having the right to exercise the Option.

Other Stock-Based Award has the meaning set forth in Section 9.1 herein.

Participant means any Employee or Director who is selected by the Committee to receive an Award.

Performance Period means the period of time as specified by the Committee over which Performance Shares or Performance Units are to be earned.

Performance Shares means an Award granted pursuant to Article VIII herein which entitles a Participant to receive Shares based on the achievement of performance goals during a Performance Period.

Performance Units means an Award granted pursuant to Article VIII herein which entitles a Participant to receive cash, Shares or a combination thereof, based on the achievement of performance goals during a Performance Period.

Period of Restriction means the period during which the entitlement of a Participant under an Award is limited in some way or subject to forfeiture, in whole or in part, based on the passage of time, the achievement of performance goals, or upon the occurrence of other events as determined by the Committee, in its discretion.

Person means an individual, a corporation, a partnership, a limited liability company, an association, a joint-stock company, a trust, an estate, an unincorporated organization and any other business organization or institution.

Plan means the Banner Corporation 2018 Omnibus Incentive Plan, as amended from time to time.

Restricted Stock means an award of Shares subject to a Period of Restriction granted pursuant to Article VII herein.

Restricted Stock Award means an award of Restricted Stock or Restricted Stock Units pursuant to Article VII.

Restricted Stock Units means an Award denominated in units subject to a Period of Restriction granted pursuant to Article VII herein.

Retirement means, subject to the terms of an Award, in the case of an Employee, the termination of a Participant's employment with the Company and its Affiliates, other than a Termination for Cause, after the Participant has attained age 65.

Section 409A means Section 409A of the Code and any regulations or guidance of general applicability thereunder.

Service means, unless the Committee provides otherwise in an Award Agreement, employment or service in any capacity as a Director or Employee of the Company or any Affiliate.

Share means a share of common stock of Banner Corporation.

Stock Appreciation Right means the right to receive a payment in Shares or cash measured by the increase in the Fair Market Value of a Share over the Exercise Price of that Stock Appreciation Right.

Stock Appreciation Right Holder means, at any relevant time with respect to a Stock Appreciation Right, the person having the right to exercise the Stock Appreciation Right.

Termination for Cause means termination of Service upon an intentional failure to perform stated duties, a breach of a fiduciary duty involving personal dishonesty which results in material loss to the Company or any of its Affiliates or a willful violation of any law, rule or regulation (other than traffic violations or similar offenses) or a final cease-and-desist order which results in material loss to the Company or one of its Affiliates. No act or failure to act on Participant's part shall be considered willful unless done, or omitted to be done, not in good faith and without reasonable belief that the action or omission was in the best interest of the Company. Notwithstanding the above, if a Participant is subject to a different definition of termination for cause in an employment or severance or similar agreement with the Company or any Affiliate, such other definition shall control.

Vesting Date means the date or dates on which the grant of an Option or Stock Appreciation Right is eligible to be exercised, or the date or dates on which an Award ceases to be forfeitable (i.e., at the end of a Period of Restriction).

ARTICLE III AVAILABLE SHARES - ELIGIBILITY - PARTICIPATION

Section 3.1 Shares Available Under the Plan.

Subject to adjustment as provided in Section 11.3, the total number of Shares available for grant under the Plan shall be 900,000 (the "Limit"). These Shares may be either authorized but unissued, or Shares that have been reacquired by the Company. Awards that are not settled in Shares shall not be counted against the Limit. Shares representing tandem Stock Appreciation Rights shall for such purpose only be counted as either Shares representing Options outstanding or Stock Appreciation Rights outstanding, but not as both.

Section 3.2 Maximum Awards.

The maximum aggregate number of Shares that may be issued pursuant to Options that are Incentive Stock Options is 900,000, subject to adjustment as provided in Section 11.3 herein. Notwithstanding any provision in the Plan to the contrary and subject to adjustment as provided in Section 11.3 herein, the maximum aggregate number of Shares with respect to one or more Awards that may be granted to any one person during any calendar year shall be 100,000 (or 10,000 in the case of non-employee Directors), the maximum aggregate number of Shares with respect to Options or Stock Appreciation Rights that may be granted to any one person during any calendar year shall be

100,000, and the maximum aggregate amount that may be paid to any one person during any calendar year with respect to one or more Cash Awards shall be \$3,000,000.

Section 3.3 Computation of Shares Issued.

For purposes of this Article III, Shares shall be considered issued pursuant to the Plan only if actually issued upon the exercise of an Award. Any Award subsequently forfeited, in whole or in part, shall not be considered issued. If any Award granted under the Plan terminates, expires, or lapses for any reason, any Shares subject to such Award again shall be available for the grant of an Award under the Plan. Shares used to pay the Exercise Price of an Option and Shares used to satisfy tax withholding obligations shall not be available for future Awards under the Plan. To the extent that Shares are delivered pursuant to the exercise of an Option or a Stock Appreciation Right, the number of underlying Shares as to which the exercise is related shall be counted against the number of Shares available for Awards, as opposed to only counting the Shares issued. The number of underlying Shares related to Restricted Stock Units shall be counted against the number of Shares available for Awards even if the Restricted Stock Unit is satisfied in cash rather than Shares.

Section 3.4 Eligibility.

Persons eligible to participate in the Plan include all Employees and Directors.

Section 3.5 Actual Participation.

Subject to the provisions of the Plan, the Committee may, from time to time, select from all Employees and Directors, those to whom Awards shall be granted and shall determine the nature, type and amount of each Award. No Employee or Director shall be entitled to be granted an Award under the Plan.

**ARTICLE IV
ADMINISTRATION**

Section 4.1 Committee.

(a) The Plan shall be administered by a Committee appointed by the Board for that purpose and consisting of not less than two (2) members of the Board. Each member of the Committee shall be a "Non-Employee Director" within the meaning of Rule 16b-3(b)(3)(i) under the Exchange Act or a successor rule or regulation and an "Independent Director" under the corporate governance rules and regulations imposing independence standards on committees performing similar functions promulgated by any national securities exchange or quotation system on which Shares are listed.

(b) The act of a majority of the members present at a meeting duly called and held shall be the act of the Committee. Any decision or determination reduced to writing and signed by all members shall be as fully effective as if made by unanimous vote at a meeting duly called and held.

(c) The Committee's decisions and determinations under the Plan need not be uniform and may be made selectively among Participants, whether or not such Participants are similarly situated.

Section 4.2 Committee Powers.

Subject to the terms and conditions of the Plan and such limitations as may be imposed by the Board, the Committee shall be responsible for the overall management and administration of the Plan. The Committee shall have full power except as limited by law or by the charter or by-laws of the Company or by resolutions adopted by the Board, and subject to the provisions herein, to determine the size and types of Awards; to determine the terms and conditions of such Awards in a manner consistent with the Plan; to construe and interpret the Plan and any agreement or instrument entered into under the Plan; to establish, amend, or waive rules and regulations for the Plan's administration; and (subject to the provisions of Article XI herein) to amend or otherwise modify the Plan or the terms and conditions of any outstanding Award to the extent such terms and conditions are within the discretion

of the Committee as provided in the Plan and, if the Award is subject to Section 409A, does not cause the Plan or the Award to violate Section 409A. Further, the Committee shall make all other determinations which may be necessary or advisable for the administration of the Plan. As permitted by law, rule, or regulation, the Committee may delegate its authorities as identified hereunder. All decisions, determinations and other actions of the Committee made or taken in accordance with the terms of the Plan shall be final and conclusive and binding upon all parties having an interest therein.

ARTICLE V STOCK OPTIONS

Section 5.1 Grant of Options.

(a) Subject to the limitations of the Plan, the Committee may, in its discretion, grant to a Participant an Option to purchase Shares. An Option must be designated as either an Incentive Stock Option or a Non-Qualified Stock Option and, if not designated as either, shall be a Non-Qualified Stock Option. Only Employees may receive Incentive Stock Options.

(b) Any Option granted shall be evidenced by an Award Agreement which shall:

- (i) specify the number of Shares covered by the Option;
- (ii) specify the Exercise Price;
- (iii) specify the Exercise Period;
- (iv) specify the Vesting Date; and
- (v) contain such other terms and conditions not inconsistent with the Plan as the Committee may, in its discretion, prescribe.

No Option terms shall be permitted that would cause the Option to be subject to Section 409A.

Section 5.2 Size of Option.

Subject to the restrictions of the Plan, the number of Shares as to which a Participant may be granted Options shall be determined by the Committee, in its discretion.

Section 5.3 Exercise Price.

The price per Share at which an Option may be exercised shall be determined by the Committee, in its discretion; *provided, however*, that the Exercise Price shall not be less than the Fair Market Value of a Share on the date on which the Option is granted.

Section 5.4 Exercise Period.

The Exercise Period during which an Option may be exercised shall commence on the Vesting Date. It shall expire on the earliest of:

- (a) the date specified by the Committee in the Award Agreement;
- (b) unless otherwise determined by the Committee and set forth in the Award Agreement, the last day of the three-month period commencing on the date of the Participant's termination of Service, other than on account of death, Disability, Retirement or a Termination for Cause;

(c) unless otherwise determined by the Committee and set forth in the Award Agreement, the last day of the three-month period commencing on the date of the Participant's termination of Service due to death, Disability or Retirement;

(d) as of the time and on the date of the Participant's termination of Service due to a Termination for Cause; or

(e) the last day of the ten-year period commencing on the date on which the Option was granted.

An Option that remains unexercised at the close of business on the last day of the Exercise Period shall be canceled without consideration at the close of business on that date.

Section 5.5 Vesting Date.

(a) The Vesting Date for each Option Award shall be determined by the Committee and specified in the Award Agreement.

(b) Unless otherwise determined by the Committee or specified in the Award Agreement:

(i) if the Participant of an Option Award terminates Service prior to the Vesting Date for any reason other than death, Disability or a Change in Control, any unvested Option shall be forfeited without consideration; provided, however, that with the exception of a Termination for Cause, the Committee, in its sole discretion, shall have the right to waive such forfeiture and to immediately make exercisable all or any portion of such Options;

(ii) if the Participant of an Option Award terminates Service prior to the Vesting Date on account of death or Disability, the Vesting Date shall be accelerated to the date of the Participant's termination of Service; and

(iii) if a Change in Control occurs prior to the Vesting Date of an Option Award that is outstanding on the date of the Change in Control, and the Participant experiences an Involuntary Separation from Service during the 365-day period following the date of such Change in Control, then the Vesting Date for any non-vested Option Award shall be accelerated to the date of the Participant's Involuntary Separation from Service. Notwithstanding the preceding sentence, if at the effective time of the Change in Control the successor to the Company's business and/or assets does not either assume the outstanding Option Award or replace the outstanding Option Award with an award that is determined by the Committee to be at least equivalent in value to such outstanding Option Award on the date of the Change in Control, then the Vesting Date of such outstanding Option Award shall be accelerated to the earliest date of the Change in Control.

Section 5.6 Additional Restrictions on Incentive Stock Options.

An Option designated by the Committee to be an Incentive Stock Option shall be subject to the following provisions:

(a) Notwithstanding any other provision of this Plan to the contrary, no Participant may receive an Incentive Stock Option under the Plan if such Participant, at the time the award is granted, owns (after application of the rules contained in Section 424(d) of the Code) stock possessing more than ten (10) percent of the total combined voting power of all classes of stock of the Company or its Affiliates, unless (i) the option price for such Incentive Stock Option is at least 110 percent of the Fair Market Value of the Shares subject to such Incentive Stock Option on the date of grant, and (ii) such Option is not exercisable after the date five (5) years from the date such Incentive Stock Option is granted.

(b) Each Participant who receives Shares upon exercise of an Option that is an Incentive Stock Option shall give the Company prompt notice of any sale of Shares prior to a date which is two years from the date the

Option was granted or one year from the date the Option was exercised. Such sale shall disqualify the Option as an Incentive Stock Option.

(c) The aggregate Fair Market Value (determined with respect to each Incentive Stock Option at the time such Incentive Stock Option is granted) of the Shares with respect to which Incentive Stock Options are exercisable for the first time by a Participant during any calendar year (under this Plan or any other plan of the Company or an Affiliate) shall not exceed \$100,000 and the term of the Incentive Stock Option shall not be more than ten years.

(d) Any Option under this Plan which is designated by the Committee as an Incentive Stock Option but fails, for any reason, to meet the foregoing requirements shall be treated as a Non-Qualified Stock Option.

Section 5.7 Method of Exercise.

(a) Subject to the limitations of the Plan and the Award Agreement, an Option Holder may, at any time on or after the Vesting Date and during the Exercise Period, exercise his or her right to purchase all or any part of the Shares to which the Option relates; *provided, however*, that the minimum number of Shares which may be purchased at any time shall be 100, or, if less, the total number of Shares relating to the Option which remain un-purchased. An Option Holder shall exercise an Option to purchase Shares by:

- (i) giving written notice to the Committee, in such form and manner as the Committee may prescribe, of his or her intent to exercise the Option;
- (ii) delivering to the Committee full payment for the Shares as to which the Option is to be exercised; and
- (iii) satisfying such other conditions as may be prescribed in the Award Agreement.

(b) The Exercise Price of Shares to be purchased upon exercise of any Option shall be paid in full:

- (i) in cash (by certified or bank check or such other instrument as the Company may accept); or
- (ii) if and to the extent permitted by the Committee, in the form of Shares already owned by the Option Holder as of the exercise date and having an aggregate Fair Market Value on the date the Option is exercised equal to the aggregate Exercise Price to be paid; or
- (iii) if and to the extent permitted by the Committee, by the Company withholding Shares otherwise issuable upon the exercise having an aggregate Fair Market Value on the date the Option is exercised equal to the aggregate Exercise Price to be paid; or
- (iv) by a combination thereof.

Payment for any Shares to be purchased upon exercise of an Option may also be made by delivering a properly executed exercise notice to the Company, together with a copy of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds to pay the purchase price and applicable tax withholding amounts (if any), in which event the Shares acquired shall be delivered to the broker promptly following receipt of payment.

(c) When the requirements of this Section have been satisfied, the Committee shall take such action as is necessary to cause the issuance of a stock certificate or cause Shares to be issued by book-entry procedures, in either event evidencing the Option Holder's ownership of such Shares. The Person exercising the Option shall have no right to vote or to receive dividends, nor have any other rights with respect to the Shares, prior to the date the Shares are transferred to such Person on the stock transfer records of the Company, and no adjustments shall be

made for any dividends or other rights for which the record date is prior to the date as of which the transfer is affected.

Section 5.8 Limitations on Options.

(a) An Option by its terms shall not be transferable by the Option Holder other than by will or the laws of descent and distribution, or pursuant to the terms of a Domestic Relations Order, and shall be exercisable, during the life of the Option Holder, only by the Option Holder or an alternate payee designated pursuant to such a Domestic Relations Order (but such transfer shall cause an Incentive Stock Option to become a Non-Qualified Stock Option as of the day of the transfer); *provided, however*, that a Participant may, at any time at or after the grant of a Non-Qualified Stock Option under the Plan, apply to the Committee for approval to transfer all or any portion of such Non-Qualified Stock Option which is then unexercised to such Participant's Family Member; and *provided further*, that an Incentive Stock Option may be transferred to a trust if, under Section 671 of the Code and applicable state law, the Participant is considered the sole beneficial owner of the Incentive Stock Option while it is held by the trust. The Committee may approve or withhold approval of such transfer in its sole and absolute discretion. If such transfer is approved, it shall be effected by written notice to the Company given in such form and manner as the Committee may prescribe and actually received by the Company prior to the death of the person giving it. Thereafter, the transferee shall have all of the rights, privileges and obligations which would attach thereunder to the Participant. If a privilege of the Option depends on the life, Service or other status of the Participant, such privilege of the Option for the transferee shall continue to depend upon the life, Service or other status of the Participant. The Committee shall have full and exclusive authority to interpret and apply the provisions of the Plan to transferees to the extent not specifically addressed herein.

(b) The Company's obligation to deliver Shares with respect to an Option shall, if the Committee so requests, be conditioned upon the receipt of a representation as to the investment intention of the Option Holder to whom such Shares are to be delivered, in such form as the Committee shall determine to be necessary or advisable to comply with the provisions of applicable federal, state or local law. It may be provided that any such representation shall become inoperative upon a registration of the Shares or upon the occurrence of any other event eliminating the necessity of such representation. The Company shall not be required to deliver any Shares under the Plan prior to:

(i) the admission of such Shares to listing on any stock exchange or trading on any automated quotation system on which Shares may then be listed or traded;

or

(ii) the completion of such registration or other qualification under any state or federal law, rule or regulation as the Committee shall determine to be necessary

or advisable.

(c) An Option Holder may designate a Beneficiary to receive any Options that may be exercised after his or her death. Such designation and any change or revocation of such designation shall be made in writing in the form and manner prescribed by the Committee. In the event that the designated Beneficiary dies prior to the Option Holder, or in the event that no Beneficiary has been designated, any Options that may be exercised following the Option Holder's death shall be transferred to the Option Holder's estate. If the Option Holder and his or her Beneficiary shall die in circumstances that cause the Committee, in its discretion, to be uncertain which shall have been the first to die, the Option Holder shall be deemed to have survived the Beneficiary.

Section 5.9 Prohibition Against Option Repricing.

Except as provided in Section 11.3 and notwithstanding any other provision of this Plan, neither the Committee nor the Board shall have the right or authority following the grant of an Option pursuant to the Plan to amend or modify the Exercise Price of any such Option, or to cancel the Option at a time when the Exercise Price is greater than the Fair Market Value of the Shares in exchange for another Option or Award.

ARTICLE VI
STOCK APPRECIATION RIGHTS

Section 6.1 Grant of Stock Appreciation Rights.

(a) Subject to the limitations of the Plan, the Committee may, in its discretion, grant to a Participant a Stock Appreciation Right. A Stock Appreciation Right must be designated as either a tandem Stock Appreciation Right or a stand-alone Stock Appreciation Right and, if not so designated, shall be deemed to be a stand-alone Stock Appreciation Right. A tandem Stock Appreciation Right may only be granted at the same time as the Option to which it relates. The exercise of a tandem Stock Appreciation Right shall cancel the related Option for a like number of Shares and the exercise of a related Option shall cancel a tandem Stock Appreciation Right for a like number of Shares.

(b) Any Stock Appreciation Right granted shall be evidenced by an Award Agreement which shall:

- (i) specify the number of Shares covered by the Stock Appreciation Right;
- (ii) specify the Exercise Price;
- (iii) specify the Exercise Period;
- (iv) specify the Vesting Date;
- (v) specify that the Stock Appreciation Right shall be settled in cash or Shares, or a combination of cash and Shares; and
- (vi) contain such other terms and conditions not inconsistent with the Plan as the Committee may, in its discretion, prescribe.

The terms and conditions of any Stock Appreciation Right shall not include provisions that provide for the deferral of compensation other than the recognition of income until the exercise of the Stock Appreciation Right (so that the Stock Appreciation Right will not be subject to Section 409A).

Section 6.2 Size of Stock Appreciation Right.

Subject to the restrictions of the Plan, the number of Shares as to which a Participant may be granted Stock Appreciation Rights shall be determined by the Committee, in its discretion.

Section 6.3 Exercise Price.

The price per Share at which a Stock Appreciation Right may be exercised shall be determined by the Committee, in its discretion; *provided, however*, that the Exercise Price shall not be less than the Fair Market Value of a Share on the date on which the Stock Appreciation Right is granted.

Section 6.4 Exercise Period.

The Exercise Period during which a Stock Appreciation Right may be exercised shall commence on the Vesting Date. It shall expire on the earliest of:

- (a) the date specified by the Committee in the Award Agreement;
- (b) unless otherwise determined by the Committee or set forth in the Award Agreement, the last day of the three-month period commencing on the date of the Participant's termination of Service, other than on account of death, Disability, Retirement or a Termination for Cause;

(c) unless otherwise determined by the Committee or set forth in the Award Agreement, the last day of the three-month period commencing on the date of the Participant's termination of Service due to death, Disability or Retirement;

(d) as of the time and on the date of the Participant's termination of Service due to a Termination for Cause; or

(e) the last day of the ten-year period commencing on the date on which the Stock Appreciation Right was granted.

A Stock Appreciation Right that remains unexercised at the close of business on the last day of the Exercise Period shall be canceled without consideration at the close of business on that date.

Section 6.5 Vesting Date.

(a) The Vesting Date for each Stock Appreciation Right Award shall be determined by the Committee and specified in the Award Agreement.

(b) Unless otherwise determined by the Committee or specified in the Award Agreement:

(i) if the Participant of a Stock Appreciation Right Award terminates Service prior to the Vesting Date for any reason other than death, Disability or a Change in Control, any unvested Award shall be forfeited without consideration; *provided, however*, that with the exception of a Termination for Cause, the Committee, in its sole discretion, shall have the right to waive such forfeiture and to make exercisable all or any portion of such Stock Appreciation Rights;

(ii) if the Participant of a Stock Appreciation Right Award terminates Service prior to the Vesting Date on account of death or Disability, the Vesting Date shall be accelerated to the date of the Participant's termination of Service; and

(iii) if a Change in Control occurs prior to the Vesting Date of a Stock Appreciation Right Award that is outstanding on the date of the Change in Control, and the Participant experiences an Involuntary Separation from Service during the 365-day period following the date of such Change in Control, then the Vesting Date for any non-vested Stock Appreciation Right Award shall be accelerated to the date of the Participant's Involuntary Separation from Service. Notwithstanding the preceding sentence, if at the effective time of the Change in Control the successor to the Company's business and/or assets does not either assume the outstanding Stock Appreciation Right Award or replace the outstanding Stock Appreciation Right Award with an award that is determined by the Committee to be at least equivalent in value to such outstanding Stock Appreciation Right Award on the date of the Change in Control, then the Vesting Date of such outstanding Stock Appreciation Right Award shall be accelerated to the earliest date of the Change in Control.

Section 6.6 Method of Exercise.

(a) Subject to the limitations of the Plan and the Award Agreement, a Participant may, at any time on or after the Vesting Date and during the Exercise Period, exercise his or her Stock Appreciation Right as to all or any part of the Shares to which the Stock Appreciation Right relates; *provided, however*, that the minimum number of Shares as to which a Stock Appreciation Right may be exercised shall be 100, or, if less, the total number of Shares relating to the Stock Appreciation Right which remain unexercised. A Stock Appreciation Right Holder shall exercise a Stock Appreciation Right by:

(i) giving written notice to the Committee, in such form and manner as the Committee may prescribe, of his or her intent to exercise the Stock Appreciation Right; and

(ii) satisfying such other conditions as may be prescribed in the Award Agreement.

(b) When the requirements of this Section have been satisfied, the Committee shall take such action as is necessary to cause the remittance to the Stock Appreciation Right Holder (or, in the event of his or her death, his or her Beneficiary) of cash or a number of Shares with an aggregate Fair Market Value equal to the excess (if any) of (i) the Fair Market Value of a Share on the date of exercise over (ii) the Exercise Price per Share, times the number of Stock Appreciation Rights exercised. The Person exercising the Stock Appreciation Right shall have no right to vote or to receive dividends, nor have any other rights with respect to the Shares, prior to the date the Shares are transferred to such Person on the stock transfer records of the Company, and no adjustments shall be made for any dividends or other rights for which the record date is prior to the date as of which the transfer is affected.

Section 6.7 Limitations on Stock Appreciation Rights.

(a) A Stock Appreciation Right by its terms shall not be transferable by the Stock Appreciation Right Holder other than by will or the laws of descent and distribution, or pursuant to the terms of a Domestic Relations Order, and shall be exercisable, during the life of the Stock Appreciation Right Holder, only by the Stock Appreciation Right Holder or an alternate payee designated pursuant to such a Domestic Relations Order; *provided, however*, that a Participant may, at any time at or after the grant of a Stock Appreciation Right under the Plan, apply to the Committee for approval to transfer all or any portion of such Stock Appreciation Right which is then unexercised to such Participant's Family Member. The Committee may approve or withhold approval of such transfer in its sole and absolute discretion. If such transfer is approved, it shall be effected by written notice to the Company given in such form and manner as the Committee may prescribe and actually received by the Company prior to the death of the person giving it. Thereafter, the transferee shall have, with respect to such Stock Appreciation Right, all of the rights, privileges and obligations which would attach thereunder to the Participant. If a privilege of the Stock Appreciation Right depends on the life, Service or other status of the Participant, such privilege of the Stock Appreciation Right for the transferee shall continue to depend upon the life, Service or other status of the Participant. The Committee shall have full and exclusive authority to interpret and apply the provisions of the Plan to transferees to the extent not specifically addressed herein.

(b) The Company's obligation to deliver Shares with respect to a Stock Appreciation Right shall, if the Committee so requests, be conditioned upon the receipt of a representation as to the investment intention of the Stock Appreciation Right Holder to whom such Shares are to be delivered, in such form as the Committee shall determine to be necessary or advisable to comply with the provisions of applicable federal, state or local law. It may be provided that any such representation shall become inoperative upon a registration of the Shares or upon the occurrence of any other event eliminating the necessity of such representation. The Company shall not be required to deliver any Shares under the Plan prior to:

(i) the admission of such Shares to listing on any stock exchange or trading on any automated quotation system on which Shares may then be listed or traded;

or

(ii) the completion of such registration or other qualification under any state or federal law, rule or regulation as the Committee shall determine to be necessary

or advisable.

(c) A Stock Appreciation Right Holder may designate a Beneficiary to receive any Stock Appreciation Right that may be exercised after his or her death. Such designation and any change or revocation of such designation shall be made in writing in the form and manner prescribed by the Committee. In the event that the designated Beneficiary dies prior to the Stock Appreciation Right Holder, or in the event that no Beneficiary has been designated, any Stock Appreciation Rights that may be exercised following the Stock Appreciation Right Holder's death shall be transferred to the Stock Appreciation Right Holder's estate. If the Stock Appreciation Right Holder and his or her Beneficiary shall die in circumstances that cause the Committee, in its discretion, to be uncertain which shall have been the first to die, the Stock Appreciation Right Holder shall be deemed to have survived the Beneficiary.

Section 6.8 Prohibition Against Stock Appreciation Right Repricing.

Except as provided in Section 11.3 and notwithstanding any other provision of this Plan, neither the Committee nor the Board shall have the right or authority following the grant of a Stock Appreciation Right pursuant to the Plan to amend or modify the Exercise Price of any such Stock Appreciation Right, or to cancel the

Stock Appreciation Right at a time when the Exercise Price is greater than the Fair Market Value of the Shares in exchange for another Stock Appreciation Right or Award.

**ARTICLE VII
RESTRICTED STOCK AWARDS**

Section 7.1 In General.

(a) Each Restricted Stock Award shall be evidenced by an Award Agreement which shall specify:

- (i) the number of shares of Restricted Stock or Restricted Stock Units covered by the Restricted Stock Award;
- (ii) the amount, if any, which the Participant shall be required to pay to the Company in consideration for the issuance of such Restricted Stock or Restricted Stock Units;
- (iii) the date of grant of the Restricted Stock Award;
- (iv) the Period of Restriction for the Restricted Stock Award and the performance conditions, if any, which must be satisfied in order for the Vesting Date to occur;
- (v) as to Awards awarding Restricted Stock, the rights of the Participant with respect to dividends, voting rights and other rights and preferences associated with such Shares; and
- (vi) as to Awards awarding Restricted Stock Units, the rights of the Participant with respect to attributes of the Restricted Stock Units which are the equivalent of dividends and other rights and preferences associated with Shares and the circumstances pursuant to which Restricted Stock Units shall be converted to Shares.

Restricted Stock Awards may contain such other terms and conditions not inconsistent with the Plan as the Committee may, in its discretion, prescribe.

Restricted Stock Units shall be settled (paid) at such time as is specified in the Restricted Stock Unit Award. Unless otherwise specified in the Award, when and if Restricted Stock Units become payable, a Participant having received the grant of such units shall be entitled to receive payment from the Company in cash, Shares or a combination thereof, as determined by the Committee at its sole discretion.

As to Awards awarding Restricted Stock Units, the terms of the Award shall either result in the Restricted Stock Units not being subject to Section 409A or, if the Restricted Stock Units are subject to Section 409A, include terms that cause the Restricted Stock Units to comply with Section 409A.

(b) All Awards consisting of Restricted Stock shall be in the form of issued and outstanding Shares that shall be registered in the name of the Participant, subject to written transfer restriction instructions issued to the Company's stock transfer agent, together with an irrevocable stock power executed by the Participant in favor of and held by the Committee or its designee, pending the vesting or forfeiture of the Restricted Stock Award. The Shares shall at all times prior to the applicable Vesting Date be subject to the following restriction, communicated in writing to the Company's stock transfer agent:

These shares of common stock are subject to the terms of an Award Agreement between Banner Corporation and [Name of Participant] dated [Award Date] made pursuant to the terms of the Banner Corporation 2018 Omnibus Incentive Plan, copies of which are on file at the executive offices of Banner Corporation and may not be sold, encumbered, hypothecated or otherwise transferred, except in accordance with the terms of such Plan and Award Agreement.

or such other restrictive communication or legend as the Committee, in its discretion, may specify.

(c) Unless otherwise set forth in the Award Agreement, a Restricted Stock Award by its terms shall not be transferable by the Participant other than by will or by the laws of descent and distribution, or pursuant to the terms of a Domestic Relations Order; *provided, however*, that a Participant may, at any time at or after the grant of a Restricted Stock Award under the Plan, apply to the Committee for approval to transfer all or any portion of such Restricted Stock Award which is then unvested to such Participant's Family Member. The Committee may approve or withhold approval of such transfer in its sole and absolute discretion. If such transfer is approved, it shall be effected by written notice to the Company given in such form and manner as the Committee may prescribe and actually received by the Company prior to the death of the person giving it. Thereafter, the transferee shall have, with respect to such Restricted Stock Award, all of the rights, privileges and obligations which would attach thereunder to the Participant. If a privilege of the Restricted Stock Award depends on the life, Service or other status of the Participant, such privilege of the Restricted Stock Award for the transferee shall continue to depend upon the life, Service or other status of the Participant. The Committee shall have full and exclusive authority to interpret and apply the provisions of the Plan to transferees to the extent not specifically addressed herein.

Section 7.2 Vesting Date.

(a) The Period of Restriction and Vesting Date for each Restricted Stock Award shall be determined by the Committee and specified in the Award Agreement.

(b) Unless otherwise determined by the Committee or specified in the Award Agreement:

(i) if the Participant terminates Service prior to the Vesting Date for any reason other than death, Disability or a Change in Control, any unvested Restricted Stock or Restricted Stock Units shall be forfeited without consideration; *provided, however* that with the exception of a Termination for Cause, the Committee, in its sole discretion, shall have the right to reduce or eliminate the Period of Restriction with respect to Restricted Stock or Restricted Stock Units following termination of employment or service for any reason, upon such terms and provisions as it deems proper;

(ii) if the Participant terminates Service prior to the Vesting Date on account of death or Disability, the Vesting Date shall be accelerated to the date of termination of the Participant's Service with the Company; and

(iii) if a Change in Control occurs prior to the Vesting Date of a Restricted Stock Award that is outstanding on the date of the Change in Control, and the Participant experiences an Involuntary Separation from Service during the 365-day period following the date of such Change in Control, then the Vesting Date for any non-vested Restricted Stock Award shall be accelerated to the date of the Participant's Involuntary Separation from Service. Notwithstanding the preceding sentence, if at the effective time of the Change in Control the successor to the Company's business and/or assets does not either assume the outstanding Restricted Stock Award or replace the outstanding Restricted Stock Award with an award that is determined by the Committee to be at least equivalent in value to such outstanding Restricted Stock Award on the date of the Change in Control, then the Vesting Date of such outstanding Restricted Stock Award shall be accelerated to the earliest date of the Change in Control.

Section 7.3 Dividend Rights.

Unless otherwise specified in the Award Agreement:

(a) During the Period of Restriction, Participants holding Shares of Restricted Stock granted hereunder shall be entitled to receive all dividends and other distributions paid with respect to those Shares while they are so held. If any such dividends or distributions are paid in Shares, the Shares shall be subject to the same restrictions on transferability and forfeitability as the Shares of Restricted Stock with respect to which they were paid.

(b) Participants shall have no rights to dividends or other distributions paid on the Shares underlying Restricted Stock Units other than dividends and distributions with a record date on or after the date on which the

Shares are issued to the Participant. The Committee may provide for dividend equivalent units in the Participant's Restricted Stock Unit Award agreement.

Section 7.4 Voting Rights.

(a) Unless otherwise specified in the Award Agreement, a Participant who is awarded Shares of Restricted Stock hereunder may exercise full voting rights with respect to those Shares including during the Period of Restriction.

(b) A Participant shall have no voting rights with respect to Shares underlying Restricted Stock Units unless and until such Shares are issued to the Participant in settlement of the Restricted Stock Units.

Section 7.5 Designation of Beneficiary.

A Participant who has received a Restricted Stock Award may designate a Beneficiary to receive any unvested Restricted Stock or Shares distributed in satisfaction of any unvested Restricted Stock Units that become vested on the date of the Participant's death. Such designation (and any change or revocation of such designation) shall be made in writing in the form and manner prescribed by the Committee. In the event that the Beneficiary designated by a Participant dies prior to the Participant, or in the event that no Beneficiary has been designated, any vested Shares that become available for distribution on the Participant's death shall be paid to the executor or administrator of the Participant's estate.

Section 7.6 Manner of Distribution of Awards.

The Company's obligation to deliver Shares with respect to a Restricted Stock Award shall, if the Committee so requests, be conditioned upon the receipt of a representation as to the investment intention of the Participant or Beneficiary to whom such Shares are to be delivered, in such form as the Committee shall determine to be necessary or advisable to comply with the provisions of applicable federal, state or local law. It may be provided that any such representation shall become inoperative upon a registration of the Shares or upon the occurrence of any other event eliminating the necessity of such representation. The Company shall not be required to deliver any Shares under the Plan prior to (i) the admission of such Shares to listing on any stock exchange or trading on any automated quotation system on which Shares may then be listed or traded, or (ii) the completion of such registration or other qualification under any state or federal law, rule or regulation as the Committee shall determine to be necessary or advisable.

**ARTICLE VIII
PERFORMANCE SHARES AND PERFORMANCE UNITS**

Section 8.1 Grant of Performance Shares and Performance Units.

Subject to the limitations set forth in Sections 3.1 and 3.2 herein and the other terms of the Plan, the Committee, at any time and from time to time, may grant Performance Shares, or Performance Units, entitling the Participant to future cash payments or Shares or a combination thereof, based upon the level of achievement with respect to one or more pre-established performance goals established for a Performance Period.

Section 8.2 Amount of Award.

Subject to the limitations of Section 3.1, the Committee shall establish a maximum amount of a Participant's Award, which amount shall be denominated in Shares in the case of Performance Shares or in units in the case of Performance Units.

Section 8.3 Award Agreement.

Each Award of Performance Shares or Performance Units shall be evidenced by a Performance Share or Performance Unit Award agreement, including governing provisions such as (but not limited to): (i) the target and

maximum amount payable to the Participant pursuant to the Award; (ii) the performance goals and level of achievement versus these goals that shall determine the amount of such payment; (iii) the Performance Period as to which performance shall be measured for determining the amount of any payment; (iv) the form and timing of any payment earned by virtue of performance (which must comply with Section 409A); (v) whether and the extent to which Participants holding Performance Shares or Performance Units will receive dividends or dividend equivalents with respect to dividends declared with respect to the Shares; (vi) restrictions on the alienation or transfer of the Award prior to actual payment and restrictions on the sale or transfer of Shares following actual payment of an Award paid in Shares; (vii) forfeiture provisions; (viii) whether the Award shall become payable upon an Involuntary Separation from Service within a specified period following a Change in Control, and in such event the amount of the Performance Share or Performance Unit benefit (or the formula or methodology used to determine such benefit), and (ix) such further terms and conditions, in each case not inconsistent with the Plan, as may be determined from time to time by the Committee. No Award of Performance Shares or Performance Units may provide for voting rights with respect to the underlying Shares, and any such provision shall be null and void.

Section 8.4 Performance Goals.

Performance goals established by the Committee shall relate to Company- or Affiliate-wide, group or individual performance, and be based upon such measures as are determined by the Committee. Multiple performance goals may be used and the components of multiple performance goals may be given the same or different weighting in determining the amount of an Award earned, and may relate to absolute performance or relative performance measured against other groups, individuals or entities.

Section 8.5 Discretionary Adjustments.

Notwithstanding satisfaction of any performance goals, the amount paid under an Award of Performance Shares or Performance Units on account of either financial performance or personal performance evaluations may be reduced by the Committee on the basis of such further considerations as the Committee shall determine, if so provided in the terms of the Award.

Section 8.6 Payment of Awards.

Following the conclusion of each Performance Period (or earlier if so provided in the Award Agreement or otherwise determined by the Committee), the Committee shall determine the extent to which performance goals have been attained, and the satisfaction of any other terms and conditions with respect to an Award relating to such Performance Period. The Committee shall determine what, if any, payment is due with respect to an Award and, in the case of Performance Units, whether such payment shall be made in cash, Shares or a combination thereof. Payment shall be made in a lump sum within 60 days after the Committee determines that a payment is due (or at such other time as provided for in the Performance Share or Performance Unit Award that qualifies as a short-term deferral that is exempt from Section 409A). This Section 8.6 shall also apply if at the effective time of the Change in Control the successor to the Company's business and/or assets does not either assume the outstanding Award or replace the outstanding Award with an award that is determined by the Committee to be at least equivalent in value to such outstanding Award on the date of the Change in Control, except that the determination shall be made by the Committee prior to the earliest date of the Change in Control.

Section 8.7 Termination of Employment or Service Due to Death, Disability or Retirement.

Unless provided otherwise in the Participant's Award evidencing his or her Performance Shares or Performance Units, if the Service of a Participant shall terminate before the end of a Performance Period by reason of death, Disability or Retirement, then to the extent it is determined by the Committee following the end of the Performance Period in accordance with Section 8.6 that the performance goals have been attained, the Participant shall be entitled to a pro rata payment based on the number of months' Service during the Performance Period but based on the achievement of performance goals during the entire Performance Period; payment under these circumstances shall be made at the time payments are made to Participants who did not terminate service during the Performance Period, subject to Section 8.6 herein.

Section 8.8 Termination of Employment or Service for Other Reasons.

Unless provided otherwise in the Participant's Award evidencing his or her Performance Shares or Performance Units, if the Service of a Participant shall terminate before the end of a Performance Period for any other reason than described in Section 8.7, all outstanding Awards of Performance Shares or Performance Units to such Participant shall be cancelled; provided, however, that in the event of a termination of the Service of the Participant by the Company other than Termination for Cause, the Committee in its sole discretion may waive the foregoing automatic cancellation provision and pay out on a pro rata basis as set forth in Section 8.7 herein. Notwithstanding the foregoing, the Award shall not be cancelled on account of this Section 8.8 if and to the extent an Award provides for a payment due to an Involuntary Separation from Service following a Change in Control.

Section 8.9 Nontransferability.

Except as otherwise provided in the Participant's Award evidencing his or her Performance Shares or Performance Units, Performance Shares and Performance Units may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than upon the Participant's death, to the Participant's Beneficiary or, if no Beneficiary has been designated by the Participant, by will or by the laws of descent and distribution. Further, except as otherwise provided in the Participant's agreement evidencing his or her Award of Performance Shares or Performance Units, a Participant's rights under the Plan shall inure during his or her lifetime only to such Participant.

**ARTICLE IX
OTHER STOCK-BASED AWARDS AND CASH AWARDS**

Section 9.1 Other Stock-Based Awards.

The Committee may, subject to the limitations of Sections 3.1 and 3.2 herein, grant to any Participant such other awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Shares or factors that may influence the value of Shares, including, without limitation, convertible or exchangeable debt securities, other rights convertible or exchangeable into Shares, purchase rights for Shares, awards with value and payment contingent upon performance of the Company or any Affiliate or business unit thereof, or any other factors designated by the Committee, and awards valued by reference to the book value of Shares or the value of securities of, or the performance of specified Affiliates or other business units of the Company ("Other Stock-Based Awards"). The Committee shall determine the terms and conditions of such Other Stock-Based Awards, including, without limitation, the number of underlying Shares, the purchase price, if any, vesting (which may, but need not, be subject to achievement of specified performance criteria, or conditioned upon a Change in Control, or a Change in Control followed by an Involuntary Separation from Service, if any, forfeiture and transferability.

Section 9.2 Cash Awards.

Subject to the limitations of Section 3.2 herein, the Committee may grant cash awards ("Cash Awards") to any Participant. The Committee shall determine the terms and conditions of such Cash Awards, including, without limitation, performance criteria which must be satisfied for a Performance Period.

Section 9.3 Section 409A Compliance.

To the extent any Award is made pursuant to this Article IX that constitutes "deferred compensation" under Section 409A, the terms of such Award shall be required to comply with Section 409A.

**ARTICLE X
ADDITIONAL TAX PROVISION**

Section 10.1 Tax Withholding Rights.

The Company shall have the power and the right to deduct or withhold, or require a Person to remit to the Company, 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 grant, exercise or payment made under or as a result of the Plan. In this regard, where any Person is entitled to receive Shares, the Company shall have the right to require such Person to pay to the Company the amount of any tax which the Company is required to withhold with respect to such Shares, or, in lieu thereof, to retain, or to sell without notice, a sufficient number of Shares to cover the minimum amount required to be withheld.

**ARTICLE XI
AMENDMENT AND TERMINATION**

Section 11.1 Termination

The Board may suspend or terminate the Plan in whole or in part at any time prior to the tenth anniversary of the Effective Date by giving written notice of such suspension or termination to the Committee. Unless sooner terminated, the Plan shall terminate automatically on the tenth anniversary of the Effective Date. In the event of any suspension or termination of the Plan, all Awards previously granted under the Plan that are outstanding on the date of such suspension or termination of the Plan shall remain outstanding and exercisable for the period and on the terms and conditions set forth in the Award Agreements evidencing such Awards.

Section 11.2 Amendment.

The Board may amend or revise the Plan in whole or in part at any time; *provided, however*, that, to the extent required to comply with the corporate governance standards imposed under the listing or trading requirements imposed by any national securities exchange or automated quotation system on which the Company lists or seeks to list or trade Shares, no such amendment or revision shall be effective if it amends a material term of the Plan unless approved by the holders of a majority of the votes cast on a proposal to approve such amendment or revision.

Section 11.3 Adjustments in the Event of Business Reorganization.

In the event any recapitalization, forward or reverse split, reorganization, merger, consolidation, spin-off, combination, exchange of Shares or other securities, stock dividend or other special and nonrecurring dividend or distribution (whether in the form of cash, securities or other property), liquidation, dissolution, or other similar corporate transaction or event, affects the Shares such that an adjustment is appropriate in order to prevent dilution or enlargement of the rights of Participants under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust any or all of:

- (i) the number and kind of securities deemed to be available thereafter for grants of Awards in the aggregate to all Participants;
- (ii) the number and kind of securities that may be delivered or deliverable in respect of outstanding Awards; and
- (iii) the Exercise Price of Options and Stock Appreciation Rights.

In addition, the Committee is authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards (including, without limitation, cancellation of Awards in exchange for the in-the-money value, if any, of the vested portion thereof, or substitution of Awards using stock of a successor or other entity) in recognition of unusual or nonrecurring events (including, without limitation, events described in the preceding

sentence) affecting the Company or any Affiliate or the financial statements of the Company or any Affiliate, or in response to changes in applicable laws, regulations, or accounting principles.

ARTICLE XII MISCELLANEOUS

Section 12.1 Status as an Employee Benefit Plan.

This Plan is not intended to satisfy the requirements for qualification under Section 401(a) of the Code or to satisfy the definitional requirements for an "employee benefit plan" under Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended. It is intended to be a non-qualified incentive compensation program that is exempt from the regulatory requirements of the Employee Retirement Income Security Act of 1974, as amended. The Plan shall be construed and administered so as to effectuate this intent.

Section 12.2 No Right to Continued Service.

Neither the establishment of the Plan nor any provisions of the Plan nor any action of the Board or Committee with respect to the Plan shall be held or construed to confer upon any Participant any right to a continuation of his or her position as an Employee or a Director. The Company reserves the right to remove any participating member of the Board or dismiss any Participant or otherwise deal with any Participant to the same extent as though the Plan had not been adopted.

Section 12.3 Construction of Language.

Whenever appropriate in the Plan, words used in the singular may be read in the plural, words used in the plural may be read in the singular, and words importing the masculine gender may be read as referring equally to the feminine or the neuter. Any reference to an Article or Section number shall refer to an Article or Section of this Plan unless otherwise indicated.

Section 12.4 Severability.

In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

Section 12.5 Governing Law.

The Plan shall be construed, administered and enforced according to the laws of the State of Washington without giving effect to the conflict of laws principles thereof. The federal and state courts located in the County or contiguous counties in which the Company's headquarters are located shall have exclusive jurisdiction over any claim, action, complaint or lawsuit brought under the terms of the Plan. By accepting any Award granted under this Plan, the Participant, and any other person claiming any rights under the Plan, agrees to submit himself, and any such legal action as he shall bring under the Plan, to the sole jurisdiction of such courts for the adjudication and resolution of any such disputes.

Section 12.6 Headings.

The headings of Articles and Sections are included solely for convenience of reference. If there is any conflict between such headings and the text of the Plan, the text shall control.

Section 12.7 Non-Alienation of Benefits.

The right to receive a benefit under the Plan shall not be subject in any manner to anticipation, alienation or assignment, nor shall such right be liable for or subject to debts, contracts, liabilities, engagements or torts.

Section 12.8 Notices.

Any communication required or permitted to be given under the Plan, including any notice, direction, designation, comment, instruction, objection or waiver, shall be in writing and shall be deemed to have been given at such time as it is delivered personally or three (3) days after mailing if mailed, postage prepaid, by registered or certified mail, return receipt requested, addressed to such party at the address listed below, or at such other address as one such party may by written notice specify to the other party:

(a) If to the Committee:

Banner Corporation
10 South First Avenue
Walla Walla, Washington 99362
Attention: Corporate Secretary

(b) If to a Participant, to such person's address as shown in the Company's records.

Section 12.9 Approval of Shareholders.

The Plan shall be subject to approval by the Company's shareholders within twelve (12) months before or after the date the Board adopts the Plan.

Section 12.10 Clawback.

All Awards (whether vested or unvested) shall be subject to such clawback (recovery) as may be required to be made pursuant to law, rule, regulation or stock exchange listing requirement or any policy of the Company adopted pursuant to any such law, rule, regulation or stock exchange listing requirement.

Section 12.11 Compliance with Section 409A.

With respect to any amount payable under an Award that constitutes a deferral of compensation within the meaning of Section 409A, the Plan is intended to comply with Section 409A, and the Plan shall be administered, construed and interpreted in accordance with such intent. To the extent that an Award or the payment, settlement or deferral thereunder is subject to Section 409A, the Award shall be granted, paid, settled or deferred in a manner that will comply with Section 409A, except as otherwise determined by the Committee. In the case of amounts not intended to be deferrals of compensation subject to Section 409A, payment or settlement of amounts under such Awards shall occur not later than March 15 of the year following the year in which the Participant has a legally-binding right to payment or settlement (or such later time as permitted under Section 409A that does not cause the amount to be considered a deferral of compensation for purposes of Section 409A, or at such other time that complies with Section 409A). In the case of amounts intended to be deferrals of compensation subject to Section 409A, if the amount is subject to a deferral election by the Participant, the initial deferral election shall be made and become irrevocable no later than December 31 of the year immediately preceding the year in which the Participant first performs services related to such compensation, provided that the timing of such initial deferral election may be later as provided in Section 409A with respect to initial participation in the Plan and for "performance-based compensation" as defined under Section 409A. If an amount that is subject to Section 409A becomes payable under an Award as a result of the Participant's "separation from service" (as defined under Section 409A) other than due to death, and the Participant is a "specified employee" (as defined under Section 409A), then payment of such amount shall not occur until six (6) months and a day after the date of Participant's "separation from service" except as permitted under Section 409A.

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Section 4: EX-10.2 (EXHIBIT 10.2)

Exhibit 10.2

**Form of Incentive Stock Option Award Agreement
under the Banner Corporation 2018 Omnibus Incentive Plan**

**BANNER CORPORATION
2018 OMNIBUS INCENTIVE PLAN**

[FORM OF] INCENTIVE STOCK OPTION AWARD AGREEMENT

ISO No. _____

Grant Date: _____

This Incentive Stock Option Award ("ISO") is granted by Banner Corporation ("Corporation") to [Name] ("Option Holder") in accordance with the terms of this Incentive Stock Option Award Agreement ("Agreement") and subject to the provisions of the Banner Corporation 2018 Omnibus Incentive Plan, as amended from time to time ("Plan"). The Plan is incorporated herein by reference.

1. **ISO Award.** The Corporation grants to Option Holder ISOs to purchase [Number] Shares at an Exercise Price of \$[Number] per Share. These ISOs are subject to forfeiture until they vest and to limits on transferability, as provided in Sections 5 and 6 of this Agreement and in Article V of the Plan.
2. **Vesting Dates.** The ISOs shall vest as follows, subject to earlier vesting in the event of a termination of Service as provided in Section 6 or a Change in Control as provided in Section 7:

Vesting Date

ISOs for
Number of Shares Vesting

3. **Exercise.** The Option Holder (or in the case of the death of the Option Holder, the designated legal representative or heir of the Option Holder) may exercise the ISOs during the Exercise Period by giving written notice to the [_____] [include appropriate officer] in the form required by the Committee ("Exercise Notice"). The Exercise Notice must specify the number of Shares to be purchased, which shall be at least 100 unless fewer shares remain unexercised. The exercise date is the date the Exercise Notice is received by the Corporation. The Exercise Period commences on the Vesting Date and expires at 5:00 p.m., pacific time, on the date 10 years [five years for over 10% owners of Corporation on the Grant Date] after the Grant Date, such later time and date being hereinafter referred to as the "Expiration Date," subject to earlier expiration in the event of a termination of Service as provided in Section 6. Any ISOs not exercised as of the close of business on the last day of the Exercise Period shall be cancelled without consideration at that time.

The Exercise Notice shall be accompanied by payment in full of the Exercise Price for the Shares being purchased. Payment shall be made: (a) in cash, which may be in the form of a check, money order, cashier's check or certified check, payable to the

Corporation, or (b) by delivering Shares of the Corporation already owned by the Option Holder having a Fair Market Value on the exercise date equal to the aggregate Exercise Price to be paid, or (c) by instructing the Corporation to withhold Shares otherwise issuable upon the exercise having an aggregate Fair Market Value on the exercise date equal to the aggregate Exercise Price to be paid, or (d) by a combination of thereof. Payment for the Shares being purchased upon exercise of the Option may also be made by delivering a properly executed Exercise Notice to the Corporation, together with a copy of irrevocable instructions to a broker to deliver promptly to the Corporation the amount of sale or loan proceeds to pay the aggregate Exercise Price and applicable tax withholding amounts (if any), in which event the Shares acquired shall be delivered to the broker promptly following receipt of payment.

4. **Related Awards.** These ISOs *[are not related to any other Award under the Plan.] or [are related to Stock Appreciation Rights granted on the Grant Date. To the extent any of the SARs are exercised, the ISOs shall terminate with respect to the same number of Shares.]*

5. **Transferability.** The Option Holder may not sell, assign, transfer, pledge or otherwise encumber any ISOs, except in the event of the Option Holder's death, by will or by the laws of descent and distribution or pursuant to a Domestic Relations Order.

6. **Termination of Service.** If the Option Holder terminates Service for any reason other than in connection with a Change in Control or the death or Disability of the Option Holder, any ISOs that have not vested as of the date of that termination shall be forfeited to the Corporation, and the Exercise Period of any vested ISOs shall expire three months after that termination of Service (but in no event after the Expiration Date), except where that termination of Service is due to Retirement, in which case the Exercise Period of any vested ISOs shall expire one year after that termination of Service (but in no event after the Expiration Date), or in the case of a Termination for Cause, in which case all ISOs held by the Option Holder shall expire immediately. If the Option Holder's Service terminates on account of the Option Holder's death or Disability, the Vesting Date for all ISOs that have not vested or been forfeited shall be accelerated to the date of that termination of Service, and the Exercise Period of all ISOs shall expire one year after that termination of Service (but in no event after the Expiration Date). **Note to Option Holder: If the exercise of an Option granted hereunder does not occur within three months of the Option Holder's termination of Service, then the Option will not receive ISO tax treatment. [Post-termination exercise period may be modified at Committee's election except with respect to a Termination for Cause.]**

7. **Effect of Change in Control.** If a Change in Control occurs prior to the Vesting Date of an ISO that is outstanding on the date of the Change in Control, and the Option Holder experiences an Involuntary Separation from Service during the 365-day period following the date of such Change in Control, then the Vesting Date for any non-vested ISO shall be accelerated to the date of the Option Holder's Involuntary Separation from Service. Notwithstanding the preceding sentence, if at the effective time of the Change in Control the successor to the Corporation's business and/or assets does not either assume the outstanding ISO or replace the outstanding ISO with an award that is determined by the

Committee to be at least equivalent in value to such outstanding ISO on the date of the Change in Control, then the Vesting Date of such outstanding ISO shall be accelerated to the earliest date of the Change in Control.

8. **Option Holder's Rights.** The ISOs awarded hereby do not entitle the Option Holder to any rights of a shareholder of the Corporation.

9. **Delivery of Shares to Option Holder.** Promptly after receipt of an Exercise Notice and full payment of the Exercise Price for the Shares being acquired, the Corporation shall issue and deliver to the Option Holder (or other person validly exercising the ISO) a certificate or certificates representing the Shares of Common Stock being purchased, or evidence of the issuance of such Shares in book-entry form, registered in the name of the Option Holder (or such other person), or, upon request, in the name of the Option Holder (or such other person) and in the name of another person in such form of joint ownership as requested by the Option Holder (or such other person) pursuant to applicable state law. The Corporation's obligation to deliver a stock certificate or evidence of the issuance of Shares in book-entry form for Shares purchased upon the exercise of an ISO can be conditioned upon the receipt of a representation of investment intent from the Option Holder (or the Option Holder's Beneficiary) in such form as the Committee requires. The Corporation shall not be required to deliver stock certificates or evidence of the issuance of Shares in book-entry form for Shares purchased prior to: (a) the listing of those Shares on the Nasdaq; or (b) the completion of any registration or qualification of those Shares required under applicable law.

10. **Notice of Sale of Shares.** The Option Holder (or other person who received Shares from the exercise of the ISOs) shall give written notice to the Corporation promptly in the event of the sale or other disposition of Shares received from the exercise of the ISOs within either: (a) two years from the Grant Date; or (b) one year from the exercise date for the ISOs exercised.

11. **Adjustments in Shares.** In the event of any recapitalization, forward or reverse stock split, reorganization, merger, consolidation, spin-off, combination, exchange of Shares or other securities, stock dividend, special or recurring dividend or distribution, liquidation, dissolution or other similar corporate transaction or event, the Committee, in its sole discretion, shall adjust the number of Shares or class of securities of the Corporation covered by the ISOs or the Exercise Price of the ISOs. The Option Holder agrees to execute any documents required by the Committee in connection with an adjustment under this Section 11.

12. **Tax Withholding.** The Corporation shall have the right to require the Option Holder to pay to the Corporation the amount of any tax that the Corporation is required to withhold with respect to such Shares, or in lieu thereof, to retain or sell without notice, a sufficient number of Shares to cover the minimum amount required to be withheld. The Corporation shall have the right to deduct from all dividends paid with respect to the Shares the amount of any taxes that the Corporation is required to withhold with respect to such dividend payments.

13. **Plan and Committee Decisions are Controlling.** This Agreement, the award of ISOs to the Option Holder and the issuance of Shares upon the exercise of the ISOs are subject in all respects to the provisions of the Plan, which are controlling. Capitalized terms herein not defined in this Agreement shall have the meaning ascribed to them in the Plan. All decisions, determinations and interpretations by the Committee respecting the Plan, this Agreement, the award of ISOs or the issuance of Shares upon the exercise of the ISOs shall be binding and conclusive upon the Option Holder, any Beneficiary of the Option Holder or the legal representative thereof. The Grantee acknowledges and agrees that this Award and receipt of any Shares hereunder by any person is subject to (a) Plan Section 12.10, including possible reduction, cancellation, forfeiture or recoupment (clawback), and (b) any policies which the Corporation may adopt in furtherance of any regulatory requirements (including, but not limited to, the Dodd-Frank Wall Street Reform and Consumer Protection Act) or otherwise.
14. **Option Holder's Employment.** Nothing in this Agreement shall limit the right of the Corporation or any of its Affiliates to terminate the Option Holder's service or employment as a director, advisory director, director emeritus, officer or employee, or otherwise impose upon the Corporation or any of its Affiliates any obligation to employ or accept the services or employment of the Option Holder.
15. **Amendment.** The Committee may waive any conditions of or rights of the Corporation or modify or amend the terms of this Agreement; provided, however, that the Committee may not amend, alter, suspend, discontinue or terminate any provision of this Agreement if such action may adversely affect the Option Holder without the Option Holder's written consent. To the extent permitted by applicable laws and regulations, the Committee shall have the authority, in its sole discretion but with the permission of the Option Holder, to accelerate the vesting of the Shares or remove any other restrictions imposed on the Option Holder with respect to the Shares, whenever the Committee may determine that such action is appropriate.
16. **Loss of ISO Status.** If any of the ISOs fail, for any reason, to qualify for the special tax treatment afforded the ISOs, they shall be treated as Non-Qualified Stock Options under the Plan. The ISOs will lose ISO status: (a) if the Option Holder is not an employee of the Corporation or its Affiliates from the Grant date through the date three months before the exercise date; or (b) if the Shares acquired upon the exercise of the ISO are sold or disposed of within one of the time periods described in Section 10 (except if the ISO is exercised on account of the Option Holder's death or Disability, as described in Section 6).
17. **Option Holder Acceptance.** The Option Holder shall signify acceptance of the terms and conditions of this Agreement and acknowledge receipt of a copy of the Plan by signing in the space provided below and returning the signed copy to the Corporation.

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

BANNER CORPORATION

By _____
Its _____

ACCEPTED BY OPTION HOLDER

(Signature)

(Print Name)

(Street Address)

(City, State & Zip Code)

Beneficiary Designation:

The Option Holder designates the following Beneficiary to receive the Shares upon the Option Holder's death:

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Section 5: EX-10.3 (EXHIBIT 10.3)

Exhibit 10.3

Form of Non-Qualified Stock Option Award Agreement
under the Banner Corporation 2018 Omnibus Incentive Plan

**BANNER CORPORATION
2018 OMNIBUS INCENTIVE PLAN**

[FORM OF] NON-QUALIFIED STOCK OPTION AWARD AGREEMENT

NQSO No. _____

Grant Date: _____

This Non-Qualified Stock Option Award ("NQSO") is granted by Banner Corporation ("Corporation") to *[Name]* ("Option Holder") in accordance with the terms of this Non-Qualified Stock Option Award Agreement ("Agreement") and subject to the provisions of the Banner Corporation 2018 Omnibus Incentive Plan, as amended from time to time ("Plan"). The Plan is incorporated herein by reference.

1. **NQSO Award.** The Corporation grants to Option Holder NQSOs to purchase *[Number]* Shares at an Exercise Price of \$*[Number]* per Share. These NQSOs are subject to forfeiture and to limits on transferability until they vest, as provided in Sections 5 and 6 of this Agreement and in Article V of the Plan.
2. **Vesting Dates.** The NQSOs shall vest as follows, subject to earlier vesting in the event of a termination of Service as provided in Section 6:

Vesting Date

NQSOs for
Number of Shares Vesting

3. **Exercise.** The Option Holder (or in the case of the death of the Option Holder, the designated legal representative or heir of the Option Holder) may exercise the NQSOs during the Exercise Period by giving written notice to the [_____] *[include appropriate officer]* in the form required by the Committee ("Exercise Notice"). The Exercise Notice must specify the number of Shares to be purchased, which shall be at least 100 unless fewer shares remain unexercised. The exercise date is the date the Exercise Notice is received by the Corporation. The Exercise Period commences on the Vesting Date and expires at 5:00 p.m., pacific time, on the date 10 years after the Grant Date, such later time and date being hereinafter referred to as the "Expiration Date," subject to earlier expiration in the event of a termination of Service as provided in Section 6. Any NQSOs not exercised as of the close of business on the last day of the Exercise Period shall be cancelled without consideration at that time.

The Exercise Notice shall be accompanied by payment in full of the Exercise Price for the Shares being purchased. Payment shall be made: (a) in cash, which may be in the form of a check, money order, cashier's check or certified check, payable to the Corporation, or (b) by delivering Shares of the Corporation already owned by the Option Holder having a Fair Market Value on the exercise date equal to the aggregate Exercise

Price to be paid, or (c) by instructing the Corporation to withhold Shares otherwise issuable upon the exercise having an aggregate Fair Market Value on the exercise date equal to the aggregate Exercise Price to be paid or (d) by a combination thereof. Payment for the Shares being purchased upon exercise of the Option may also be made by delivering a properly executed Exercise Notice to the Corporation, together with a copy of irrevocable instructions to a broker to deliver promptly to the Corporation the amount of sale or loan proceeds to pay the aggregate Exercise Price and applicable tax withholding amounts (if any), in which event the Shares acquired shall be delivered to the broker promptly following receipt of payment.

4. **Related Awards:** These NQSOs *[are not related to any other Award under the Plan.] or [are related to Stock Appreciation Rights granted on the Grant Date. To the extent any of the SARs are exercised, the NQSOs shall terminate with respect to the same number of Shares.]*

5. **Transferability.** The Option Holder may not sell, assign, transfer, pledge or otherwise encumber any NQSOs, except in the event of the Option Holder's death, by will or by the laws of descent and distribution or pursuant to a Domestic Relations Order. The Committee, in its sole and absolute discretion, may allow the Option Holder to transfer one or more NQSOs to the Option Holder's Family Members or a grantor trust, as provided for in the Plan.

6. **Termination of Service.** If the Option Holder terminates Service for any reason other than in connection with a Change in Control or the death or Disability of the Option Holder, any NQSOs that have not vested as of the date of that termination shall be forfeited to the Corporation, and the Exercise Period of any vested NQSOs shall expire three months after that termination of Service (but in no event after the Expiration Date), except where that termination of Service is due to Retirement, in which case the Exercise Period of any vested NQSOs shall expire one year after that termination of Service (but in no event after the Expiration Date), or in the case of a Termination for Cause, in which case all NQSOs held by the Option Holder shall expire immediately. If the Option Holder's Service terminates on account of the Option Holder's death or Disability, the Vesting Date for all NQSOs that have not vested or been forfeited shall be accelerated to the date of that termination of Service, and the Exercise Period of all NQSOs shall expire one year after that termination of Service (but in no event after the Expiration Date). *[Post-termination exercise period may be modified at Committee's election except with respect to a Termination for Cause.]*

7. **Effect of Change in Control.** If a Change in Control occurs prior to the Vesting Date of an NQSO that is outstanding on the date of the Change in Control, and the Option Holder experiences an Involuntary Separation from Service during the 365-day period following the date of such Change in Control, then the Vesting Date for any non-vested NQSO shall be accelerated to the date of the Option Holder's Involuntary Separation from Service. Notwithstanding the preceding sentence, if at the effective time of the Change in Control the successor to the Corporation's business and/or assets does not either assume the outstanding NQSO or replace the outstanding NQSO with an award that is determined by the Committee to be at least equivalent in value to such outstanding

NQSO on the date of the Change in Control, then the Vesting Date of such outstanding NQSO shall be accelerated to the earliest date of the Change in Control.

8. **Option Holder's Rights.** The NQSOs awarded hereby do not entitle the Option Holder to any rights of a shareholder of the Corporation.

9. **Delivery of Shares to Option Holder.** Promptly after receipt of an Exercise Notice and full payment of the Exercise Price for the Shares being acquired, the Corporation shall issue and deliver to the Option Holder (or other person validly exercising the NQSO) a certificate or certificates representing the Shares of Common Stock being purchased, or evidence of the issuance of such Shares in book-entry form, registered in the name of the Option Holder (or such other person), or, upon request, in the name of the Option Holder (or such other person) and in the name of another person in such form of joint ownership as requested by the Option Holder (or such other person) pursuant to applicable state law. The Corporation's obligation to deliver a stock certificate or evidence of the issuance of Shares in book-entry form for Shares purchased upon the exercise of an NQSO can be conditioned upon the receipt of a representation of investment intent from the Option Holder (or the Option Holder's Beneficiary) in such form as the Committee requires. The Corporation shall not be required to deliver stock certificates or evidence of the issuance of Shares in book-entry form for Shares purchased prior to: (a) the listing of those Shares on the Nasdaq; or (b) the completion of any registration or qualification of those Shares required under applicable law.

10. **Adjustments in Shares.** In the event of any recapitalization, forward or reverse stock split, reorganization, merger, consolidation, spin-off, combination, exchange of Shares or other securities, stock dividend, special or recurring dividend or distribution, liquidation, dissolution or other similar corporate transaction or event, the Committee, in its sole discretion, shall adjust the number of Shares or class of securities of the Corporation covered by the NQSOs or the Exercise Price of the NQSOs. The Option Holder agrees to execute any documents required by the Committee in connection with an adjustment under this Section 10.

11. **Tax Withholding.** The Corporation shall have the right to require the Option Holder to pay to the Corporation the amount of any tax that the Corporation is required to withhold with respect to such Shares, or in lieu thereof, to retain or sell without notice, a sufficient number of Shares to cover the minimum amount required to be withheld. The Corporation shall have the right to deduct from all dividends paid with respect to the Shares the amount of any taxes that the Corporation is required to withhold with respect to such dividend payments.

12. **Plan and Committee Decisions are Controlling.** This Agreement, the award of NQSOs to the Option Holder and the issuance of Shares upon the exercise of the NQSOs are subject in all respects to the provisions of the Plan, which are controlling. Capitalized terms herein not defined in this Agreement shall have the meaning ascribed to them in the Plan. All decisions, determinations and interpretations by the Committee respecting the Plan, this Agreement, the award of NQSOs or the issuance of Shares upon the exercise of the NQSOs shall be binding and conclusive upon the Option Holder, any Beneficiary of

the Option Holder or the legal representative thereof. The Grantee acknowledges and agrees that this Award and receipt of any Shares hereunder by any person is subject to (a) Plan Section 12.10, including possible reduction, cancellation, forfeiture or recoupment (clawback), and (b) any policies which the Corporation may adopt in furtherance of any regulatory requirements (including, but not limited to, the Dodd-Frank Wall Street Reform and Consumer Protection Act) or otherwise.

- 13. **Option Holder's Employment.** Nothing in this Agreement shall limit the right of the Corporation or any of its Affiliates to terminate the Option Holder's service or employment as a director, advisory director, director emeritus, officer or employee, or otherwise impose upon the Corporation or any of its Affiliates any obligation to employ or accept the services or employment of the Option Holder.

- 14. **Amendment.** The Committee may waive any conditions of or rights of the Corporation or modify or amend the terms of this Agreement; provided, however, that the Committee may not amend, alter, suspend, discontinue or terminate any provision of this Agreement if such action may adversely affect the Option Holder without the Option Holder's written consent. To the extent permitted by applicable laws and regulations, the Committee shall have the authority, in its sole discretion but with the permission of the Option Holder, to accelerate the vesting of the Shares or remove any other restrictions imposed on the Option Holder with respect to the Shares, whenever the Committee may determine that such action is appropriate.

- 15. **Option Holder Acceptance.** The Option Holder shall signify acceptance of the terms and conditions of this Agreement and acknowledge receipt of a copy of the Plan by signing in the space provided below and returning the signed copy to the Corporation.

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

BANNER CORPORATION

By _____
Its _____

ACCEPTED BY OPTION HOLDER

(Signature)

(Print Name)

(Street Address)

(City, State & Zip Code)

Beneficiary Designation:

The Option Holder designates the following Beneficiary to receive the Shares upon the Option Holder's death:

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Section 6: EX-10.4 (EXHIBIT 10.4)

Exhibit 10.4

Form of Director Restricted Stock Award Agreement
under the Banner Corporation 2018 Omnibus Incentive Plan

**BANNER CORPORATION
2018 OMNIBUS INCENTIVE PLAN**

[FORM OF] RESTRICTED STOCK AWARD AGREEMENT

RS No. _____

Grant Date: _____

This Restricted Stock Award ("Restricted Stock Award") is granted by Banner Corporation ("Corporation") to *[Name]* ("Grantee") in accordance with the terms of this Restricted Stock Award Agreement ("Agreement") and subject to the provisions of the Banner Corporation 2018 Omnibus Incentive Plan, as amended from time to time ("Plan"). The Plan is incorporated herein by reference.

1. **Restricted Stock Award.** The Corporation makes this Restricted Stock Award of *[Number]* Shares to Grantee. These Shares are subject to forfeiture and to limits on transferability until they vest, as provided in Sections 2, 3, 4 and 5 of this Agreement and in Article VII of the Plan.
2. **Period of Restriction:** The Shares are subject to a Period of Restriction, during which the Grantee shall not receive the Shares, be able to transfer the Shares, or otherwise have rights with respect to the Shares, subject to earlier vesting in the event of a termination of Service as provided in Section 4 or a Change in Control as provided in Section 5. After the Period of Restriction ends with respect to a Share, such Share shall be considered vested, except as provided in this Agreement or the Plan. The Period of Restriction end with respect to the Shares in accordance with the following schedule:

Date Period of Restriction Ends

With Respect to the Following
Number of Shares

3. **Transferability.** The Grantee may not sell, assign, transfer, pledge or otherwise encumber any Shares that have not vested, except in the event of the Grantee's death, by will or by the laws of descent and distribution or pursuant to a Domestic Relations Order. The Committee, in its sole and absolute discretion, may allow the Grantee to transfer all or any portion of this Restricted Stock Award to the Grantee's Family Members, as provided for in the Plan.
 4. **Termination of Service.** If the Grantee terminates Service for any reason other than in connection with a Change in Control or the death or Disability of the Grantee, any Shares that have not vested as of the date of that termination shall be forfeited to the Corporation. The Shares never vest in the event of a Termination for Cause. If the Grantee's Service terminates on account of the Grantee's death or Disability, the Period
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of Restriction for all Shares that have not previously vested shall end on the date of that termination of Service and the Grantee shall then be vested in the Shares.

5. **Effect of Change in Control.** If a Change in Control occurs prior to the Vesting Date of a Restricted Stock Award that is outstanding on the date of the Change in Control, and the Grantee experiences an Involuntary Separation from Service during the 365-day period following the date of such Change in Control, then the Vesting Date for any non-vested Restricted Stock Award shall be accelerated to the date of the Grantee's Involuntary Separation from Service. Notwithstanding the preceding sentence, if at the effective time of the Change in Control the successor to the Corporation's business and/or assets does not either assume the outstanding Restricted Stock Award or replace the outstanding Restricted Stock Award with an award that is determined by the Committee to be at least equivalent in value to such outstanding Restricted Stock Award on the date of the Change in Control, then the Vesting Date of such outstanding Restricted Stock Award shall be accelerated to the earliest date of the Change in Control.
6. **Stock Power.** The Grantee agrees to execute a stock power with respect to each stock certificate reflecting the Shares, or other evidence of book-entry stock ownership, in favor of the Corporation. The Shares shall not be issued by the Corporation until the required stock powers are delivered to the Corporation.
7. **Delivery of Restricted Shares.** The Corporation shall issue stock certificates or evidence of the issuance of such Shares in book-entry form, in the name of the Grantee reflecting the Shares vesting on each Vesting Date in Section 2. The Corporation shall retain these certificates or evidence of the issuance of Shares in book-entry form until the Shares represented thereby become vested. Prior to vesting, the Shares shall be subject to the following restriction, communicated in writing to the Corporation's stock transfer agent:

These shares of common stock are subject to the terms of an Award Agreement between Banner Corporation and [NAME] dated [GRANT DATE] made pursuant to the terms of the Banner Corporation 2018 Omnibus Incentive Plan, copies of which are on file at the executive offices of Banner Corporation, and may not be sold, encumbered, hypothecated or otherwise transferred except in accordance with the terms of such Plan and Award Agreement.

8. **Grantee's Rights.** Grantee shall be entitled to dividend payments by the Corporation with respect to Shares but only as and when the Shares become vested pursuant to Sections 2-5 hereof. Dividends on unvested Shares will be held by the Corporation and transferred to the Grantee, without interest, no later than 10 days following the date that the Shares vest. Dividends on Shares that are forfeited shall not be paid to the Grantee and shall be retained by the Corporation. Dividends on vested Shares shall be paid at the same time that they are paid to other holders of the Corporation's common stock. The Grantee may exercise all voting rights appurtenant to the Shares whether vested or unvested.

9. **Delivery of Unrestricted Shares to Grantee.** Upon the vesting of any Shares, the restrictions in Sections 3 and 4 shall terminate, and the Corporation shall deliver only to the Grantee (or, if applicable, the Grantee's Beneficiary, estate or Family Member) a certificate (without the legend referenced in Section 7) or evidence of the issuance of Shares in book-entry form, and the related stock power in respect of the vesting Shares. The Corporation's obligation to deliver a stock certificate for vested Shares, or evidence of the issuance of Shares in book-entry form, can be conditioned upon the receipt of a representation of investment intent from the Grantee (or the Grantee's Beneficiary, estate or Family Member) in such form as the Committee requires. The Corporation shall not be required to deliver stock certificates for vested Shares, or evidence of the issuance of Shares in book-entry form, prior to: (a) the listing of those Shares on the Nasdaq; or (b) the completion of any registration or qualification of those Shares required under applicable law.

10. **Adjustments in Shares.** In the event of any recapitalization, forward or reverse stock split, reorganization, merger, consolidation, spin-off, combination, exchange of Shares or other securities, stock dividend, special or recurring dividend or distribution, liquidation, dissolution or other similar corporate transaction or event, the Committee, in its sole discretion, shall adjust the number of Shares or class of securities of the Corporation covered by this Agreement. Any additional Shares or other securities received by the Grantee as a result of any such adjustment shall be subject to all restrictions and requirements applicable to Shares that have not vested. The Grantee agrees to execute any documents required by the Committee in connection with an adjustment under this Section 10.

11. **Tax Election.** **The Grantee understands that an election may be made under Section 83(b) of the Code to accelerate the Grantee's tax obligation with respect to receipt of the Shares from the date the Shares would otherwise vest under this Agreement to the Grant Date by timely submitting an election to the Internal Revenue Service in accordance with the Internal Revenue Service rules in effect at the time the election is made.**

12. **Tax Withholding.** If the Grantee makes a Code Section 83(b) election, the Grantee shall pay to the Corporation the amount of any tax that the Corporation is required to withhold with respect to the Shares. Otherwise, the Corporation shall retain or sell without notice, a sufficient number of Shares to cover the minimum amount required to be withheld with respect to Shares upon vesting. The Corporation shall have the right to deduct from all dividends paid with respect to the Shares the amount of any taxes that the Corporation is required to withhold with respect to such dividend payments.

13. **Plan and Committee Decisions are Controlling.** This Agreement and the award of Shares to the Grantee are subject in all respects to the provisions of the Plan, which are controlling. Capitalized terms herein not defined in this Agreement shall have the meaning ascribed to them in the Plan. All decisions, determinations and interpretations by the Committee respecting the Plan, this Agreement or the award of Shares shall be binding and conclusive upon the Grantee, any Beneficiary of the Grantee or the legal representative thereof. The Grantee acknowledges and agrees that this Award and

receipt of any Shares hereunder by any person is subject to (a) Plan Section 12.10, including possible reduction, cancellation, forfeiture or recoupment (clawback), and (b) any policies which the Corporation may adopt in furtherance of any regulatory requirements (including, but not limited to, the Dodd-Frank Wall Street Reform and Consumer Protection Act) or otherwise.

14. **Grantee's Employment.** Nothing in this Agreement shall limit the right of the Corporation or any of its Affiliates to terminate the Grantee's service or employment as a director, advisory director, director emeritus, officer or employee, or otherwise impose upon the Corporation or any of its Affiliates any obligation to employ or accept the services or employment of the Grantee.
15. **Amendment.** The Committee may waive any conditions of or rights of the Corporation or modify or amend the terms of this Agreement; provided, however, that the Committee may not amend, alter, suspend, discontinue or terminate any provision of this Agreement if such action may adversely affect the Grantee without the Grantee's written consent. To the extent permitted by applicable laws and regulations, the Committee shall have the authority, in its sole discretion but with the permission of the Grantee, to accelerate the vesting of the Shares or remove any other restrictions imposed on the Grantee with respect to the Shares, whenever the Committee may determine that such action is appropriate.
16. **Grantee Acceptance.** The Grantee shall signify acceptance of the terms and conditions of this Agreement and acknowledge receipt of a copy of the Plan by signing in the space provided below and returning the signed copy to the Corporation.

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

BANNER CORPORATION

By _____
Its _____

ACCEPTED BY GRANTEE

(Signature)

(Print Name)

(Street Address)

(City, State & Zip Code)

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Section 7: EX-10.5 (EXHIBIT 10.5)

Exhibit 10.5

Form of Director Restricted Stock Unit Award Agreement
under the Banner Corporation 2018 Omnibus Incentive Plan

BANNER CORPORATION
2018 OMNIBUS INCENTIVE PLAN

[FORM OF] RESTRICTED STOCK UNIT AWARD AGREEMENT

RSU No. _____

Grant Date: _____

This Award of restricted stock units ("RSUs") is granted by Banner Corporation ("Corporation") to *[Name]* ("Grantee") in accordance with the terms of this Restricted Stock Unit Award Agreement ("Agreement") and subject to the provisions of the Banner Corporation 2018 Omnibus Incentive Plan, as amended from time to time ("Plan"). The Plan is incorporated herein by reference. Capitalized terms used but not defined herein have the meanings given to them in the Plan.

1. **RSU Award.** The Corporation makes this Award of *[Number]* RSUs to Grantee. These RSUs are subject to forfeiture and to limits on transferability until they vest, as provided in Sections 2, 3, 4 and 5 of this Agreement and in Article VII of the Plan.

2. **Period of Restriction:** The RSUs are subject to a Period of Restriction, during which the Grantee shall not vest in the RSUs, subject to earlier vesting in the event of a termination of Service as provided in Section 4 or a Change in Control as provided in Section 5. After the Period of Restriction ends with respect to an RSU, such RSU shall be considered vested, except as provided in this Agreement or the Plan. The Period of Restriction ends with respect to the RSUs in accordance with the following schedule:

Date Period of Restriction Ends

With Respect to the Following
Number of RSUs

3. **Transferability.** The Grantee may not sell, assign, transfer, pledge or otherwise encumber any RSUs that have not vested, except in the event of the Grantee's death, by will or by the laws of descent and distribution or pursuant to a Domestic Relations Order. The Committee, in its sole and absolute discretion, may allow the Grantee to transfer all or any portion of this Award of RSUs to the Grantee's Family Members, as provided for in the Plan.

 4. **Termination of Service.** If the Grantee terminates Service for any reason other than due to the death or Disability of the Grantee, any RSUs that have not vested as of the date of that termination shall be forfeited to the Corporation. The RSUs never vest in the event of a Termination for Cause. If the Grantee's Service terminates on account of the Grantee's death or Disability, the Period of Restriction for all RSUs that have not vested or been forfeited shall end on the date of that termination of Service and the Grantee shall then be vested in the RSUs.
-

5. **Effect of Change in Control.** If a Change in Control occurs prior to the Vesting Date of an RSU that is outstanding on the date of the Change in Control, and the Grantee experiences an Involuntary Separation from Service during the 365-day period following the date of such Change in Control, then the Vesting Date for any non-vested RSU shall be accelerated to the date of the Grantee's Involuntary Separation from Service. Notwithstanding the preceding sentence, if at the effective time of the Change in Control the successor to the Corporation's business and/or assets does not either assume the outstanding RSU or replace the outstanding RSU with an award that is determined by the Committee to be at least equivalent in value to such outstanding RSU on the date of the Change in Control, then the Vesting Date of such outstanding RSU shall be accelerated to the earliest date of the Change in Control.
6. **Grantee's Rights.** The Grantee shall be entitled to dividend equivalent payments by the Company with respect to RSUs but only as and when the RSUs to which the dividend equivalents relate are paid out pursuant to Section 7 hereof. Dividend equivalents on RSUs shall be subject to the same vesting restrictions as the RSUs to which they are attributable. Dividend equivalents will be held by the Corporation and transferred to the Grantee, without interest, on the same date that vested shares are paid out. Dividend equivalents on RSUs that are forfeited shall be retained by the Corporation. The Grantee shall have no voting rights as a result of the grant of RSUs. The Company's obligation to issue Shares is an unfunded and unsecured promise of the Corporation, and the rights of the Grantee hereunder are no greater than those of an unsecured general creditor. No assets of the Corporation will be held or set aside as security for the obligations of the Corporation under this Agreement.
7. **Payout of Shares to Grantee.** The Corporation shall deliver only to the Grantee (or, if applicable, the Grantee's Beneficiary, estate or Family Member) a certificate or evidence of the issuance of Shares in book-entry form, equal to the aggregate number of vested RSUs credited to the Grantee. Such vested Shares shall be issued at the following time (initial the applicable Option and in the case of Option 3, complete as necessary):

Option 1 (Upon Vesting)

_____ no later than 30 days following the date that the RSUs related to such Shares first vest (and for the avoidance of doubt, such RSUs and Shares shall not subject to Section 409A as an exempt "short-term deferral").

Option 2 (Upon Separation from Service)

_____ no later than 30 days following the date that the Grantee experiences a "Separation From Service", provided that: (a) if this 30-day period spans more than one year, then the Corporation and not the Grantee shall specify the year of issuance, and (b) if the Grantee is a "Specified Employee" on the date of his Separation from Service, then no issuance shall be made until the six-month anniversary of the date of the Grantee's Separation from Service,

except upon the Grantee's earlier death. (Subject to Section 409A).

Option 3 (Upon a Fixed Date(s))

_____ on the 30th day following the following date(s):

(Subject to Section 409A.)

The Section 409A Addenda, which is incorporated in this Agreement by this reference, includes the definitions provided above.

The Corporation's obligation to deliver a stock certificate for these Shares, or evidence of the issuance of Shares in book-entry form, can be conditioned upon the receipt of a representation of investment intent from the Grantee (or the Grantee's Beneficiary, estate or Family Member) in such form as the Committee requires. The Corporation shall not be required to deliver stock certificates for these Shares, or evidence of the issuance of Shares in book-entry form, prior to: (a) the listing of those Shares on the Nasdaq; or (b) the completion of any registration or qualification of those Shares required under applicable law.

8. **Adjustments in RSUs.** In the event of any recapitalization, forward or reverse stock split, reorganization, merger, consolidation, spin-off, combination, exchange of Shares or other securities, stock dividend, special or recurring dividend or distribution, liquidation, dissolution or other similar corporate transaction or event, the Committee, in its sole discretion, shall adjust the number of RSUs or class of securities of the Corporation covered by this Agreement. Any additional RSUs or other securities received by the Grantee as a result of any such adjustment shall be subject to all restrictions and requirements applicable to RSUs that have not vested. The Grantee agrees to execute any documents required by the Committee in connection with an adjustment under this Section 8.

9. **Tax Withholding.** The Corporation shall retain or sell without notice, a sufficient number of those Shares to cover the minimum amount required to be withheld upon the vesting or payout of RSUs or Shares. The Corporation shall have the right to deduct from all dividend equivalents paid with respect to the RSUs the amount of any taxes that the Corporation is required to withhold with respect to such dividend equivalents.

10. **Plan and Committee Decisions are Controlling.** This Agreement, the award of RSUs and issuance of Shares upon the payout of the RSUs to the Grantee are subject in all respects to the provisions of the Plan, which are controlling. Capitalized terms herein not defined in this Agreement shall have the meaning ascribed to them in the Plan. All decisions, determinations and interpretations by the Committee respecting the Plan, this Agreement, the award of RSUs or the issuance of Shares upon the payout of the RSUs shall be binding and conclusive upon the Grantee, any Beneficiary of the Grantee or the legal representative thereof. The Grantee acknowledges and agrees that this Award and

receipt of any Shares hereunder by any person is subject to (a) Plan Section 12.10, including possible reduction, cancellation, forfeiture or recoupment (clawback), and (b) any policies which the Corporation may adopt in furtherance of any regulatory requirements (including, but not limited to, the Dodd-Frank Wall Street Reform and Consumer Protection Act) or otherwise.

11. **Grantee's Employment.** Nothing in this Agreement shall limit the right of the Corporation or any of its Affiliates to terminate the Grantee's service or employment as a director, advisory director, director emeritus, officer or employee, or otherwise impose upon the Corporation or any of its Affiliates any obligation to employ or accept the services or employment of the Grantee.

12. **Amendment.** The Committee may waive any conditions of or rights of the Corporation or modify or amend the terms of this Agreement; provided, however, that the Committee may not amend, alter, suspend, discontinue or terminate any provision of this Agreement if such action may adversely affect the Grantee without the Grantee's written consent. To the extent permitted by applicable laws and regulations, the Committee shall have the authority, in its sole discretion but with the permission of the Grantee, to accelerate the vesting of the RSUs or remove any other restrictions imposed on the Grantee with respect to the RSUs, whenever the Committee may determine that such action is appropriate. Notwithstanding the preceding sentence, if this Award is subject to (and not exempt from) Section 409A, then such accelerated vesting shall not accelerate when Shares would be issued hereunder, except as may be permitted by Section 409A and the terms of the Plan and this Agreement.

13. **Grantee Acceptance.** The Grantee shall signify acceptance of the terms and conditions of this Agreement and acknowledge receipt of a copy of the Plan by signing in the space provided below and returning the signed copy to the Corporation.

14. **Section 409A.** The RSUs are intended to comply with Section 409A of the Code. Notwithstanding anything herein to the contrary, this Award shall be interpreted, operated and administered in a manner consistent with this intention.

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

BANNER CORPORATION

By _____
Its _____

ACCEPTED BY GRANTEE

(Signature)

(Print Name)

(Street Address)

(City, State & Zip Code)

Beneficiary Designation:

The Grantee designates the following Beneficiary to receive the RSUs upon the Grantee's death:

Code Section 409A Addenda

Award Agreements that constitute "deferred compensation" rather than a "short-term deferral" that is exempt from Code Section 409A (i.e., Option 2 or Option 3 as described in Section 7 of the Award Agreement) are subject to Code Section 409A. In that case, and without limiting the application of Section 409A generally, the following provisions shall apply:

1. "Separation from Service" means:

(a) Employee. Any absence from service that completely ends the employment of an individual with the Employer shall be deemed to be a Separation from Service. The determination of whether an Employee has a Separation from Service shall be determined pursuant to Code Section 409A and Treasury Regulation Section 1.409A-1(h).

(b) Directors. A Director shall be considered to have a Separation from Service on the date the Director completely ceases to provide director services to the Corporation and all Affiliates.

(c) Dual Status. If a Grantee is an Employee and also is (or becomes) a Director, then the "dual status" provisions of Treasury Regulations Section 1.409A-1(h)(5) shall apply for purposes of determining when a Separation from Service has occurred.

2. "Specified Employee" means a key employee (as defined in Code Section 416(i) without regard to Code Section 416(i)(5)) of a corporation any stock of which is publicly traded on an established securities market or otherwise. For purposes of determining when an Employee is considered to be a Specified Employee, if the Employee is a key employee (as defined above) on a December 31, then the Employee shall be treated as a Specified Employee during the 12-month period beginning on the April 1 next following that December 31 date. Whether any stock of the corporation is publicly traded on an established securities market or otherwise shall be determined as of the date of the employee's Separation from Service.

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Section 8: EX-10.6 (EXHIBIT 10.6)

Exhibit 10.6

Form of Employee Time-based Restricted Stock Unit Award Agreement
under the Banner Corporation 2018 Omnibus Incentive Plan

**BANNER CORPORATION
2018 OMNIBUS INCENTIVE PLAN**

[FORM OF] RESTRICTED STOCK UNIT AWARD AGREEMENT

RSU No. _____

Grant Date: _____

This Award of restricted stock units ("RSUs") is granted by Banner Corporation ("Corporation") to *[Name]* ("Grantee") in accordance with the terms of this Restricted Stock Unit Award Agreement ("Agreement") and subject to the provisions of the Banner Corporation 2018 Omnibus Incentive Plan, as amended from time to time ("Plan"). The Plan is incorporated herein by reference. Capitalized terms used but not defined herein have the meanings given to them in the Plan.

1. **RSU Award.** The Corporation makes this Award of *[Number]* RSUs to Grantee. These RSUs are subject to forfeiture and to limits on transferability until they vest, as provided in Sections 2, 3, 4 and 5 of this Agreement and in Article VII of the Plan.

2. **Period of Restriction:** The RSUs are subject to a Period of Restriction, during which the Grantee shall not vest in the RSUs, subject to earlier vesting in the event of a termination of Service as provided in Section 4 or a Change in Control as provided in Section 5. After the Period of Restriction ends with respect to an RSU, such RSU shall be considered vested, except as provided in this Agreement or the Plan. The Period of Restriction ends with respect to the RSUs in accordance with the following schedule:

Date Period of Restriction Ends

With Respect to the Following
Number of RSUs

3. **Transferability.** The Grantee may not sell, assign, transfer, pledge or otherwise encumber any RSUs that have not vested, except in the event of the Grantee's death, by will or by the laws of descent and distribution or pursuant to a Domestic Relations Order.

4. **Termination of Service.** If the Grantee terminates Service for any reason other than due to the death or Disability of the Grantee, any RSUs that have not vested as of the date of that termination shall be forfeited to the Corporation. The RSUs never vest in the event of a Termination for Cause. If the Grantee's Service terminates on account of the Grantee's death or Disability, the Period of Restriction for all RSUs that have not vested or been forfeited shall end on the date of that termination of Service and the Grantee shall then be vested in the RSUs.

5. **Effect of Change in Control.** If a Change in Control occurs prior to the Vesting Date of an RSU that is outstanding on the date of the Change in Control, and the Grantee experiences an Involuntary Separation from Service during the 365-day period following the date of such Change in Control, then the Vesting Date for any non-vested RSU shall

be accelerated to the date of the Grantee's Involuntary Separation from Service. Notwithstanding the preceding sentence, if at the effective time of the Change in Control the successor to the Corporation's business and/or assets does not either assume the outstanding RSU or replace the outstanding RSU with an award that is determined by the Committee to be at least equivalent in value to such outstanding RSU on the date of the Change in Control, then the Vesting Date of such outstanding RSU shall be accelerated to the earliest date of the Change in Control.

6. **Grantee's Rights.** The Grantee shall be entitled to dividend equivalent payments by the Corporation with respect to RSUs; provided that the dividend equivalents shall be subject to the same vesting restrictions as the RSUs to which the dividend equivalents relate. Dividend equivalents on unvested RSUs will be held by the Corporation and transferred to the Grantee, without interest, no later than 10 days following the date that the RSUs vest. Dividend equivalents on RSUs that are forfeited shall not be paid to the Grantee, and shall be retained by the Corporation. The Grantee shall have no voting rights as a result of the grant of RSUs. The Corporation's obligation to issue Shares is an unfunded and unsecured promise of the Corporation, and the rights of the Grantee hereunder are no greater than those of an unsecured general creditor. No assets of the Corporation will be held or set aside as security for the obligations of the Corporation under this Agreement.
7. **Payout of Shares to Grantee.** The Corporation shall deliver only to the Grantee (or, if applicable, the Grantee's Beneficiary, estate or Family Member) a certificate or evidence of the issuance of Shares in book-entry form, equal to the aggregate number of vested RSUs credited to the Grantee. Such vested Shares shall be issued no later than 30 days following the date that the RSUs related to such Shares first vest.

The Corporation's obligation to deliver a stock certificate for these Shares, or evidence of the issuance of Shares in book-entry form, can be conditioned upon the receipt of a representation of investment intent from the Grantee (or the Grantee's Beneficiary, estate or Family Member) in such form as the Committee requires. The Corporation shall not be required to deliver stock certificates for these Shares, or evidence of the issuance of Shares in book-entry form, prior to: (a) the listing of those Shares on the Nasdaq; or (b) the completion of any registration or qualification of those Shares required under applicable law.

8. **Adjustments in RSUs.** In the event of any recapitalization, forward or reverse stock split, reorganization, merger, consolidation, spin-off, combination, exchange of Shares or other securities, stock dividend, special or recurring dividend or distribution, liquidation, dissolution or other similar corporate transaction or event, the Committee, in its sole discretion, shall adjust the number of RSUs or class of securities of the Corporation covered by this Agreement. Any additional RSUs or other securities received by the Grantee as a result of any such adjustment shall be subject to all restrictions and requirements applicable to RSUs that have not vested. The Grantee agrees to execute any documents required by the Committee in connection with an adjustment under this Section 8.

9. **Tax Withholding.** The Corporation shall retain or sell without notice, a sufficient number of those Shares to cover the minimum amount required to be withheld upon the vesting or payout of RSUs or Shares. The Corporation shall have the right to deduct from all dividend equivalents paid with respect to the RSUs the amount of any taxes that the Corporation is required to withhold with respect to such dividend equivalents.

10. **Plan and Committee Decisions are Controlling.** This Agreement, the award of RSUs and issuance of Shares upon the payout of the RSUs to the Grantee are subject in all respects to the provisions of the Plan, which are controlling. Capitalized terms herein not defined in this Agreement shall have the meaning ascribed to them in the Plan. All decisions, determinations and interpretations by the Committee respecting the Plan, this Agreement, the award of RSUs or the issuance of Shares upon the payout of the RSUs shall be binding and conclusive upon the Grantee, any Beneficiary of the Grantee or the legal representative thereof. The Grantee acknowledges and agrees that this Award and receipt of any Shares hereunder by any person is subject to (a) Plan Section 12.10, including possible reduction, cancellation, forfeiture or recoupment (clawback), and (b) any policies which the Corporation may adopt in furtherance of any regulatory requirements (including, but not limited to, the Dodd-Frank Wall Street Reform and Consumer Protection Act) or otherwise.

11. **Grantee's Employment.** Nothing in this Agreement shall limit the right of the Corporation or any of its Affiliates to terminate the Grantee's service or employment as a director, advisory director, director emeritus, officer or employee, or otherwise impose upon the Corporation or any of its Affiliates any obligation to employ or accept the services or employment of the Grantee.

12. **Amendment.** The Committee may waive any conditions of or rights of the Corporation or modify or amend the terms of this Agreement; provided, however, that the Committee may not amend, alter, suspend, discontinue or terminate any provision of this Agreement if such action may adversely affect the Grantee without the Grantee's written consent. To the extent permitted by applicable laws and regulations, the Committee shall have the authority, in its sole discretion but with the permission of the Grantee, to accelerate the vesting of the RSUs or remove any other restrictions imposed on the Grantee with respect to the RSUs, whenever the Committee may determine that such action is appropriate.

13. **Grantee Acceptance.** The Grantee shall signify acceptance of the terms and conditions of this Agreement and acknowledge receipt of a copy of the Plan by signing in the space provided below and returning the signed copy to the Corporation.

14. **Section 409A.** The RSUs are intended to be exempt from Section 409A of the Code. Notwithstanding anything herein to the contrary, this Award shall be interpreted, operated and administered in a manner consistent with this intention.

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

BANNER CORPORATION

By _____
Its _____

ACCEPTED BY GRANTEE

(Signature)

(Print Name)

(Street Address)

(City, State & Zip Code)

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Section 9: EX-10.7 (EXHIBIT 10.7)

Exhibit 10.7

**Form of Employee Performance-based Restricted Stock Unit Award Agreement
under the Banner Corporation 2018 Omnibus Incentive Plan**

BANNER CORPORATION
2018 OMNIBUS INCENTIVE PLAN

[FORM OF] PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT

RSU No. _____

Grant Date: _____

This Award of performance-based restricted stock units ("RSUs") is granted by Banner Corporation ("Corporation") to *[Name]* ("Grantee") in accordance with the terms of this Restricted Stock Unit Award Agreement ("Agreement") and subject to the provisions of the Banner Corporation 2018 Omnibus Incentive Plan, as amended from time to time ("Plan"). The Plan is incorporated herein by reference. Capitalized terms used but not defined herein have the meanings given to them in the Plan.

1. **RSU Award.** The Corporation makes this Award of *[Number]* RSUs to Grantee. These RSUs are subject to forfeiture and to limits on transferability until they vest, as provided in Sections 2, 3 and 4 of this Agreement and in Article VII of the Plan.

2. **Performance Period:** *[Date]* to *[Date]*.

3. **Vesting Determination:** As set forth in the *[Date]* Long-term Incentive Plan. The number of RSUs to vest that correspond to threshold, target and stretch performance outcomes are as follows:

Performance Measure	Below Threshold # of Units	Threshold # of Units	Target # of Units	Stretch (Maximum) # of Units
	0			
	0			

4. **Transferability.** The Grantee may not sell, assign, transfer, pledge or otherwise encumber any RSUs that have not vested, except in the event of the Grantee's death, by will or by the laws of descent and distribution or pursuant to a Domestic Relations Order.

 5. **Termination of Service.** If the Grantee terminates Service for any reason other than the death or Disability of the Grantee, any RSUs that have not vested as of the date of that termination shall be forfeited to the Corporation. The RSUs never vest in the event of a Termination for Cause. If the Grantee's Service terminates on account of death or Disability, the Grantee will vest in a pro rata portion of Performance-Based Restricted Shares earned, if any, based on the actual performance achieved through the end of the Performance Period, as determined under Sections 2 and 3. Pro rata amounts vesting shall
-

be based on the number of complete months of service during the performance period divided by 36. Payment under these circumstances, if any, shall be made at the time payments are made to grantees who did not terminate service prior to the Payout Date, subject to Section 8.6 of the 2018 Omnibus Incentive Plan (i.e., for Section 409A purposes, a fixed time payout).

6. **Effect of Change in Control.** If a Change in Control occurs prior to the Vesting Date of an RSU that is outstanding on the date of the Change in Control, and the Grantee experiences an Involuntary Separation from Service during the 365-day period following the date of such Change in Control, then the Vesting Date for any non-vested RSU shall be accelerated to the date of the Grantee's Involuntary Separation from Service. Notwithstanding the preceding sentence, if at the effective time of the Change in Control the successor to the Corporation's business and/or assets does not either assume the outstanding RSU or replace the outstanding RSU with an award that is determined by the Committee to be at least equivalent in value to such outstanding RSU on the date of the Change in Control, then the Vesting Date of such outstanding RSU shall be accelerated to the earliest date of the Change in Control.

7. **Grantee's Rights.** The Grantee shall be entitled to dividend equivalent payments by the Corporation with respect to RSUs; provided that the dividend equivalents shall be subject to the same vesting restrictions as the RSUs to which the dividend equivalents related. Dividend equivalents on unvested RSUs will be held by the Corporation and transferred to the Grantee, without interest, no later than 10 days following the date that the RSUs vest. Dividend equivalents on RSUs that are forfeited shall not be paid to the Grantee and shall be retained by the Corporation. The Grantee shall have no voting rights as a result of the grant of RSUs. The Corporation's obligation to issue Shares is an unfunded and unsecured promise of the Corporation, and the rights of the Grantee hereunder are no greater than those of an unsecured general creditor. No assets of the Corporation will be held or set aside as security for the obligations of the Corporation under this Agreement.

8. **Payout of Shares to Grantee.** The Corporation shall deliver only to the Grantee (or, if applicable, the Grantee's Beneficiary, estate or Family Member) a certificate or evidence of the issuance of Shares in book-entry form, equal to the aggregate number of vested RSUs credited to the Grantee. Such vested Shares shall be issued no later than 30 days following the date that the RSUs related to such Shares first vest.

The Corporation's obligation to deliver a stock certificate for these Shares, or evidence of the issuance of Shares in book-entry form, can be conditioned upon the receipt of a representation of investment intent from the Grantee (or the Grantee's Beneficiary, estate or Family Member) in such form as the Committee requires. The Corporation shall not be required to deliver stock certificates for these Shares, or evidence of the issuance of Shares in book-entry form, prior to: (a) the listing of those Shares on the Nasdaq; or (b) the completion of any registration or qualification of those Shares required under applicable law.

9. **Adjustments in RSUs.** In the event of any recapitalization, forward or reverse stock split, reorganization, merger, consolidation, spin-off, combination, exchange of Shares or

other securities, stock dividend, special or recurring dividend or distribution, liquidation, dissolution or other similar corporate transaction or event, the Committee, in its sole discretion, shall adjust the number of RSUs or class of securities of the Corporation covered by this Agreement. Any additional RSUs or other securities received by the Grantee as a result of any such adjustment shall be subject to all restrictions and requirements applicable to RSUs that have not vested. The Grantee agrees to execute any documents required by the Committee in connection with an adjustment under this Section 8.

10. **Tax Withholding.** The Corporation shall retain or sell without notice, a sufficient number of those Shares to cover the minimum amount required to be withheld upon the vesting or payout of RSUs or Shares. The Corporation shall have the right to deduct from all dividend equivalents paid with respect to the RSUs the amount of any taxes that the Corporation is required to withhold with respect to such dividend equivalents.
11. **Plan and Committee Decisions are Controlling.** This Agreement, the award of RSUs and issuance of Shares upon the payout of the RSUs to the Grantee are subject in all respects to the provisions of the Plan, which are controlling. Capitalized terms herein not defined in this Agreement shall have the meaning ascribed to them in the Plan. All decisions, determinations and interpretations by the Committee respecting the Plan, this Agreement, the award of RSUs or the issuance of Shares upon the payout of the RSUs shall be binding and conclusive upon the Grantee, any Beneficiary of the Grantee or the legal representative thereof. The Grantee acknowledges and agrees that this Award and receipt of any Shares hereunder by any person is subject to (a) Plan Section 12.10, including possible reduction, cancellation, forfeiture or recoupment (clawback), and (b) any policies which the Corporation may adopt in furtherance of any regulatory requirements (including, but not limited to, the Dodd-Frank Wall Street Reform and Consumer Protection Act) or otherwise.
12. **Grantee's Employment.** Nothing in this Agreement shall limit the right of the Corporation or any of its Affiliates to terminate the Grantee's service or employment as a director, advisory director, director emeritus, officer or employee, or otherwise impose upon the Corporation or any of its Affiliates any obligation to employ or accept the services or employment of the Grantee.
13. **Amendment.** The Committee may waive any conditions of or rights of the Corporation or modify or amend the terms of this Agreement; provided, however, that the Committee may not amend, alter, suspend, discontinue or terminate any provision of this Agreement if such action may adversely affect the Grantee without the Grantee's written consent. To the extent permitted by applicable laws and regulations, the Committee shall have the authority, in its sole discretion but with the permission of the Grantee, to accelerate the vesting of the RSUs or remove any other restrictions imposed on the Grantee with respect to the RSUs, whenever the Committee may determine that such action is appropriate.
14. **Grantee Acceptance.** The Grantee shall signify acceptance of the terms and conditions of this Agreement and acknowledge receipt of a copy of the Plan by signing in the space provided below and returning the signed copy to the Corporation.

15. **Section 409A**. The RSUs are intended to be exempt from Section 409A of the Code. Notwithstanding anything herein to the contrary, this Award shall be interpreted, operated and administered in a manner consistent with this intention.

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

BANNER CORPORATION

By _____
Its _____

ACCEPTED BY GRANTEE

(Signature)

(Print Name)

(Street Address)

(City, State & Zip Code)

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Section 10: EX-10.8 (EXHIBIT 10.8)

Exhibit 10.8

**Form of Stock Appreciation Right Award Agreement
under the Banner Corporation 2018 Omnibus Incentive Plan**

BANNER CORPORATION
2018 OMNIBUS INCENTIVE PLAN

[FORM OF] STOCK APPRECIATION RIGHT AWARD
AGREEMENT [STOCK SETTLED]

SAR No. _____

Grant Date: _____

This Stock Appreciation Right Award ("SAR") is granted by Banner Corporation ("Corporation") to *[Name]* ("SAR Holder") in accordance with the terms of this Stock Appreciation Right Award Agreement ("Agreement") and subject to the provisions of the Banner Corporation 2018 Omnibus Incentive Plan, as amended from time to time ("Plan"). The Plan is incorporated herein by reference.

1. **SAR Award.** The Corporation grants to SAR Holder SARs to purchase *[Number]* Shares at an Exercise Price of \$*[Number]* per Share. Each SAR gives the SAR Holder a right to receive a payment in Shares with an aggregate Fair Market Value on the exercise date equal to the amount by which the Fair Market Value of a Share on the exercise date exceeds the Exercise Price of the SAR. No fractional shares or cash in lieu of fractional shares shall be issued. These SARs are subject to forfeiture until they vest and to limits on transferability, as provided in Sections 5 and 6 of this Agreement and in Article VI of the Plan.

2. **Vesting Dates:** The SARs shall vest as follows, subject to earlier vesting in the event of a termination of Service as provided in Section 6 or a Change in Control as provided in Section 7:

Vesting Date

SARs for
Number of Shares Vesting

3. **Exercise:** The SAR Holder (or in the case of the death of the SAR Holder, the designated legal representative or heir of the SAR Holder) may exercise the SARs during the Exercise Period by giving written notice to the *[include appropriate officer]* in the form required by the Committee ("Exercise Notice"). The Exercise Notice must specify the number of Shares to be purchased, which shall be at least 100 unless fewer shares remain unexercised. The exercise date is the date the Exercise Notice is received by the Corporation. The Exercise Period commences on the Vesting Date and expires at 5:00 p.m., pacific time, on the date 10 years after the Grant Date (the "Expiration Date"), subject to earlier expiration in the event of a termination of Service as provided in Section 6. Any SARs not exercised as of the close of business on the last day of the Exercise Period shall be canceled without consideration at that time.
-

4. **Related Awards:** These SARs *[are not related to any other Award under the Plan.] or [are related to stock options granted on the Grant Date and designated ISO or NQSO Nos. ____]. To the extent any of the related stock options are exercised, the SARs shall terminate with respect to the same number of Shares.]*
5. **Transferability.** The SAR Holder may not sell, assign, transfer, pledge or otherwise encumber any SARs, except in the event of the SAR Holder's death, by will or by the laws of descent and distribution or pursuant to a Domestic Relations Order. The Committee, in its sole and absolute discretion, may allow the SAR Holder to transfer one or more SARs to the SAR Holder's Family Members, as provided in the Plan.
6. **Termination of Service.** If the SAR Holder terminates Service for any reason other than in connection with a Change in Control or the death or Disability of the SAR Holder, any SARs that have not vested as of the date of that termination shall be forfeited to the Corporation, and the Exercise Period of any vested SARs shall expire three months after that termination of Service (but in no event after the Expiration Date), except where that termination of Service is due to Retirement, in which case the Exercise Period of any vested SARs shall expire one year after that termination of Service (but in no event after the Expiration Date) or in the case of a Termination for Cause, in which case all SARs held by the SAR Holder shall expire immediately. If the SAR Holder's Service terminates on account of the SAR Holder's death or Disability, the Vesting Date for all SARs that have not vested or been forfeited shall be accelerated to the date of that termination of Service, and the Exercise Period of all SARs shall expire one year after that termination of Service (but in no event after the Expiration Date). *[Post-termination exercise period may be modified at Committee's election except with respect to a Termination for Cause.]*
7. **Effect of Change in Control.** If a Change in Control occurs prior to the Vesting Date of a SAR that is outstanding on the date of the Change in Control, and the SAR Holder experiences an Involuntary Separation from Service during the 365-day period following the date of such Change in Control, then the Vesting Date for any non-vested SAR shall be accelerated to the date of the SAR Holder's Involuntary Separation from Service. Notwithstanding the preceding sentence, if at the effective time of the Change in Control the successor to the Corporation's business and/or assets does not either assume the outstanding SAR or replace the outstanding SAR with an award that is determined by the Committee to be at least equivalent in value to such outstanding SAR on the date of the Change in Control, then the Vesting Date of such outstanding SAR shall be accelerated to the earliest date of the Change in Control.
8. **SAR Holder's Rights.** The SARs awarded hereby do not entitle the SAR Holder to any rights of a stockholder of the Corporation.
9. **Delivery of Shares to SAR Holder.** Promptly after receipt of an Exercise Notice, the Corporation shall issue and deliver to the SAR Holder (or other person validly exercising the SAR) a certificate or certificates representing the Shares of Common Stock being purchased, or evidence of the issuance of such Shares in book-entry form, registered in the name of the

SAR Holder (or such other person), or, upon request, in the name of the SAR Holder (or such other person) and in the name of another person in such form of joint ownership as requested by the SAR Holder (or such other person) pursuant to applicable state law. The Corporation's obligation to deliver a stock certificate or evidence of the issuance of Shares in book-entry form for Shares purchased upon the exercise of an SAR can be conditioned upon the receipt of a representation of investment intent from the SAR Holder (or the SAR Holder's Beneficiary) in such form as the Committee requires. The Corporation shall not be required to deliver stock certificates or evidence of the issuance of Shares in book-entry form for Shares purchased prior to: (a) the listing of those Shares on the Nasdaq; or (b) the completion of any registration or qualification of those Shares required under applicable law.

10. **Adjustments in Shares.** In the event of any recapitalization, forward or reverse stock split, reorganization, merger, consolidation, spin-off, combination, exchange of Shares or other securities, stock dividend, special or recurring dividend or distribution, liquidation, dissolution or other similar corporate transaction or event, the Committee, in its sole discretion, shall adjust the number of Shares or class of securities of the Corporation covered by the SARs or the Exercise Price of the SARs. The SAR Holder agrees to execute any documents required by the Committee in connection with an adjustment under this Section 10.
11. **Tax Withholding.** The Corporation shall retain or sell without notice, a sufficient number of Shares to cover the minimum amount of any tax that the Corporation is required to withhold.
12. **Plan and Committee Decisions are Controlling.** This Agreement, the award of SARs to the SAR Holder and the issuance of Shares upon the exercise of the SARs are subject in all respects to the provisions of the Plan, which are controlling. Capitalized terms herein not defined in this Agreement shall have the meaning ascribed to them in the Plan. All decisions, determinations and interpretations by the Committee respecting the Plan, this Agreement, the award of SARs or the issuance of Shares upon the exercise of the SARs shall be binding and conclusive upon the SAR Holder, any Beneficiary of the SAR Holder or the legal representative thereof. The Grantee acknowledges and agrees that this Award and receipt of any Shares hereunder by any person is subject to (a) Plan Section 12.10, including possible reduction, cancellation, forfeiture or recoupment (clawback), and (b) any policies which the Corporation may adopt in furtherance of any regulatory requirements (including, but not limited to, the Dodd-Frank Wall Street Reform and Consumer Protection Act) or otherwise.
13. **SAR Holder's Employment.** Nothing in this Agreement shall limit the right of the Corporation or any of its Affiliates to terminate the SAR Holder's service or employment as a director, advisory director, director emeritus, officer or employee, or otherwise impose upon the Corporation or any of its Affiliates any obligation to employ or accept the services or employment of the SAR Holder.
14. **Tax Status.** The SARs are intended to comply with the provisions of Treasury Regulations Section 1.409A-1(b)(5)(i)(B), so as to not be subject to Section 409A of the Code.

15. **Amendment.** The Committee may waive any conditions of or rights of the Corporation or modify or amend the terms of this Agreement; provided, however, that the Committee may not amend, alter, suspend, discontinue or terminate any provision of this Agreement if such action may adversely affect the SAR Holder without the SAR Holder's written consent. To the extent permitted by applicable laws and regulations, the Committee shall have the authority, in its sole discretion but with the permission of the SAR Holder, to accelerate the vesting of the Shares or remove any other restrictions imposed on the SAR Holder with respect to the Shares, whenever the Committee may determine that such action is appropriate.
16. **SAR Holder Acceptance.** The SAR Holder shall signify acceptance of the terms and conditions of this Agreement and acknowledge receipt of a copy of the Plan by signing in the space provided below and returning the signed copy to the Corporation.

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

BANNER CORPORATION

By _____
Its _____

ACCEPTED BY SAR HOLDER

(Signature)

(Print Name)

(Street Address)

(City, State & Zip Code)

Beneficiary Designation:

The SAR Holder designates the following Beneficiary to receive the Shares upon the SAR Holder's death:

Section 11: EX-10.9 (EXHIBIT 10.9)

Exhibit 10.9

Form of Performance Unit Award Agreement
under the Banner Corporation 2018 Omnibus Incentive Plan

8. **Corporate and Individual Performance Weightings** *(INCLUDE ATTACHMENT OR OTHER PERFORMANCE WEIGHTING INFORMATION AS NECESSARY)*:

Corporate	Individual

9. **Corporate Performance Measures, Performance Gate and Weightings:** Performance will be measured from _____ to _____, as summarized in the table below *(INCLUDE ATTACHMENT OR OTHER PERFORMANCE MEASURE INFORMATION AS NECESSARY)*.

Performance Measure	Relative	Absolute Performance			Weighting % of Target
	Performance Gate	Threshold	Target	Stretch	

10. **Individual Performance Measures** *(ATTACH SCHEDULE AS NECESSARY)*:

11. **Dividend Equivalents** *(applicable only to the extent PSUs are to be paid in Shares)*: PSUs will accumulate dividend equivalents. The dividend equivalents shall equal the dividends actually paid with respect to Shares of Corporation common stock during the period while (and to the extent) the PSUs remain outstanding and unpaid. The dividend equivalents shall accumulate, without interest, and be paid in cash at the time the Shares are paid with respect to any earned PSUs, or shall be forfeited at the time the PSUs are forfeited. For purposes of determining the amount of dividends accumulated and to be paid with respect any PSUs that become payable, the PSUs which are payable will be considered to have been outstanding from the Grant Date.

12. **Payout Date:** If the Committee determines that payments are due under a PSU with respect to a Performance Period, then payment shall be made in a lump sum within 60 days after the Committee determination, but in no event later than the end of the year following that Performance Period, provided the Grantee is actively employed by the Corporation or an Affiliate on the last day of the Performance Period to which the PSU relates. ***(SPECIFY WHETHER THE GRANTEE MUST ALSO BE EMPLOYED ON THE DATE OF PAYMENT. SPECIFY ADDITIONAL OR DIFFERENT PAYOUT TERMS. IF PAYOUT TERMS PROVIDE FOR THE DEFERRAL OF COMPENSATION, INCLUDE PROVISIONS THAT COMPLY WITH SECTION 409A OF THE CODE.)***

13. **Transferability:** The Grantee may not sell, assign, transfer, pledge or otherwise encumber any PSU award benefits that have not vested, except in the event of the Grantee's death, by will or by the laws of descent and distribution, or pursuant to a Domestic Relations Order.
14. **Tax Withholding:** Applicable tax withholding shall apply to the payment of any PSU awards.
15. **Plan and Committee Decisions are Controlling:** This Agreement and the award and payment of performance compensation to the Grantee are subject in all respects to the provisions of the Plan, which is incorporated herein by this reference and is controlling. **All awards are subject to Committee discretion.** Capitalized terms herein not defined in this Agreement shall have the meaning ascribed to them in the Plan. All decisions, determinations and interpretations by the Committee respecting the Plan, this Agreement or the award of PSUs shall be binding and conclusive upon the Grantee, any Beneficiary of the Grantee or the legal representative thereof.
16. **Adjustments for Changes in the Capitalization of the Corporation:** In the event of any recapitalization, forward or reverse stock split, reorganization, merger, consolidation, spin-off, combination, exchange of Shares or other securities, stock dividend, special or recurring dividend or distribution, liquidation, dissolution or other similar corporate transaction or event, the Committee, in its sole discretion, shall adjust the number of PSUs that are designated to be paid in Shares. Any additional PSUs received by the Grantee as a result of any such adjustment shall be subject to all restrictions and requirements applicable to PSUs that have not vested. The Grantee agrees to execute any documents required by the Committee in connection with an adjustment under this Section 16.
17. **Grantee's Employment:** Nothing in this Agreement shall limit the right of the Corporation or any of its Affiliates to terminate the Grantee's service or employment, or otherwise impose upon the Corporation or any of its Affiliates any obligation to employ or accept the services or employment of the Grantee.
18. **Regulatory, Recoupment and Holding Period Requirements:** The Grantee acknowledges and agrees that this Award and receipt of any Shares hereunder by any person is subject to (a) the provisions of the Plan, including but not limited to Section 12.10, including possible reduction, cancellation, forfeiture or recoupment (clawback), delayed payment or holding period requirements, and (b) any policies which the Corporation may adopt in furtherance of any regulatory requirements (including, but not limited to, the Dodd-Frank Wall Street Reform and Consumer Protection Act) or otherwise.
19. **Amendment:** The Committee may waive any conditions of or rights of the Corporation or modify or amend the terms of this Agreement, as and to the extent permitted by the Plan.
20. **Grantee Acceptance:** The Grantee shall signify acceptance of the terms and conditions of this Agreement and acknowledge receipt of a copy of the Plan by signing in the space provided below and returning the signed copy to the Corporation.

* * * * *

SIGNATURES ON FOLLOWING PAGE

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

BANNER CORPORATION

By _____

Its _____

ACCEPTED BY GRANTEE

(Signature)

(Print Name)

(Street Address)

(City, State & Zip Code)

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Section 12: EX-23.1 (EXHIBIT 23.1)

Exhibit 23.1

Consent of Moss Adams LLP

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in this Registration Statement on Form S-8 of our report dated February 23, 2018, with respect to the consolidated statements of financial condition of Banner Corporation and subsidiaries as of December 31, 2017 and 2016, and the related consolidated statements of operations, comprehensive income, changes in shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2017, and the effectiveness of internal control over financial reporting as of December 31, 2017, which reports appear in the Annual Report on Form 10-K of Banner Corporation for the year ended December 31, 2017.

/s/ Moss Adams LLP

Portland, Oregon
May 4, 2018

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