



Member FDIC

Cambridge Trust Company

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FAX (617) 349-1421

July 12, 1995

Top Hat Plan Exemption
Pension and Welfare Benefits Administration
Room N-5644
US Department of Labor
200 Constitution Avenue NW
Washington, DC 20210

Re: Cambridge Trust Company Deferred Compensation Plan

Gentlemen:

Pursuant to DOL Regulation #2520.104.23 and in accordance with the reporting and disclosure requirements of Part 1 of Title 1 of ERISA, please be advised that Cambridge Trust Company maintains the Cambridge Trust Deferred Compensation Plan for the purpose of providing deferred compensation for a select group of its management personnel. There are currently three participants in the Plan.

The Employer's name, address and identification number are:

Cambridge Trust Company
1336 Massachusetts Avenue
Cambridge, MA 02138
Identification No: 04-1145370

Kindly acknowledge receipt of this letter by signing the enclosed copy and returning it to me in the envelope provided.

Sincerely,
Cambridge Trust Company

Noreen A. Briand
Noreen A. Briand
Vice President/Personnel Officer

Enclosure

DOL-PWBA
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**CAMBRIDGE TRUST COMPANY
EXECUTIVE DEFERRED COMPENSATION PLAN**

ARTICLE I

GENERAL

1.1 Introduction. The Cambridge Trust Company Executive Deferred Compensation Plan (the "Deferred Compensation Plan") was established effective as of January 1, 1995 to provide eligible officers the opportunity to defer compensation under a voluntary salary reduction agreement. The Deferred Compensation Plan also provides benefits corresponding to the Matching contributions that would have been allocated to the Participant's accounts under the Cambridge Bancorp Savings Investment Plan (the "Savings Investment Plan") but for legal limitations on the benefits that may be provided under the Savings Investment Plan.

1.2 Definitions. Unless otherwise defined, all terms used in this Deferred Compensation Plan shall have the same meaning as those terms used in the Savings Investment Plan.

1.3 No Right to Corporate Assets. This Deferred Compensation Plan is unfunded, and the Employers will not be required to set aside, segregate, or deposit any funds or assets of any kind to meet their obligations hereunder. Nothing in this Deferred Compensation Plan will give a Participant, a Participant's beneficiary or any other person any equity or other interest in the assets of the Employers, or create a trust or a fiduciary relationship of any kind between the Employers and any such person. Any rights that a Participant, beneficiary or other person may have under this Deferred Compensation Plan will be solely those of a general unsecured creditor of the Employers. Notwithstanding the foregoing, the Employers may establish a grantor trust of which they are treated as the owners under Section 671 of the Internal Revenue Code to provide for the payment of benefits hereunder.

1.4 Nonalienation of Benefits. The rights and benefits of a Participant under this Deferred Compensation Plan are personal to the Participant. No interest, right or claim under this Deferred Compensation Plan and no distribution therefrom will be assignable, transferable or subject to sale, mortgage, pledge, hypothecation, anticipation, garnishment, attachment, execution or levy, except by designation of beneficiary.

1.5 Binding Effect of Plan. This Deferred Compensation Plan will be binding upon and inure to the benefit of Participants and designated beneficiaries and their heirs, executors and administrators, and to the benefit of the Employers and their assigns and successors in interest.

ARTICLE II

ELIGIBILITY AND PARTICIPATION

2.1 Eligibility. The President of Cambridge Trust Company and other senior management employees of the Employers from time to time designated by the President are eligible to participate in the plan (an "Eligible Executive").

2.2 Voluntary Deferrals. An Eligible Executive may elect to contribute under this Deferred Compensation Plan on a voluntary salary reduction basis from 1% to 10%, in whole percentages, of such Executive's gross salary and bonus otherwise payable in cash for the year.

2.3 Salary Reduction Elections. A voluntary salary reduction election must be made in writing on or before the December 31 preceding the year during which the compensation is to be earned, except that elections for the first year of eligibility of newly Eligible Executives must be made within 30 days of the date of initial eligibility. All elections must be in writing and are irrevocable after the effective date of the election. An election is effective only with respect to compensation earned after the election and is effective through December 31 of the year to which it applies. The election will also specify the form of distribution requested by the Participant.

ARTICLE III

DEFERRED COMPENSATION BENEFITS

3.1 Salary Reduction Benefits. A Participant's enrollment in this Deferred Compensation Plan will constitute an agreement to reduce his salary and defer compensation in the amount indicated in his voluntary salary reduction election.

3.2 Matching Contributions. Each Participant will be entitled to a matching contribution for the year equal to the difference between:

(a) the Matching Contributions that would have been made for the year on the sum of the Participant's Salary Deferrals under the Savings Investment Plan and the Participant's salary reduction contributions under this Deferred Compensation Plan based on the Matching Contribution schedule in effect under the Savings Investment Plan, but determined without regard to (i) the limitations on Annual Additions under the Savings Investment Plan, (ii) the dollar limit on Compensation under the Savings Investment Plan or (iii) the non-discrimination test applicable to Matching Contributions under the Savings Investment Plan, and

(b) the Matching Contributions allocated to the Participant's account under the Savings Investment Plan for the year.

ARTICLE IV

ACCOUNTS AND CREDITS

4.1 Establishment of Accounts. For bookkeeping purposes only, each Participant will have such of the following accounts as are appropriate:

- (a) a Salary Reduction Account; and
- (b) a Matching Account.

Credits and charges to such accounts will be made as provided in the plan.

4.2 Credits to Salary Reduction Contribution Account. Salary reduction contributions will be credited to a Participant's Salary Reduction Account as of the date the amount would otherwise have been paid to the Participant. The amount credited to a Participant's Salary Reduction Account may be reduced to reflect the amount needed to satisfy any tax withholding obligations attributable to the contribution.

4.3 Credits to Matching Account. Matching Contributions will be credited to the Matching Account as of the date such amounts would have been credited under the Savings Investment Plan.

4.4 Crediting Earnings. Earnings will be credited to each Participant's accounts in accordance with such method of determining earnings as may from time to time be established by the Salary Committee of the Board of Directors of Cambridge Trust Company (the "Committee"). In the event of a Change in Control of Cambridge Trust Company, the method of determining earnings with respect to amounts credited to the plan for any year up to and including the year of the change in control may not result in an earnings rate that is less favorable than the rate that would apply under the method as in effect immediately before the Change in Control. For purposes of this section, a "Change in Control" means either of the following:

(a) a change in control of a nature that would be required to be reported by Cambridge Bancorp (the "Company") or Cambridge Trust Company in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended ("Exchange Act"), whether or not the Company or Cambridge Trust Company in fact is required to comply with Regulation 14A thereunder; or

(b) the acquisition of "control" as defined in the Bank Holding Company Act of 1956, as amended or the regulations thereunder, or as defined in the Change in Bank Control Act of 1978 or the regulations thereunder, of the Company or Cambridge Trust Company by any person, company or other entity; provided that, without limitation, such a Change in Control shall be deemed to have occurred if (1) any "person" (as such term is used in Section 13(d) and 14(d) of the Exchange Act) other than a trustee or other fiduciary holding securities under an employee benefit

plan of the Company or Cambridge Trust Company or a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 25% or more of the combined voting power of the Company's then outstanding securities; or (2) during any period of two consecutive years (not including any period prior to the effective date of this plan), individuals who at the beginning of such period constitute the Board and any new director (other than a director designated by a person who has entered into an agreement with Cambridge Bancorp to effect a transaction described in clauses (1) or (3) of this Subsection) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof; or (3) the stockholders of the Company approve a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least two-thirds (2/3) of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation, or the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all the Company's assets.

ARTICLE V

DISTRIBUTIONS

5.1 Distributions. Distributions to a Participant upon retirement, death or other termination of employment will be made in accordance with the form of benefit requested by the Participant in his voluntary salary reduction deferral election. If no form of distribution is elected, the Committee will distribute benefits at a time and in a form that most closely approximates the form and time of distributions to the Participant under the Savings Investment Plan.

5.2 Designation of Beneficiary. A Participant may designate one or more Beneficiaries to receive any portion of the amount remaining in his accounts as of the date of death and may revoke or change such a designation at any time. If the Participant names two or more Beneficiaries, distribution to them will be in such proportions as the Participant designates or, if the Participant does not so designate, in equal shares. Any designation of beneficiary will be in writing on such form as the Committee may prescribe and will be effective upon filing with the Committee. Any portion of a distribution payable upon the death of a Participant which is not disposed of by a designation of beneficiary, for any reason whatsoever, will be paid to the Participant's spouse if living at his death, otherwise

equally to the Participant's natural and adopted children (and the issue of a deceased child by right of representation), otherwise to the Participant's estate.

5.3 Hardship Withdrawals. Upon request of a Participant or Beneficiary, the Committee may in its discretion permit a withdrawal of all or a portion of the Participant's accounts in the event of a financial hardship caused by an unforeseeable emergency. An unforeseeable emergency is an unanticipated emergency that is caused by an event beyond the control of the Participant or Beneficiary and that would result in severe financial hardship if early withdrawal were not permitted. The Committee will approve a withdrawal only to the extent needed to meet the emergency.

ARTICLE VI

AMENDMENT AND TERMINATION

6.1 Amendment. Except as provided in Section 4.4, Cambridge Trust Company may, without the consent of any Participant, beneficiary or other person, amend this Deferred Compensation Plan at any time and from time to time; provided, however, that no amendment will reduce the amount then credited to the accounts of any Participant.

6.2 Termination. Cambridge Trust Company may terminate this Deferred Compensation Plan at any time. Upon termination of the plan, payments from a Participant's excess account will be made in the manner and at the time prescribed in Section 5.1, provided that Cambridge Trust Company may, in its discretion, distribute a Participant's account in a lump sum as soon as practicable after the date the Deferred Compensation Plan is terminated.

ARTICLE VII

ADMINISTRATION

7.1 Administration. This Deferred Compensation Plan will be administered by the Committee who will have sole responsibility for its interpretation.

7.2 Interpretation. The portion of this Deferred Compensation Plan that provides benefits in excess of the restrictions on Annual Additions under the Savings Investment Plan is intended to be an "excess benefit plan" as defined in Section 3(36) of ERISA. The portion of the plan that provides all other benefits is intended to be a Deferred Compensation Plan for a select group of management or highly compensated employees as provided in Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA. The plan will be interpreted in a manner that comports with the foregoing intentions. To the extent not governed by federal law, this Deferred Compensation Plan will be construed, enforced and administered according to the laws of the Commonwealth of Massachusetts.

7.3 Claims Procedure. Any request for benefits by a Participant or Beneficiary will be filed in writing with the Committee. Within a reasonable period after receipt of a claim, the Committee will provide written notice to any claimant whose claim has been wholly or partly denied, including: (a) the reasons for the denial, (b) the plan provisions on which the denial is based, (c) any additional material or information necessary to perfect the claim and the reasons it is necessary, and (d) the plan's claims review procedure. A claimant will be given a full and fair review by the Committee of the denial of his claim if he requests a review in writing within 60 days after notification of the denial. The claimant may review pertinent documents and may submit issues and comments orally, in writing, or both. The Committee will render its decision on review promptly and in writing and will include specific reasons for the decision and references to the plan provision on which the decision is based.

EXECUTED this 1st day of May, 1995.

CAMBRIDGE TRUST COMPANY

By 