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LEGACY BANK
2102 West Fond du Lac Avenue
Milwaukee, WI 53206
Tel. 414-343-6900 • Fax 414-343-6910
www.legacybancorp.com

February 24, 2009

Mr. Neil M. Barofsky
Special Inspector General
Troubled Asset Relief Program
1500 Pennsylvania Avenue, N.W.
Suite 1064
Washington, D.C. 20220

**Re: SIGTARP Request Letter Dated February 6, 2009**

Dear Mr. Barofsky:

As requested, the following is a response to the two questions related to Legacy Bancorp, Inc.'s use of the TARP funds we received on January 30, 2009.

(1) (a) The TARP funds we received in the amount of $5,498,000 will be used to fund our loan growth in 2009, while maintaining our required liquidity levels. Despite the unprecedented recession, we at Legacy intend to stay true to our mission to support the surrounding community by continuing to lend to qualified borrowers. Because of our need for core deposits and the difficulty in securing such funds, we would have had to seriously curtail our lending without these funds.

(b) We have segregated the funds by investing them in a Legacy Bank five year certificate of deposit, [redacted]

(c) We have already funded two loans, one for commercial real estate for $820,000 to [redacted] and one commercial loan for $310,000 to [redacted]

(d) As noted above, we anticipate using the remainder of the funds to fund loan growth and maintain liquidity levels. Please see the attached copy of the notice of meeting and proxy statement provided to our shareholders for additional information.

**(2)** The boards of directors of Legacy Bancorp, Inc. and Legacy Bank have reviewed the executive compensation requirements with external legal counsel. In connection with that review, such boards of directors have approved executive compensation policies and senior executive officers of such companies have signed written agreements designed to comply with such requirements. Attached are copies of such board resolutions and such agreements. We also have reviewed our existing executive compensation plans and amended them as we found necessary (see the attached resolutions of the board of directors of Legacy Bank). We will periodically assess and review our executive compensation plans in accordance with the policies we have adopted. Legacy, as a small

community bank less than ten years old, has never had the type of excessive executive compensation packages that have been under public scrutiny of late. (b) (4)

(b) (4)

We would be happy to provide any other documentation you may need.

All statements, representations, and supporting information provided in this submission are accurate, subject to the requirements and penalties set forth in Title 18, United States Code, Section 1001.

**LEGACY BANCORP, INC.**

Deloris Sims

Deloris Sims, President

Attachments – Notice of Meeting and Proxy Statement; Board Resolutions; Four Executive Compensation Letter Agreements (Sims, Norville, Henningsen and Peltz)

**LEGACY BANCORP, INC.**
**2102 WEST FOND DU LAC AVENUE**
**MILWAUKEE, WISCONSIN 53206**
**(414) 343-6900**

# NOTICE OF SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON JANUARY 28, 2009

TO OUR SHAREHOLDERS:

Notice is hereby given that a Special Meeting of the Shareholders (the "Meeting") of Legacy Bancorp, Inc. will be held at the offices of Legacy Bank, 2102 West Fond du Lac Avenue, Milwaukee, Wisconsin 53206, on Wednesday, January 28, 2009, at 6:00 p.m. local time, for the purpose of voting on the following proposal (the "Proposal"):

> **Proposal:** Amendment to our Articles of Incorporation authorizing our company to issue up to 100,000 shares of one or more new series of preferred stock, par value $0.01 per share, which preferred stock shall have the relative rights, preferences, privileges and restrictions as determined from time to time by our Board of Directors.

As many of you know, financial institutions have experienced unprecedented instability lately. Fortunately, we have not. Our company is healthy and profitable. Our balance sheet is strong and our capital position and liquidity are more than adequate. We have avoided the exposure to mortgage-backed securities and other similar securities that have plagued many other financial institutions. In addition, unlike many other financial institutions, originating and holding residential mortgage loans are only a small portion of our business.

The current turmoil in the financial services industry provides some unique opportunities for us to grow and expand our business, and we would like to take advantage of these opportunities. This is why we have submitted an application to the Federal Reserve Bank of Chicago and the U.S. Department of the Treasury (the "Treasury") to participate in the Treasury's Capital Purchase Program. We have applied and been preliminarily approved to receive $5,498,000 in additional equity capital from the Treasury to facilitate our continued growth and expansion. This additional capital would provide us with the increased resources and flexibility to continue to provide credit, capital and financial services to underserved communities and to maintain our strong history of meeting the credit needs of our neighborhoods and developing new relationships. **We will not be able to participate in the Treasury's Capital Purchase Program if the Proposal is not approved by our shareholders at the Meeting.**

Holders of record of our Common A Voting stock at the close of business on January 12, 2009 will be entitled to notice of and to vote at the Meeting and any adjournments or postponements thereof. Holders of record of our Common B Non-Voting stock at the close of business on January 12, 2009 will also be entitled to notice of and to vote, as a separate voting group in accordance with Section 180.1004 of the Wisconsin Business Corporation Law, at the Meeting, and any adjournments or postponements thereof.

By Order of the Board of Directors,

Margaret J. Henningsen
Secretary

**LEGACY BANCORP, INC.**
**2102 West Fond du Lac Avenue**
**Milwaukee, Wisconsin 53206**

**Proxy Statement for Special Meeting of Shareholders**

**To Be Held on January 28, 2009**

This Proxy Statement is furnished beginning on or about January 14, 2009 in connection with the solicitation of proxies by our Board of Directors (the "Board of Directors" or "Board") to be used at our Special Meeting of Shareholders (the "Meeting"), which will be held at 6:00 p.m. Central Time, Wednesday, January 28, 2009, at our offices located at 2102 West Fond du Lac Avenue, Milwaukee, Wisconsin 53206, and at any adjournments or postponements thereof.

Any shareholder attending the Meeting may vote in person whether or not the shareholder has previously given a proxy. Presence at the Meeting by a shareholder who has signed a proxy does not itself revoke the proxy. Any shareholder giving a proxy may revoke it at any time before it is exercised by delivering notice thereof to our corporate secretary in writing or in open meeting. Unless revoked, the shares represented by such proxies will be voted as directed.

The record date for shareholders entitled to notice of and to vote at the Meeting is the close of business on January 12, 2009 (the "Record Date"). As of the Record Date, there were 26,978 shares of our Common A Voting stock outstanding. Each share of the Common A Voting stock is entitled to one vote on the Proposal (as defined below). As of the Record Date, there were 53,634 shares of our Common B Non-Voting stock outstanding. Even though the Common B Non-Voting stock is typically not entitled to vote, Wisconsin law provides that the Common B Non-Voting stock is entitled to a separate class vote on the Proposal. As a result, each share of Common B Non-Voting stock is entitled to one vote on the Proposal.

Our company is the holding company of Legacy Bank (the "Bank").

## About the Meeting and Proxy Materials

***What is the purpose of the Meeting?***

We have applied to raise capital through the sale of preferred stock to the U.S. Department of the Treasury's (the "Treasury") Capital Purchase Program (the "CPP"). Our Articles of Incorporation currently do not authorize us to issue preferred stock. Under Wisconsin law, shareholder approval is required to amend our Articles of Incorporation to authorize the issuance of preferred stock.

At the Meeting, our shareholders will vote on the approval of an amendment to our Articles of Incorporation authorizing us to issue up to 100,000 shares of one or more new series of preferred stock, par value $0.01 per share, which preferred stock will have the relative rights, preferences,

privileges and restrictions as determined from time to time by our Board of Directors (the "Proposal").

***What is the purpose of the CPP?***

The CPP is a component of the Troubled Assets Relief Program, commonly known as the "TARP." The TARP was authorized under the Emergency Economic Stabilization Act of 2008, which provides up to $700 billion to the Treasury to buy mortgages and other assets from financial institutions, to invest and take equity positions in financial institutions, and to establish programs that will allow companies to insure their troubled assets. Under the CPP, the Treasury will purchase up to $250 billion of senior preferred shares from qualifying financial institutions. The CPP was instituted in response to the current credit crisis as a means of facilitating capital growth for the country's financial institutions, which is intended to increase the flow of financing to businesses and consumers.

***Why are we seeking capital from the Treasury?***

We are seeking additional capital through the sale of preferred stock to the Treasury in order to bolster our otherwise strong balance sheet and to facilitate the future growth of our company. The recent and ongoing contraction in credit within the banking industry has significantly increased the cost of capital and dramatically reduced its availability. The cost of capital under the CPP is significantly less than that currently required by public and private investors. We believe that our participation in the CPP will provide the lowest cost capital available at this time.

***Who is entitled to vote at the Meeting?***

Only shareholders of record at the close of business on the Record Date are entitled to receive notice of and to participate in the Meeting. As of the Record Date, there were 26,978 shares of our Common A Voting stock outstanding. Each share of the Common A Voting stock is entitled to one vote on the Proposal. As of the Record Date, there were 53,634 shares of our Common B Non-Voting stock outstanding. Even though the Common B Non-Voting stock is typically not entitled to vote, Wisconsin law provides that the Common B Non-Voting stock is entitled to a separate class vote on the Proposal. As a result, each share of Common B Non-Voting stock is entitled to one vote on the Proposal.

***What is a proxy?***

A proxy is another person you legally designate to vote your shares. If you designate someone as your proxy in a written document such as the enclosed card, that document is also called a proxy or a proxy card.

***How do I vote my shares?***

If you are a shareholder of record, you may vote your shares by completing, signing and returning the enclosed proxy card in the envelope provided. If you attend the Meeting, you may withdraw your proxy and vote your shares in person.

***How are the votes counted?***

A quorum is necessary to hold the Meeting and will exist if a majority of both (i) the 26,978 Common A Voting shares and (ii) the 53,634 Common B Non-Voting shares, outstanding as of the Record Date are represented, in person, or by proxy, at the Meeting. Votes cast by proxy or in person at the Meeting will be counted by Foley & Lardner LLP, which has been appointed by our Board of Directors to act as inspector of election for the Meeting.

Shares represented by proxy cards marked "Abstain" will be counted to determine the presence of a quorum, but will not be counted as votes for or against the Proposal.

***Can I change my vote after I return my proxy card?***

Yes, you can revoke your proxy at any time before your shares are voted by advising our corporate secretary in writing, by submitting a signed proxy with a later date, or by voting in person at the Meeting.

***What does our Board of Directors recommend?***

Our Board of Directors recommends a vote **FOR** the Proposal. If you sign and return a proxy card without specifying how you want your shares voted, the named proxies will vote your shares in accordance with the recommendations of our Board.

***Will any other items be acted upon at the Meeting?***

No other business will be presented at the Meeting.

***What if I have additional questions?***

If you would like additional copies, without charge, of this proxy statement or if you have questions about the Proposal or the procedures for voting your shares, you should contact Margaret Henningsen, our corporate secretary, at (414) 343-3003 or at our address set forth above.

## STOCK OWNERSHIP OF MANAGEMENT AND OTHERS

The following table sets forth, as of January 12, 2009, the number of shares of our Common A Voting stock and our Common B Non-Voting stock beneficially owned by (i) each of our directors, (ii) each of our executive officers, and (iii) each person known by us to be the beneficial owner of more than 5% of our Common A Voting stock and/or our Common B Non-Voting stock. Except as otherwise indicated, persons listed have sole voting and/or investment power over shares beneficially owned.

| | **Common A Voting Stock** | | **Common B Non-Voting Stock** | |
|---|---|---|---|---|
| **Name of Beneficial Owner** | Shares | % of Class | Shares | % of Class |
| *Directors and Officers* | | | | |
| Deloris Sims | [redacted] | | | |
| Sally Peltz | | | | |
| Margaret J. Henningsen | | | | |
| Kathy L. Bledsoe | | | | |
| | | | -- | -- |
| *Greater than 5% Owners* | | | -- | -- |

(b) (4)

b(4), b(6)

**Proposal**---***Amendment to our Articles of Incorporation authorizing us to issue up to 100,000 shares of one or more new series of preferred stock, par value $0.01 per share, which preferred stock shall have the relative rights, preferences and limitations as determined from time to time by our Board of Directors.***

**Background**

We recommend that our shareholders approve an amendment to our Articles of Incorporation. The amendment, if approved, would amend Articles 2 and 5 of our Articles of Incorporation to authorize us to issue up to 100,000 shares of one or more new series of a new class of preferred stock, par value $0.01 per share.

The amendment would create what is sometimes called "blank check" preferred stock because, if approved, it would provide that our Board of Directors would have the authority to designate the relative rights, preferences, limitations and restrictions of each series of the new class of preferred stock and to issue shares of such preferred stock without further shareholder approval. The complete text of the form of amendment to our Articles of Incorporation is set forth in Exhibit A.

**Purpose of the Preferred Stock**

Our Board of Directors has approved this amendment and believes such action is in the best interests of our company and its shareholders for several reasons. The primary reason is to give us the ability to sell shares of preferred stock to the Treasury under the CPP. Under the CPP, the Treasury will purchase senior preferred stock of qualifying bank holding companies on what our Board of Directors considers to be favorable terms.

In October, 2008, we submitted an application to participate in the CPP pursuant to which we would issue 5,498 preferred shares under the CPP to the Treasury with an aggregate purchase price (and with an aggregate liquidation preference) of $5,498,000. On December 17, 2008, we received notice from the Treasury that our application received preliminary approval.

While we believe that our capital base does not require the issuance of preferred stock under the CPP, our Board of Directors believes that participation in the CPP would provide us with additional equity capital which would support and enhance our long-term growth strategy. This additional capital would provide us with increased resources and flexibility to continue to provide credit, capital and financial services to underserved communities and to maintain our strong history of meeting the credit needs of our neighborhoods and developing new relationships. Although we do not currently have specific plans in place for the use of the net proceeds from the issuance of preferred stock, we anticipate using such proceeds to support our plans to maintain higher capital levels during these uncertain economic times and to continue our disciplined growth strategy through extending financing to new and existing clients and pursing other strategic opportunities. **We will not be eligible to participate in the CPP if this Proposal is not approved by our shareholders at the Meeting.**

Our proposal to create a class of blank check preferred stock would additionally assure that we have shares of preferred stock available for general corporate needs and would provide our Board of Directors with the necessary flexibility to issue preferred stock in connection with private placements of equity securities or other financings and as consideration in share exchanges, mergers or other acquisitions without the expense and delay associated with obtaining shareholder approval of

an amendment to our Articles of Incorporation establishing the terms of the preferred stock at the time of such action. Our Board believes that such enhanced ability to respond to opportunities and favorable market conditions before the opportunities or conditions pass is in the best interest of our company and shareholders.

**Effect of the Shares to be Issued Under the CPP**

If this Proposal is approved and we issue preferred shares under the CPP to the Treasury (the "CPP shares"), such shares would qualify as Tier 1 capital and would rank senior to our common stock but junior to all of our indebtedness, including our subordinated debentures. The CPP shares would pay a cumulative dividend rate of 5% per annum for the first five years after issuance and would reset to a rate of 9% per annum after year five. The dividend would be payable quarterly in arrears. The CPP shares would be callable at the liquidation preference after three years. Prior to the end of three years, we could redeem the CPP shares with the proceeds from a qualifying equity offering of any Tier 1 perpetual preferred stock or common stock.

The CPP shares would be non-voting, other than class voting rights on:

- any authorization or issuance of shares ranking senior to the CPP shares;
- any amendment to the rights of the CPP shares; or
- any merger, exchange or similar transaction which would adversely affect the rights of the holders of the CPP shares.

If we would fail to pay in full dividends on the CPP shares for six quarterly dividend periods, whether or not consecutive, the holders of the CPP shares would have the right to elect two directors to our Board, and we would be required to increase the size of our Board to accommodate the two directors if necessary. The right to elect directors would end when we have paid dividends in full for four consecutive quarterly dividend periods. The standard terms and conditions of the preferred stock purchased by the Treasury under the CPP are set forth in Exhibit B, and we expect such terms and conditions to also govern the CPP shares.

To be eligible to participate in the CPP, we would have to agree to register with the Securities and Exchange Commission the public resale of the CPP shares (i) upon becoming subject to the reporting requirements of the Securities Exchange Act of 1934 or (ii) at the time or times we register the sale of our equity securities on a form of registration statement on which the sale of those securities by the Treasury could be registered. We would also agree not to increase the dividend on our common stock without the Treasury's consent until the earlier of (i) the time at which the Treasury no longer owns any CPP shares or (ii) the third anniversary of the issuance of the CPP shares. After the third anniversary of the issuance of the CPP shares, we would agree not to raise the annual dividend on our common stock by more than three percent without the Treasury's consent until the earlier of (i) the time at which the Treasury no longer owns any CPP shares or (ii) the tenth anniversary of the issuance of the CPP shares. We would also agree not to repurchase our common stock or other securities junior to the CPP shares prior to the earlier of (i) the time at which the Treasury no longer owns any CPP shares or (ii) the tenth anniversary of the issuance of the CPP shares.

In order to participate in the CPP, we would be required to maintain certain limits on our executive compensation during the period in which the CPP shares are outstanding, including:

- ensuring that incentive compensation for senior executive officers does not encourage unnecessary and excessive risks that threaten the value of our company;
- requiring a clawback of any bonus or incentive compensation paid to a senior executive officer based on statements of earnings, gains or other criteria that are later proven to be materially inaccurate;
- prohibiting us from making any golden parachute payment to a senior executive officer; and
- agreeing not to deduct for tax purposes executive compensation in excess of $500,000 in any year for each senior executive officer.

We have reviewed our executive compensation arrangements and do not anticipate that it will be necessary to modify any employee plans or contracts to comply with the above limits on executive compensation, but we would amend our existing bonus and incentive compensation plans and policies to provide for clawbacks of executive compensation paid to executive officers based on statements of earnings, gains or other criteria that are later proven to be materially inaccurate during the period in which the CPP shares are outstanding. Within 90 days of the issuance of the CPP shares, and at least annually thereafter, our Board of Directors will review our incentive compensation plans with our senior officers to ensure that incentive compensation for our senior executive officers does not encourage unnecessary and excessive risks that threaten the value of our company.

**Effect of Other Future Issuances of Preferred Stock**

If the amendment is approved and we issued the CPP shares, we would have 94,502 shares of preferred stock available for future issuance. The actual effect of the issuance of any shares of preferred stock upon the rights of the holders of our common stock cannot be determined until our Board of Directors determines the specific rights of the holders of such preferred stock. However, the effects might include, among other things, restricting dividends on our common stock, diluting the voting power of our common stock, diluting the equity interest of the existing holders of our common stock if the preferred stock is convertible into common stock, reducing our earnings per share, or impairing the liquidation rights of our common stock.

**Estimated Pro Forma Impact of the CPP**

The following unaudited pro forma condensed consolidated financial statements set forth our financial position as of September 30, 2008 and results of operations for the nine months ended September 30, 2008:

- on an actual basis; and

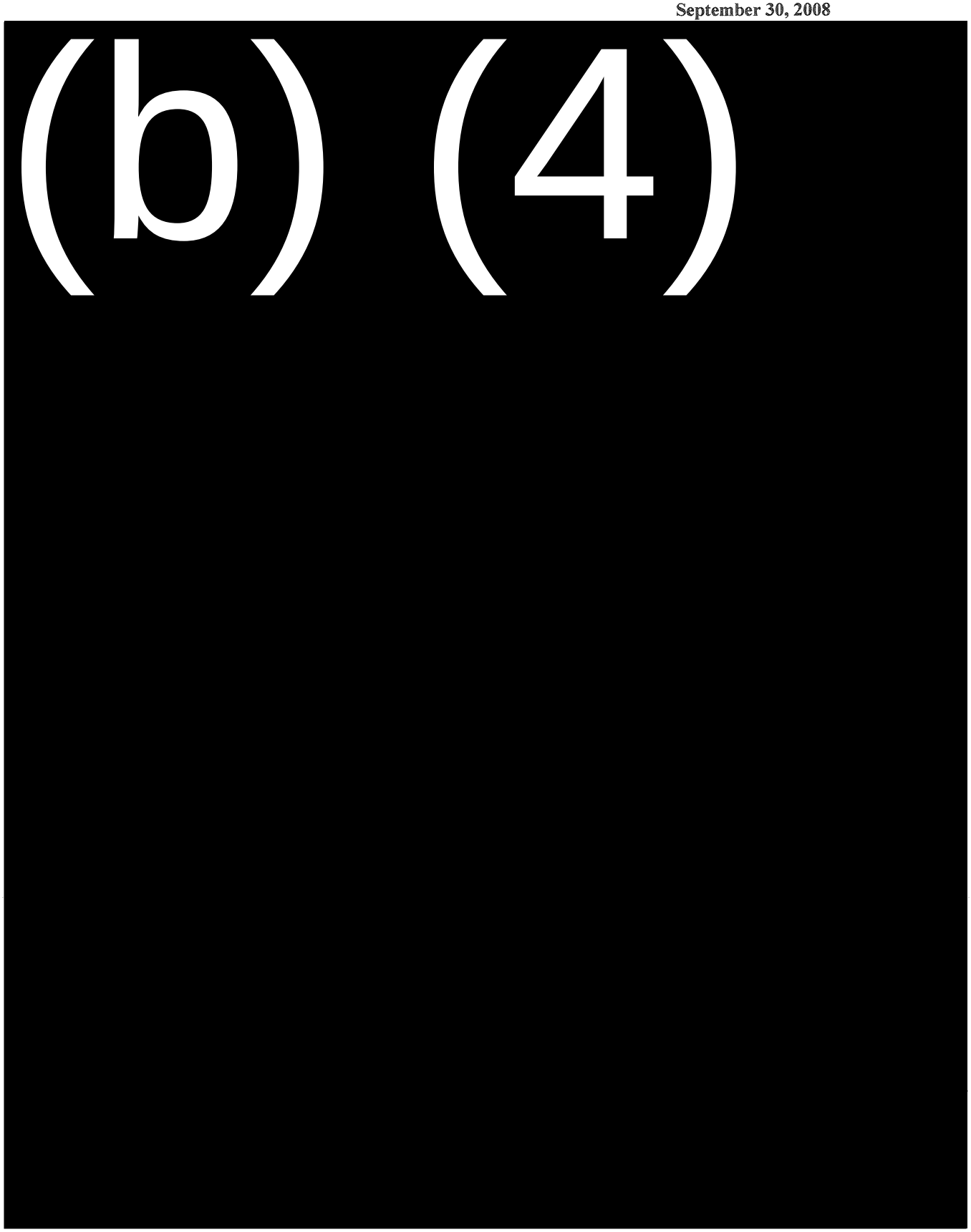
- on an as adjusted basis giving effect to the sale of CPP shares with an aggregate liquidation preference of $5,498,000, reflecting our potential participation in the CPP.

The unaudited pro forma financial information below assumes that, on January 1, 2008, we received proceeds from the sale of the CPP shares to the Treasury and used the proceeds to provide loans at an assumed interest rate of 7%. The assumed interest rate of 7% is consistent with our current loan portfolio and the current interest rate environment. The increase in interest income would be significantly less if we were unable to lend the proceeds from the sale of the CPP shares at the assumed interest rate of 7%.

The following unaudited pro forma condensed consolidated financial statements are presented for illustration purposes only and in accordance with the assumptions set forth above and contained in the footnotes to the unaudited pro forma financial statements. The unaudited pro forma financial statements include various estimates and are not necessarily indicative of the operating results or financial position that would have occurred had the sale of the CPP shares occurred as of the assumed dates or of the operating results or financial position in the future and should be read in conjunction with our historical financial statements and the notes thereto.

**Unaudited Condensed Consolidated Balance Sheet**

**September 30, 2008**



**Unaudited Condensed Consolidated Statement of Income**

| | For the Nine Months Ended September 30, 2008 |
|---|---|
| [redacted] | |

**Shareholder Vote Required**

Assuming a quorum of each class of our common stock is present in person or by proxy at the Meeting, the Proposal will be approved if both (i) the votes cast by holders of our Common A Voting stock in favor of the Proposal exceed the votes cast by holders of our Common A Voting stock against the Proposal; and (ii) the votes cast by holders of our Common B Non-Voting stock in favor of the Proposal exceed the votes cast by holders of our Common B Non-Voting stock against the Proposal.

**YOUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE APPROVAL OF THE PROPOSAL. PROXIES WILL BE VOTED FOR APPROVAL UNLESS A SHAREHOLDER GIVES OTHER INSTRUCTIONS ON THE PROXY CARD.**

By Order of the Board of Directors,

Margaret J. Henningsen
Secretary

**Exhibit A**

**Text of Amendment**

1. Article 2 of the Corporation's Amended and Restated Articles of Incorporation is amended and restated in its entirety to read as follows:

The number of shares of capital stock which the Corporation shall have the authority to issue is as follows:

(A) Common Stock: Four Hundred Thousand (400,000) shares of common stock, no par value per share, of which One Hundred and Fifty Thousand (150,000) are Common A Voting and Two Hundred and Fifty Thousand (250,000) are Common B Non-Voting.

(B) Preferred Stock: One Hundred Thousand (100,000) shares of preferred stock, par value $0.01 per share.

Except to the extent required by governing law, rule or regulation, the shares of capital stock may be issued from time to time by the Board of Directors without further approval of the shareholders of the Corporation.

2. Article 5 of the Corporation's Articles of Incorporation is amended and restated in its entirety to read as follows:

The preferences, limitations, designation and relative rights of each class or series of stock are as follows:

a. Common A Voting. Except as provided in this Article 5, or as provided by the Wisconsin Business Corporation Law, the exclusive voting power shall be vested in the Common A Voting stock, the holders thereof being entitled to one vote for each Common A Voting share standing in the holder's name on the books of the Corporation. Subject to any rights and preferences of any class of stock having preference over the Common A Voting stock, holders of the Common A Voting shares shall be entitled to such dividends as may be declared by the Board of Directors out of funds lawfully available therefor. Upon any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, holders of the Common A Voting shares shall be entitled to receive, pro rata with the holders of the Common B Non-Voting shares, the remaining assets of the Corporation after the holders of any class of stock having preference over the common stock have been paid in full any sums to which they may be entitled.

b. Common B Non-Voting. Except as provided by the Wisconsin Business Corporation Law, the holders of the Common B Non-Voting shares shall have no voting rights, but shall share in all other rights and limitations of the holders of Common A Voting shares.

c. Preferred Stock. The Board of Directors of the Corporation is authorized, to the full extent permitted under the Wisconsin Business Corporation Law and the provisions of this Article 5, to provide for the issuance of the preferred stock in series, each of such series to be distinctively designated, and to have such redemption rights, dividend rights, rights on dissolution or distribution of assets, conversion or exchange rights, voting powers, designations, preferences and relative participating, optional or other special rights, if any, and such qualifications, limitations or restrictions thereof as shall be provided by the Board of Directors of the Corporation consistent with the provisions of this Article 5.

Before any dividends shall be paid or set apart for payment upon shares of common stock, the holders of each series of preferred stock shall be entitled to receive dividends at the rate (which may be fixed or variable) and at such times as specified in the particular series. The holders of shares of preferred stock shall have no rights to participate with the holders of shares of common stock in any distribution of dividends in excess of the preferential dividends, if any, fixed for such preferred stock.

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of each series of preferred stock shall be entitled to receive out of the assets of the Corporation in money or money's worth the preferential amount, if any, specified in the particular series for each share at the time outstanding together with all accrued but unpaid dividends thereon, before any of such assets shall be paid or distributed to holders of common stock. The holders of preferred stock shall have no rights to participate with the holders of common stock in the assets of the Corporation available for distribution to shareholders in excess of the preferential amount, if any, fixed for such preferred stock.

The holders of preferred stock shall have only such voting rights as are fixed for shares of each series by the Board of Directors pursuant to this Article 5 or are provided, to the extent applicable, by the Wisconsin Business Corporation Law.

**Exhibit B**

**Standard Terms**

[See Attached]

# ARTICLES OF AMENDMENT
# TO
# ARTICLES OF INCORPORATION
# OF LEGACY BANCORP, INC.

These Articles of Amendment (the "Articles of Amendment") to the Articles of Incorporation of Legacy Bancorp, Inc., a corporation organized under Chapter 180 of the Wisconsin Statutes (the "Corporation"), are executed by the undersigned for the purpose of amending the Corporation's Articles of Incorporation. In accordance with the provisions of Sections 180.0602 and 180.1002 of the Wisconsin Statutes, the amendment, set forth below, to the Corporation's Articles of Incorporation was adopted by the Board of Directors of the Corporation without shareholder approval, which was not required.

1. The name of the corporation is Legacy Bancorp, Inc.

2. The following Certificate of Designations constituting an amendment to the Corporation's Articles of Incorporation was adopted by the directors of the Corporation on January 28, 2009, in accordance with Section 180.0602 of the Wisconsin Statutes:

Article 5 of the Corporation's Articles of Incorporation is amended by adding the language set forth below to create a new Paragraph D. As of the date of these Articles of Amendment, the Corporation has not issued any shares of the Fixed Rate Cumulative Perpetual Preferred Stock, Series A.

"D. Fixed Rate Cumulative Perpetual Preferred Stock, Series A.

(a) Designation and Number of Shares. There is hereby created out of the authorized and unissued shares of preferred stock of the Corporation a series of preferred stock designated as the "Fixed Rate Cumulative Preferred Stock, Series A" (the "Designated Preferred Stock"). The authorized number of shares of Designated Preferred Stock shall be 5,498.

(b) Standard Provisions. The Standard Provisions contained in Schedule A attached hereto are incorporated by reference in their entirety and shall be deemed to be a part of this Paragraph D to the same extent as if such provisions had been set forth in full herein.

(c) Definitions. The following terms are used in this Paragraph D (including the Standard Provisions in Schedule A hereto) as defined below:

(i) "Common Stock" means the common stock, no par value per share, of the Corporation (including both the Common A Voting and Common B Non-Voting common stock).

(ii) "Dividend Payment Date" means February 15, May 15, August 15 and November 15 of each year.

(iii) "Junior Stock" means the Common Stock and any other class or series of stock of the Corporation the terms of which expressly provide that it ranks junior to the Designated Preferred Stock as to dividend rights and/or as to liquidation, dissolution or winding up of the Corporation.

(iv) "Liquidation Amount" means $1,000 per share of Designated Preferred Stock.

(v) "Minimum Amount" means $1,374,500.

(vi) "Parity Stock" means any class or series of stock of the Corporation (other than Designated Preferred Stock) the terms of which do not expressly provide that such class or series will rank senior or junior to Designated Preferred Stock as to dividend rights and/or as to rights on liquidation, dissolution or winding up of the Corporation (in each case without regard to whether dividends accrue cumulatively or non-cumulatively).

(vii) "Signing Date" means the Original Issue Date.

(d) Certain Voting Matters. Holders of Designated Preferred Stock will be entitled to one vote for each such share on any matters on which holders of Designated Preferred Stock are entitled to vote, including any action by written consent."

[Signature Page Follows]

Executed on behalf of the Corporation and dated as of this 29th day of January, 2009.

_____

Name: Deloris Sims
Title: President

This instrument was drafted by, and a copy hereof should be returned to, Timothy H. Shea of the firm of Foley & Lardner LLP, 777 East Wisconsin Avenue, Milwaukee, WI 53202.

**Schedule A**

## STANDARD PROVISIONS

Section 1. General Matters. Each share of Designated Preferred Stock shall be identical in all respects to every other share of Designated Preferred Stock. The Designated Preferred Stock shall be perpetual, subject to the provisions of Section 5 of these Standard Provisions that form a part of the Certificate of Designations. The Designated Preferred Stock shall rank equally with Parity Stock and shall rank senior to Junior Stock with respect to the payment of dividends and the distribution of assets in the event of any dissolution, liquidation or winding up of the Issuer.

Section 2. Standard Definitions. As used herein with respect to Designated Preferred Stock:

(a) "Applicable Dividend Rate" means (i) during the period from the Original Issue Date to, but excluding, the first day of the first Dividend Period commencing on or after the fifth anniversary of the Original Issue Date, 5% per annum and (ii) from and after the first day of the first Dividend Period commencing on or after the fifth anniversary of the Original Issue Date, 9% per annum.

(b) "Appropriate Federal Banking Agency" means the "appropriate Federal banking agency" with respect to the Issuer as defined in Section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. Section 1813(q)), or any successor provision.

(c) "Business Combination" means a merger, consolidation, statutory share exchange or similar transaction that requires the approval of the Issuer's stockholders.

(d) "Business Day" means any day except Saturday, Sunday and any day on which banking institutions in the State of New York generally are authorized or required by law or other governmental actions to close.

(e) "Bylaws" means the bylaws of the Issuer, as they may be amended from time to time.

(f) "Certificate of Designations" means the Certificate of Designations or comparable instrument relating to the Designated Preferred Stock, of which these Standard Provisions form a part, as it may be amended from time to time.

(g) "Charter" means the Issuer's certificate or articles of incorporation, articles of association, or similar organizational document.

(h) "Dividend Period" has the meaning set forth in Section 3(a).

(i) "Dividend Record Date" has the meaning set forth in Section 3(a).

(j) "Liquidation Preference" has the meaning set forth in Section 4(a).

(k) "Original Issue Date" means the date on which shares of Designated Preferred Stock are first issued.

(l) "Preferred Director" has the meaning set forth in Section 7(b).

(m) "Preferred Stock" means any and all series of preferred stock of the Issuer, including the Designated Preferred Stock.

(n) "Qualified Equity Offering" means the sale and issuance for cash by the Issuer to persons other than the Issuer or any of its subsidiaries after the Original Issue Date of shares of perpetual Preferred Stock, Common Stock or any combination of such stock, that, in each case, qualify as and may be included in Tier 1 capital of the Issuer at the time of issuance under the applicable risk-based capital guidelines of the Issuer's Appropriate Federal Banking Agency (other than any such sales and issuances made pursuant to agreements or arrangements entered into, or pursuant to financing plans which were publicly announced, on or prior to November 17, 2008).

(o) "Standard Provisions" mean these Standard Provisions that form a part of the Certificate of Designations relating to the Designated Preferred Stock.

(p) "Successor Preferred Stock" has the meaning set forth in Section 5(a).

(q) "Voting Parity Stock" means, with regard to any matter as to which the holders of Designated Preferred Stock are entitled to vote as specified in Sections 7(a) and 7(b) of these Standard Provisions that form a part of the Certificate of Designations, any and all series of Parity Stock upon which like voting rights have been conferred and are exercisable with respect to such matter.

Section 3. Dividends.

(a) Rate. Holders of Designated Preferred Stock shall be entitled to receive, on each share of Designated Preferred Stock if, as and when declared by the Board of Directors or any duly authorized committee of the Board of Directors, but only out of assets legally available therefor, cumulative cash dividends with respect to each Dividend Period (as defined below) at a rate per annum equal to the Applicable Dividend Rate on (i) the Liquidation Amount per share of Designated Preferred Stock and (ii) the amount of accrued and unpaid dividends for any prior Dividend Period on such share of Designated Preferred Stock, if any. Such dividends shall begin to accrue and be cumulative from the Original Issue Date, shall compound on each subsequent Dividend Payment Date (*i.e.*, no dividends shall accrue on other dividends unless and until the first Dividend Payment Date for such other dividends has passed without such other dividends having been paid on such date) and shall be payable quarterly in arrears on each Dividend Payment Date, commencing with the first such Dividend Payment Date to occur at least 20 calendar days after the Original Issue Date. In the event that any Dividend Payment Date would otherwise fall on a day that is not a Business Day, the dividend payment due on that date will be postponed to the next day that is a Business Day and no additional dividends will accrue as a result of that postponement. The period from and including any Dividend Payment Date to, but excluding, the next Dividend Payment Date is a "Dividend Period", provided that the initial

Dividend Period shall be the period from and including the Original Issue Date to, but excluding, the next Dividend Payment Date.

Dividends that are payable on Designated Preferred Stock in respect of any Dividend Period shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The amount of dividends payable on Designated Preferred Stock on any date prior to the end of a Dividend Period, and for the initial Dividend Period, shall be computed on the basis of a 360-day year consisting of twelve 30-day months, and actual days elapsed over a 30-day month.

Dividends that are payable on Designated Preferred Stock on any Dividend Payment Date will be payable to holders of record of Designated Preferred Stock as they appear on the stock register of the Issuer on the applicable record date, which shall be the 15th calendar day immediately preceding such Dividend Payment Date or such other record date fixed by the Board of Directors or any duly authorized committee of the Board of Directors that is not more than 60 nor less than 10 days prior to such Dividend Payment Date (each, a "Dividend Record Date"). Any such day that is a Dividend Record Date shall be a Dividend Record Date whether or not such day is a Business Day.

Holders of Designated Preferred Stock shall not be entitled to any dividends, whether payable in cash, securities or other property, other than dividends (if any) declared and payable on Designated Preferred Stock as specified in this Section 3 (subject to the other provisions of the Certificate of Designations).

(b) Priority of Dividends. So long as any share of Designated Preferred Stock remains outstanding, no dividend or distribution shall be declared or paid on the Common Stock or any other shares of Junior Stock (other than dividends payable solely in shares of Common Stock) or Parity Stock, subject to the immediately following paragraph in the case of Parity Stock, and no Common Stock, Junior Stock or Parity Stock shall be, directly or indirectly, purchased, redeemed or otherwise acquired for consideration by the Issuer or any of its subsidiaries unless all accrued and unpaid dividends for all past Dividend Periods, including the latest completed Dividend Period (including, if applicable as provided in Section 3(a) above, dividends on such amount), on all outstanding shares of Designated Preferred Stock have been or are contemporaneously declared and paid in full (or have been declared and a sum sufficient for the payment thereof has been set aside for the benefit of the holders of shares of Designated Preferred Stock on the applicable record date). The foregoing limitation shall not apply to (i) redemptions, purchases or other acquisitions of shares of Common Stock or other Junior Stock in connection with the administration of any employee benefit plan in the ordinary course of business and consistent with past practice; (ii) the acquisition by the Issuer or any of its subsidiaries of record ownership in Junior Stock or Parity Stock for the beneficial ownership of any other persons (other than the Issuer or any of its subsidiaries), including as trustees or custodians; and (iii) the exchange or conversion of Junior Stock for or into other Junior Stock or of Parity Stock for or into other Parity Stock (with the same or lesser aggregate liquidation amount) or Junior Stock, in each case, solely to the extent required pursuant to binding contractual agreements entered into prior to the Signing Date or any subsequent agreement for the accelerated exercise, settlement or exchange thereof for Common Stock.

When dividends are not paid (or declared and a sum sufficient for payment thereof set aside for the benefit of the holders thereof on the applicable record date) on any Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within a Dividend Period related to such Dividend Payment Date) in full upon Designated Preferred Stock and any shares of Parity Stock, all dividends declared on Designated Preferred Stock and all such Parity Stock and payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) shall be declared *pro rata* so that the respective amounts of such dividends declared shall bear the same ratio to each other as all accrued and unpaid dividends per share on the shares of Designated Preferred Stock (including, if applicable as provided in Section 3(a) above, dividends on such amount) and all Parity Stock payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) (subject to their having been declared by the Board of Directors or a duly authorized committee of the Board of Directors out of legally available funds and including, in the case of Parity Stock that bears cumulative dividends, all accrued but unpaid dividends) bear to each other. If the Board of Directors or a duly authorized committee of the Board of Directors determines not to pay any dividend or a full dividend on a Dividend Payment Date, the Issuer will provide written notice to the holders of Designated Preferred Stock prior to such Dividend Payment Date.

Subject to the foregoing, and not otherwise, such dividends (payable in cash, securities or other property) as may be determined by the Board of Directors or any duly authorized committee of the Board of Directors may be declared and paid on any securities, including Common Stock and other Junior Stock, from time to time out of any funds legally available for such payment, and holders of Designated Preferred Stock shall not be entitled to participate in any such dividends.

Section 4. Liquidation Rights.

(a) Voluntary or Involuntary Liquidation. In the event of any liquidation, dissolution or winding up of the affairs of the Issuer, whether voluntary or involuntary, holders of Designated Preferred Stock shall be entitled to receive for each share of Designated Preferred Stock, out of the assets of the Issuer or proceeds thereof (whether capital or surplus) available for distribution to stockholders of the Issuer, subject to the rights of any creditors of the Issuer, before any distribution of such assets or proceeds is made to or set aside for the holders of Common Stock and any other stock of the Issuer ranking junior to Designated Preferred Stock as to such distribution, payment in full in an amount equal to the sum of (i) the Liquidation Amount per share and (ii) the amount of any accrued and unpaid dividends (including, if applicable as provided in Section 3(a) above, dividends on such amount), whether or not declared, to the date of payment (such amounts collectively, the "Liquidation Preference").

(b) Partial Payment. If in any distribution described in Section 4(a) above the assets of the Issuer or proceeds thereof are not sufficient to pay in full the amounts payable with respect to all outstanding shares of Designated Preferred Stock and the corresponding amounts payable with respect of any other stock of the Issuer ranking equally with Designated Preferred Stock as

to such distribution, holders of Designated Preferred Stock and the holders of such other stock shall share ratably in any such distribution in proportion to the full respective distributions to which they are entitled.

(c) Residual Distributions. If the Liquidation Preference has been paid in full to all holders of Designated Preferred Stock and the corresponding amounts payable with respect of any other stock of the Issuer ranking equally with Designated Preferred Stock as to such distribution has been paid in full, the holders of other stock of the Issuer shall be entitled to receive all remaining assets of the Issuer (or proceeds thereof) according to their respective rights and preferences.

(d) Merger, Consolidation and Sale of Assets Not Liquidation. For purposes of this Section 4, the merger or consolidation of the Issuer with any other corporation or other entity, including a merger or consolidation in which the holders of Designated Preferred Stock receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or other property) of all or substantially all of the assets of the Issuer, shall not constitute a liquidation, dissolution or winding up of the Issuer.

Section 5. Redemption.

(a) Optional Redemption. Except as provided below, the Designated Preferred Stock may not be redeemed prior to the first Dividend Payment Date falling on or after the third anniversary of the Original Issue Date. On or after the first Dividend Payment Date falling on or after the third anniversary of the Original Issue Date, the Issuer, at its option, subject to the approval of the Appropriate Federal Banking Agency, may redeem, in whole or in part, at any time and from time to time, out of funds legally available therefor, the shares of Designated Preferred Stock at the time outstanding, upon notice given as provided in Section 5(c) below, at a redemption price equal to the sum of (i) the Liquidation Amount per share and (ii) except as otherwise provided below, any accrued and unpaid dividends (including, if applicable as provided in Section 3(a) above, dividends on such amount) (regardless of whether any dividends are actually declared) to, but excluding, the date fixed for redemption.

Notwithstanding the foregoing, prior to the first Dividend Payment Date falling on or after the third anniversary of the Original Issue Date, the Issuer, at its option, subject to the approval of the Appropriate Federal Banking Agency, may redeem, in whole or in part, at any time and from time to time, the shares of Designated Preferred Stock at the time outstanding, upon notice given as provided in Section 5(c) below, at a redemption price equal to the sum of (i) the Liquidation Amount per share and (ii) except as otherwise provided below, any accrued and unpaid dividends (including, if applicable as provided in Section 3(a) above, dividends on such amount) (regardless of whether any dividends are actually declared) to, but excluding, the date fixed for redemption; *provided* that (x) the Issuer (or any successor by Business Combination) has received aggregate gross proceeds of not less than the Minimum Amount (plus the "Minimum Amount" as defined in the relevant certificate of designations for each other outstanding series of preferred stock of such successor that was originally issued to the United States Department of the Treasury (the "Successor Preferred Stock") in connection with the Troubled Asset Relief Program Capital Purchase Program) from one or more Qualified Equity Offerings (including Qualified Equity Offerings of such successor), and (y) the aggregate

redemption price of the Designated Preferred Stock (and any Successor Preferred Stock) redeemed pursuant to this paragraph may not exceed the aggregate net cash proceeds received by the Issuer (or any successor by Business Combination) from such Qualified Equity Offerings (including Qualified Equity Offerings of such successor).

The redemption price for any shares of Designated Preferred Stock shall be payable on the redemption date to the holder of such shares against surrender of the certificate(s) evidencing such shares to the Issuer or its agent. Any declared but unpaid dividends payable on a redemption date that occurs subsequent to the Dividend Record Date for a Dividend Period shall not be paid to the holder entitled to receive the redemption price on the redemption date, but rather shall be paid to the holder of record of the redeemed shares on such Dividend Record Date relating to the Dividend Payment Date as provided in Section 3 above.

(b) No Sinking Fund. The Designated Preferred Stock will not be subject to any mandatory redemption, sinking fund or other similar provisions. Holders of Designated Preferred Stock will have no right to require redemption or repurchase of any shares of Designated Preferred Stock.

(c) Notice of Redemption. Notice of every redemption of shares of Designated Preferred Stock shall be given by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on the books of the Issuer. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Subsection shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Designated Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Designated Preferred Stock. Notwithstanding the foregoing, if shares of Designated Preferred Stock are issued in book-entry form through The Depository Trust Issuer or any other similar facility, notice of redemption may be given to the holders of Designated Preferred Stock at such time and in any manner permitted by such facility. Each notice of redemption given to a holder shall state: (1) the redemption date; (2) the number of shares of Designated Preferred Stock to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the redemption price; and (4) the place or places where certificates for such shares are to be surrendered for payment of the redemption price.

(d) Partial Redemption. In case of any redemption of part of the shares of Designated Preferred Stock at the time outstanding, the shares to be redeemed shall be selected either *pro rata* or in such other manner as the Board of Directors or a duly authorized committee thereof may determine to be fair and equitable. Subject to the provisions hereof, the Board of Directors or a duly authorized committee thereof shall have full power and authority to prescribe the terms and conditions upon which shares of Designated Preferred Stock shall be redeemed from time to time. If fewer than all the shares represented by any certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without charge to the holder thereof.

(e) Effectiveness of Redemption. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption

have been deposited by the Issuer, in trust for the *pro rata* benefit of the holders of the shares called for redemption, with a bank or trust company doing business in the Borough of Manhattan, The City of New York, and having a capital and surplus of at least $500 million and selected by the Board of Directors, so as to be and continue to be available solely therefor, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date dividends shall cease to accrue on all shares so called for redemption, all shares so called for redemption shall no longer be deemed outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from such bank or trust company, without interest. Any funds unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released to the Issuer, after which time the holders of the shares so called for redemption shall look only to the Issuer for payment of the redemption price of such shares.

(f) Status of Redeemed Shares. Shares of Designated Preferred Stock that are redeemed, repurchased or otherwise acquired by the Issuer shall revert to authorized but unissued shares of Preferred Stock (*provided* that any such cancelled shares of Designated Preferred Stock may be reissued only as shares of any series of Preferred Stock other than Designated Preferred Stock).

Section 6. Conversion. Holders of Designated Preferred Stock shares shall have no right to exchange or convert such shares into any other securities.

Section 7. Voting Rights.

(a) General. The holders of Designated Preferred Stock shall not have any voting rights except as set forth below or as otherwise from time to time required by law.

(b) Preferred Stock Directors. Whenever, at any time or times, dividends payable on the shares of Designated Preferred Stock have not been paid for an aggregate of six quarterly Dividend Periods or more, whether or not consecutive, the authorized number of directors of the Issuer shall automatically be increased by two and the holders of the Designated Preferred Stock shall have the right, with holders of shares of any one or more other classes or series of Voting Parity Stock outstanding at the time, voting together as a class, to elect two directors (hereinafter the "Preferred Directors" and each a "Preferred Director") to fill such newly created directorships at the Issuer's next annual meeting of stockholders (or at a special meeting called for that purpose prior to such next annual meeting) and at each subsequent annual meeting of stockholders until all accrued and unpaid dividends for all past Dividend Periods, including the latest completed Dividend Period (including, if applicable as provided in Section 3(a) above, dividends on such amount), on all outstanding shares of Designated Preferred Stock have been declared and paid in full at which time such right shall terminate with respect to the Designated Preferred Stock, except as herein or by law expressly provided, subject to revesting in the event of each and every subsequent default of the character above mentioned; *provided* that it shall be a qualification for election for any Preferred Director that the election of such Preferred Director shall not cause the Issuer to violate any corporate governance requirements of any securities exchange or other trading facility on which securities of the Issuer may then be listed or traded that listed or traded companies must have a majority of independent directors. Upon any

termination of the right of the holders of shares of Designated Preferred Stock and Voting Parity Stock as a class to vote for directors as provided above, the Preferred Directors shall cease to be qualified as directors, the term of office of all Preferred Directors then in office shall terminate immediately and the authorized number of directors shall be reduced by the number of Preferred Directors elected pursuant hereto. Any Preferred Director may be removed at any time, with or without cause, and any vacancy created thereby may be filled, only by the affirmative vote of the holders a majority of the shares of Designated Preferred Stock at the time outstanding voting separately as a class together with the holders of shares of Voting Parity Stock, to the extent the voting rights of such holders described above are then exercisable. If the office of any Preferred Director becomes vacant for any reason other than removal from office as aforesaid, the remaining Preferred Director may choose a successor who shall hold office for the unexpired term in respect of which such vacancy occurred.

(c) Class Voting Rights as to Particular Matters. So long as any shares of Designated Preferred Stock are outstanding, in addition to any other vote or consent of stockholders required by law or by the Charter, the vote or consent of the holders of at least 66 2/3% of the shares of Designated Preferred Stock at the time outstanding, voting as a separate class, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(i) Authorization of Senior Stock. Any amendment or alteration of the Certificate of Designations for the Designated Preferred Stock or the Charter to authorize or create or increase the authorized amount of, or any issuance of, any shares of, or any securities convertible into or exchangeable or exercisable for shares of, any class or series of capital stock of the Issuer ranking senior to Designated Preferred Stock with respect to either or both the payment of dividends and/or the distribution of assets on any liquidation, dissolution or winding up of the Issuer;

(ii) Amendment of Designated Preferred Stock. Any amendment, alteration or repeal of any provision of the Certificate of Designations for the Designated Preferred Stock or the Charter (including, unless no vote on such merger or consolidation is required by Section 7(c)(iii) below, any amendment, alteration or repeal by means of a merger, consolidation or otherwise) so as to adversely affect the rights, preferences, privileges or voting powers of the Designated Preferred Stock; or

(iii) Share Exchanges, Reclassifications, Mergers and Consolidations. Any consummation of a binding share exchange or reclassification involving the Designated Preferred Stock, or of a merger or consolidation of the Issuer with another corporation or other entity, unless in each case (x) the shares of Designated Preferred Stock remain outstanding or, in the case of any such merger or consolidation with respect to which the Issuer is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (y) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions thereof, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and limitations and restrictions

thereof, of Designated Preferred Stock immediately prior to such consummation, taken as a whole;

*provided, however*, that for all purposes of this Section 7(c), any increase in the amount of the authorized Preferred Stock, including any increase in the authorized amount of Designated Preferred Stock necessary to satisfy preemptive or similar rights granted by the Issuer to other persons prior to the Signing Date, or the creation and issuance, or an increase in the authorized or issued amount, whether pursuant to preemptive or similar rights or otherwise, of any other series of Preferred Stock, or any securities convertible into or exchangeable or exercisable for any other series of Preferred Stock, ranking equally with and/or junior to Designated Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and the distribution of assets upon liquidation, dissolution or winding up of the Issuer will not be deemed to adversely affect the rights, preferences, privileges or voting powers, and shall not require the affirmative vote or consent of, the holders of outstanding shares of the Designated Preferred Stock.

(d) Changes after Provision for Redemption. No vote or consent of the holders of Designated Preferred Stock shall be required pursuant to Section 7(c) above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding shares of the Designated Preferred Stock shall have been redeemed, or shall have been called for redemption upon proper notice and sufficient funds shall have been deposited in trust for such redemption, in each case pursuant to Section 5 above.

(e) Procedures for Voting and Consents. The rules and procedures for calling and conducting any meeting of the holders of Designated Preferred Stock (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules of the Board of Directors or any duly authorized committee of the Board of Directors, in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Charter, the Bylaws, and applicable law and the rules of any national securities exchange or other trading facility on which Designated Preferred Stock is listed or traded at the time.

Section 8. Record Holders. To the fullest extent permitted by applicable law, the Issuer and the transfer agent for Designated Preferred Stock may deem and treat the record holder of any share of Designated Preferred Stock as the true and lawful owner thereof for all purposes, and neither the Issuer nor such transfer agent shall be affected by any notice to the contrary.

Section 9. Notices. All notices or communications in respect of Designated Preferred Stock shall be sufficiently given if given in writing and delivered in person or by first class mail, postage prepaid, or if given in such other manner as may be permitted in this Certificate of Designations, in the Charter or Bylaws or by applicable law. Notwithstanding the foregoing, if shares of Designated Preferred Stock are issued in book-entry form through The Depository Trust Issuer or any similar facility, such notices may be given to the holders of Designated Preferred Stock in any manner permitted by such facility.

Section 10. No Preemptive Rights. No share of Designated Preferred Stock shall have any rights of preemption whatsoever as to any securities of the Issuer, or any warrants, rights or options issued or granted with respect thereto, regardless of how such securities, or such warrants, rights or options, may be designated, issued or granted.

Section 11. Replacement Certificates. The Issuer shall replace any mutilated certificate at the holder's expense upon surrender of that certificate to the Issuer. The Issuer shall replace certificates that become destroyed, stolen or lost at the holder's expense upon delivery to the Issuer of reasonably satisfactory evidence that the certificate has been destroyed, stolen or lost, together with any indemnity that may be reasonably required by the Issuer.

Section 12. Other Rights. The shares of Designated Preferred Stock shall not have any rights, preferences, privileges or voting powers or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Charter or as provided by applicable law.

**LEGACY BANCORP, INC.**

**RESOLUTIONS OF THE BOARD OF DIRECTORS**

**Adopted at Meeting on January 12, 2009**

* * *

5. Executive Compensation Provisions under Capital Purchase Program

**WHEREAS,** applicable law (including, without limitation, Section 111(b) of the Emergency Economic Stabilization Act of 2008, and regulations promulgated with respect thereto) imposes certain requirements upon participants in the Program regarding executive compensation, including that each such participant (i) conduct periodic reviews of certain executive compensation arrangements to ensure that such arrangements do not encourage the applicable executives to take unnecessary and excessive risks that threaten the value of such participant, and certify that such reviews have taken place (as described in Title 31, Part 30 of the Code of Federal Regulations, as amended from time to time, the "Review Policy"), (ii) require that bonus and incentive compensation paid to certain executives during the period of the Treasury's investment under the Program be subject to recovery or "clawback" by such participant if the payments were based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria (as described in Title 31, Part 30 of the Code of Federal Regulations, as amended from time to time, the "Clawback Policy") and (iii) prohibit certain golden parachute payments to certain executives during the period of the Treasury's investment under the Program (as described in Title 31, Part 30 of the Code of Federal Regulations, as amended from time to time, the "Golden Parachute Policy"; the Review Policy, the Clawback Policy and the Golden Parachute Policy are referred to herein collectively as the "Policies").

**NOW, THEREFORE, BE IT RESOLVED,** that the Policies, to the extent applicable to the Company, are hereby authorized, adopted and approved effective simultaneously with the consummation of the Transaction.

**FURTHER RESOLVED,** that the officers of the Company be, and each of them hereby is, authorized, for and on behalf and in the name of the Company, to execute and deliver all such documents, pay and receive such funds and take such action as may be required to implement the adoption of the Policies, and/or to comply with any applicable law or regulation regarding executive compensation from time to time applicable to the Company as a participant in the Program, or deemed necessary or convenient by any such officer to carry out and effectuate any of the Policies or to comply with any such law or regulation; the taking of any such action shall constitute conclusive evidence of the authority of the officer or officers hereunder.

6. General Authority; Ratification of Prior Actions

**RESOLVED,** that the officers of the Company be, and each of them hereby is, authorized to take or cause to be taken all such action and to execute or cause to be executed such certificates and other documents as may be deemed by them necessary or desirable to carry

out the provisions of the foregoing resolutions; the taking of any such action shall constitute conclusive evidence of the authority of the officer or officers hereunder.

**FURTHER RESOLVED,** that any and all actions heretofore taken or caused to be taken by the officers of the Company, consistent with the tenor and purport of the foregoing resolutions, are hereby ratified, confirmed and approved in all respects.

* * *

**LEGACY BANK**

**RESOLUTIONS OF THE BOARD OF DIRECTORS**

**Adopted at Meeting on January 22, 2009**

1. Executive Compensation Provisions under Capital Purchase Program

**WHEREAS,** to obtain additional capital for Legacy Bancorp, Inc. ("Bancorp"), the 100% owner of Legacy Bank (the "Company"), Bancorp intends to issue and sell a new series of Bancorp's preferred stock to the U.S. Department of the Treasury (the "Treasury") under the Treasury's Capital Purchase Program (the "Program") established pursuant to the Emergency Economic Stabilization Act of 2008 ("EESA") (the "Transaction"); and

**WHEREAS,** applicable law (including, without limitation, Section 111(b) of EESA, and regulations promulgated with respect thereto) imposes certain requirements upon participants in the Program regarding executive compensation, including that each such participant (i) conduct periodic reviews of certain executive compensation arrangements to ensure that such arrangements do not encourage the applicable executives to take unnecessary and excessive risks that threaten the value of such participant, and certify that such reviews have taken place (as described in Title 31, Part 30 of the Code of Federal Regulations, as amended from time to time, the "Review Policy"), (ii) require that bonus and incentive compensation paid to certain executives during the period of the Treasury's investment under the Program be subject to recovery or "clawback" by such participant if the payments were based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria (as described in Title 31, Part 30 of the Code of Federal Regulations, as amended from time to time, the "Clawback Policy") and (iii) prohibit certain golden parachute payments to certain executives during the period of the Treasury's investment under the Program (as described in Title 31, Part 30 of the Code of Federal Regulations, as amended from time to time, the "Golden Parachute Policy"; the Review Policy, the Clawback Policy and the Golden Parachute Policy are referred to herein collectively as the "Policies").

**NOW, THEREFORE, BE IT RESOLVED,** that the Policies, to the extent applicable to the Company, are hereby authorized, adopted and approved effective simultaneously with the consummation of the Transaction.

**FURTHER RESOLVED,** that the officers of the Company be, and each of them hereby is, authorized, for, on behalf of and in the name of the Company, to execute and deliver all such documents, pay and receive such funds and take such action as may be required to implement the adoption of the Policies (including, without limitation, the execution and delivery of agreements substantially in the form attached hereto as Exhibit A with the officers identified therein), and/or to comply with any applicable law or regulation regarding executive compensation from time to time applicable to the Company as a result of Bancorp's participation in the Program, or deemed necessary or convenient by any such officer to carry out and effectuate any of the Policies or to comply with any such law or regulation; the taking of any such action shall constitute conclusive evidence of the authority of the officer or officers hereunder.

**FURTHER RESOLVED,** that, effective simultaneously with the consummation of the Transaction, the Legacy Bank Performance Bonus Plan is hereby amended as set forth in Exhibit B attached hereto, for the purpose of complying with the Clawback Policy.

2. General Authority; Ratification of Prior Actions

**RESOLVED,** that the officers of the Company be, and each of them hereby is, authorized to take or cause to be taken all such action and to execute or cause to be executed such certificates and other documents as may be deemed by them necessary or desirable to carry out the provisions of the foregoing resolutions; the taking of any such action shall constitute conclusive evidence of the authority of the officer or officers hereunder.

**FURTHER RESOLVED,** that any and all actions heretofore taken or caused to be taken by the officers of the Company, consistent with the tenor and purport of the foregoing resolutions, are hereby ratified, confirmed and approved in all respects.

* * *

## EXHIBIT A

## FORM OF SENIOR EXECUTIVE OFFICER AGREEMENT TO BE ENTERED INTO WITH THE OFFICERS LISTED BELOW

[See Attached]

1. Deloris Sims
2. Margaret Henningsen
3. Sally Peltz
4. Mark Norville

January 30, 2009

**[Name of Senior Executive Officer]**
c/o Legacy Bancorp, Inc.
2102 West Fond Du Lac Avenue
Milwaukee, WI 53206

Dear **[Name of Senior Executive Officer]**,

Legacy Bancorp, Inc. (the "Company"), has been approved to enter into a Securities Purchase Agreement (the "Purchase Agreement") with the United States Department of the Treasury (the "Treasury"). The Purchase Agreement provides for the Treasury's investment in the Company's preferred stock under the Treasury's Capital Purchase Program (the "CPP") authorized under the Emergency Economic Stabilization Act of 2008 (the "EESA").

In order for the Company to be eligible to participate in the CPP, and as a condition to the closing of the investment contemplated by the Purchase Agreement, the Company is required to meet certain executive compensation and corporate governance standards set forth in Section 111(b) of the EESA, as implemented by guidance or regulations promulgated thereunder (the "CPP Guidance"), to the extent such guidance has been issued and is in effect as of the Closing Date (as defined in the Purchase Agreement). To comply with these requirements, and in consideration of the benefits you will receive as a result of your continued employment with the Company, its subsidiary, Legacy Bank, and/or other affiliates of the Company, you agree as follows:

1. *No Golden Parachute Payments.* The Company is prohibiting any golden parachute payment to you during any period during which (A) you are a "senior executive officer" (as defined in subsection 111(b)(3) of the EESA) and (B) the Treasury continues to hold any investment in the Company acquired pursuant to the Purchase Agreement (the "CPP Covered Period").

2. *Recovery of Bonus and Incentive Compensation.* Any bonus and incentive compensation paid to you during a CPP Covered Period by the Company, its subsidiary, Legacy Bank, and/or other affiliates of the Company is subject to recovery or "clawback" if the payments were based on materially inaccurate financial statements or other materially inaccurate performance metric criteria. For this purpose, bonus and incentive compensation is paid to you when you obtain a legally binding right to that payment if the legally binding right occurs during the CPP Covered Period.

3. *No Payments Encouraging Excessive Risks.* If the Company's Board of Directors determines that any bonus and/or incentive compensation arrangement(s) pursuant to which you are or may be entitled to a payment during a CPP Covered Period encourages you to take "unnecessary and excessive risks that threaten the value of the financial institution" (within the meaning of the Section 111(b) of the EESA and the CPP Guidance), then the Board of Directors, on behalf of the Company, shall take such action as is necessary to amend any such bonus and/or incentive compensation arrangement(s) to eliminate such encouragement, and your bonus and/or incentive compensation will be determined pursuant to such amended arrangement(s).

4. *Compensation Program Amendments.* Each of the Company's (its subsidiary, Legacy Bank's, and/or other affiliates') employment, compensation, bonus, incentive and other benefit plans, arrangements and agreements governing your compensation is/are hereby amended to the extent necessary to comply with provisions of 1-3 above.

5. *Interpretative Provisions.*

- This letter agreement shall be governed by, and interpreted in accordance with, the laws of the State of Wisconsin.
- This letter agreement may be executed in one or more counterparts, each of which when executed shall be an original, but all of which when taken together shall constitute one and the same agreement.

If the terms of this letter agreement are acceptable, please indicate your acceptance by countersigning this letter in the space designated below.

Very truly yours,

**LEGACY BANCORP, INC.**

By: _____
Name:
Title:

**LEGACY BANK**

By: _____
Name:
Title:

**ACKNOWLEDGED AND AGREED**

_____
**[Name of Senior Executive Officer]**

# EXHIBIT B

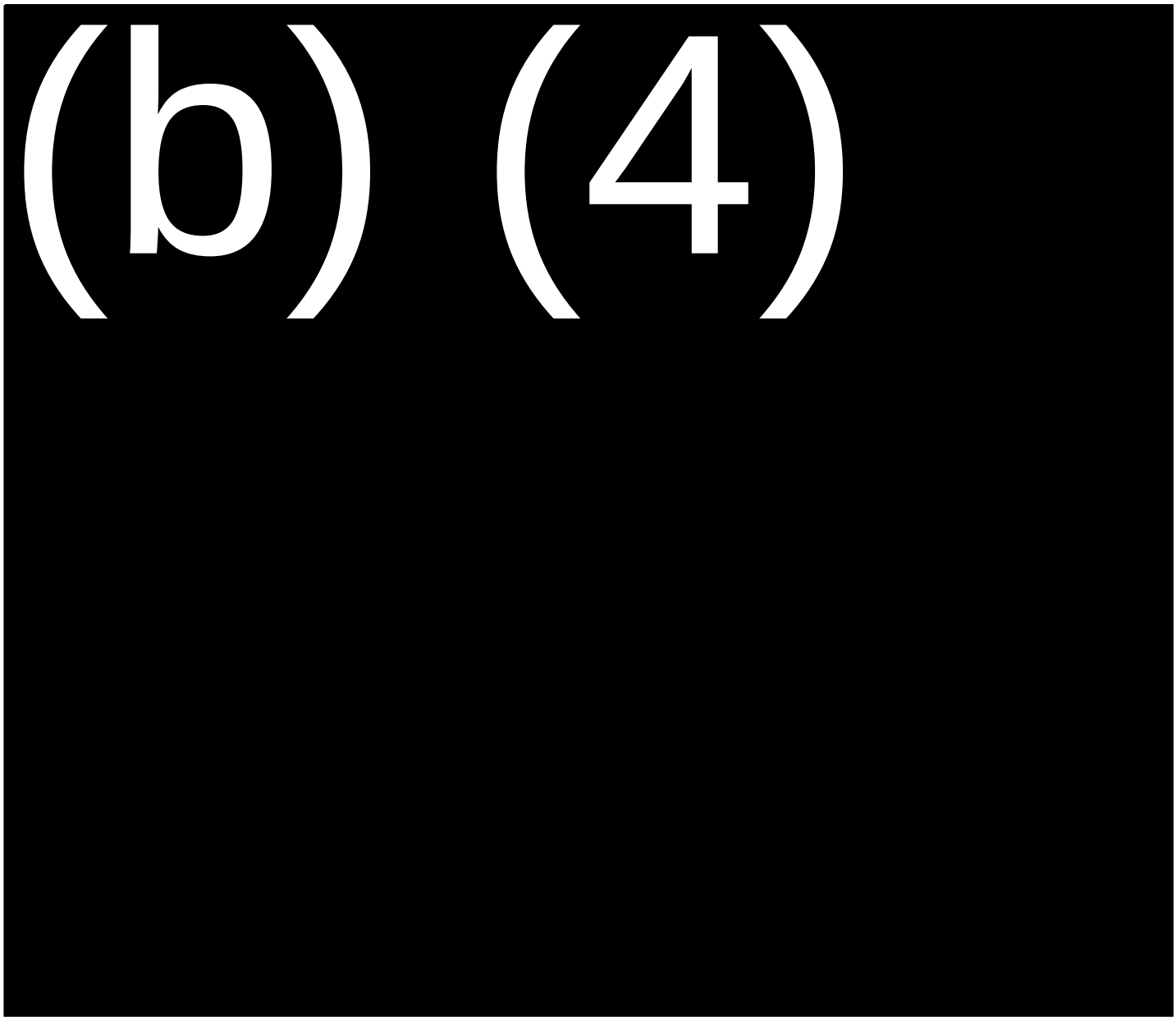
## AMENDMENT TO LEGACY BANK PERFORMANCE BONUS PLAN

[See Attached]

# LEGACY BANK PERFORMANCE BONUS PLAN

**Purpose**

The purpose of the Legacy Bank Performance Bonus Plan policy is to provide a comprehensive process that enables bank leadership to reward outstanding individual and organizational performance that has advanced the overall strategic strategy. The Bonus Plan is a structured and discretionary process that recognizes employees' accomplishments with conjunction with meeting business goals.



[redacted]

**Clawback**

9. Any bonus earned pursuant to this plan by a "senior executive officer" (as such term is defined in Section 111(b) of the Emergency Economic Stabilization Act of 2008, as implemented by guidance or regulations promulgated thereunder (the "EESA")) during a time when the United States Department of the Treasury (the "Treasury") continues to hold any investment in Legacy Bancorp, Inc. acquired pursuant to the Treasury's Capital Purchase Program authorized under the EESA is subject to recovery or "clawback" by Legacy Bank if the payments were based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria.

January 30, 2009

Deloris Sims
c/o Legacy Bancorp, Inc.
2102 West Fond Du Lac Avenue
Milwaukee, WI 53206

Dear Dee,

Legacy Bancorp, Inc. (the "Company"), has been approved to enter into a Securities Purchase Agreement (the "Purchase Agreement") with the United States Department of the Treasury (the "Treasury"). The Purchase Agreement provides for the Treasury's investment in the Company's preferred stock under the Treasury's Capital Purchase Program (the "CPP") authorized under the Emergency Economic Stabilization Act of 2008 (the "EESA").

In order for the Company to be eligible to participate in the CPP, and as a condition to the closing of the investment contemplated by the Purchase Agreement, the Company is required to meet certain executive compensation and corporate governance standards set forth in Section 111(b) of the EESA, as implemented by guidance or regulations promulgated thereunder (the "CPP Guidance"), to the extent such guidance has been issued and is in effect as of the Closing Date (as defined in the Purchase Agreement). To comply with these requirements, and in consideration of the benefits you will receive as a result of your continued employment with the Company, its subsidiary, Legacy Bank, and/or other affiliates of the Company, you agree as follows:

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If the terms of this letter agreement are acceptable, please indicate your acceptance by countersigning this letter in the space designated below.

Very truly yours,

**LEGACY BANCORP, INC.**

By: _____
Name: Margaret Henningsen
Title: Secretary

**LEGACY BANK**

By: _____
Name: Margaret Henningsen
Title: Secretary

**ACKNOWLEDGED AND AGREED**

_____
Deloris Sims

January 30, 2009

Margaret Henningsen
c/o Legacy Bancorp, Inc.
2102 West Fond Du Lac Avenue
Milwaukee, WI 53206

Dear Margaret,

Legacy Bancorp, Inc. (the "Company"), has been approved to enter into a Securities Purchase Agreement (the "Purchase Agreement") with the United States Department of the Treasury (the "Treasury"). The Purchase Agreement provides for the Treasury's investment in the Company's preferred stock under the Treasury's Capital Purchase Program (the "CPP") authorized under the Emergency Economic Stabilization Act of 2008 (the "EESA").

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Very truly yours,

**LEGACY BANCORP, INC.**

By: Deloris Sims
Name: Deloris Sims
Title: President

**LEGACY BANK**

By: Deloris Sims
Name: Deloris Sims
Title: President & CEO

**ACKNOWLEDGED AND AGREED**

Margaret Henningsen

January 30, 2009

Sally Peltz
c/o Legacy Bancorp, Inc.
2102 West Fond Du Lac Avenue
Milwaukee, WI 53206

Dear Sally,

Legacy Bancorp, Inc. (the "Company"), has been approved to enter into a Securities Purchase Agreement (the "Purchase Agreement") with the United States Department of the Treasury (the "Treasury"). The Purchase Agreement provides for the Treasury's investment in the Company's preferred stock under the Treasury's Capital Purchase Program (the "CPP") authorized under the Emergency Economic Stabilization Act of 2008 (the "EESA").

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Very truly yours,

**LEGACY BANCORP, INC.**

By: _____
Name: Deloris Sims
Title: President

**LEGACY BANK**

By: _____
Name: Deloris Sims
Title: President & CEO

**ACKNOWLEDGED AND AGREED**

_____
Sally Peltz

January 30, 2009

Mark Norville
c/o Legacy Bancorp, Inc.
2102 West Fond Du Lac Avenue
Milwaukee, WI 53206

Dear Mark,

Legacy Bancorp, Inc. (the "Company"), has been approved to enter into a Securities Purchase Agreement (the "Purchase Agreement") with the United States Department of the Treasury (the "Treasury"). The Purchase Agreement provides for the Treasury's investment in the Company's preferred stock under the Treasury's Capital Purchase Program (the "CPP") authorized under the Emergency Economic Stabilization Act of 2008 (the "EESA").

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Very truly yours,

**LEGACY BANCORP, INC.**

By: Deloris Sims
Name: Deloris Sims
Title: President

**LEGACY BANK**

By: Deloris Sims
Name: Deloris Sims
Title: President & CEO

**ACKNOWLEDGED AND AGREED**

Mark Norville