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May 29, 2026

Dear Depositor:

On behalf of the Board of Directors and management of StonehamBank – A Co-operative Bank (the “Bank”), we cordially invite you to attend the Special Meeting of Shareholders (depositors) on Thursday, June 25, 2026 to vote on the Bank’s Plan of Reorganization from a Mutual Co-operative Bank to a Mutual Holding Company (the “Plan”). The Special Meeting will begin at 8:30 a.m., Massachusetts time, at the Marriott Courtyard Unicorn Park, 700 Unicorn Park Drive, Woburn, Massachusetts 01801. Polls will remain open for voting at the Special Meeting from approximately 8:35 a.m. until 5:30 p.m. A representative from the Bank will be available throughout the day to answer any questions. Depositors as of April 30, 2026, who have attained the age of 18 years, will be entitled to vote at the Special Meeting. In addition to considering the Plan, and as more fully described in the enclosed Information Statement, depositors will also be asked to vote on the proposed incorporators of the new mutual holding company.

The Board of Directors of the Bank believes that the Plan is in the best interests of the Bank and urges you to vote **FOR** each of the proposals. For a discussion of the reasons why the Board of Directors recommends that you vote **FOR** the proposals, please refer to the enclosed Information Statement.

Pursuant to the Plan, the Bank proposes to reorganize (the “Proposed Reorganization”) into a mutual holding company structure comprised of the following two entities: (1) a Massachusetts-chartered stock co-operative bank (the “Stock Bank”) that would succeed to all of the rights and obligations of the Bank; and (2) a Massachusetts-chartered mutual holding company (the “MHC”) that would own 100% of the common stock of the Stock Bank. No stock would be offered to the Bank’s depositors or to the public as part of the Proposed Reorganization. Unless the Plan is approved by a majority of the depositors voting at the Special Meeting, the Proposed Reorganization will not take place and the Bank will continue to operate as a mutual co-operative bank without a holding company.

The Proposed Reorganization would not affect any deposit accounts or borrower relationships that persons may have with the Bank. As part of the Plan, all deposit accounts in the Bank would become deposit accounts in the Stock Bank and would continue to be insured by the Federal Deposit Insurance Corporation and the Depositors Insurance Fund. All loans of the Bank would become loans held by the Stock Bank and would retain the same status after the Proposed Reorganization as they had before the Proposed Reorganization.

The primary purpose of the Proposed Reorganization is to create a corporate structure that is commonly utilized by many commercial banks, most major business corporations and an increasing number of financial institutions, and that would enable the Bank to compete and expand more effectively in the financial services marketplace. The mutual holding company structure would provide the Bank with greater flexibility to undertake mergers and acquisitions. For example, it would enable the Bank to acquire other stock banks, which could be held as separate subsidiaries. As a mutual co-operative bank without a holding company, the Bank may not currently do so. The MHC also is expected to facilitate the diversification of the Bank’s activities. Under federal law, a bank holding company may engage in a broader range of activities than the Bank itself. Although the Proposed Reorganization would facilitate mergers and acquisitions and would facilitate diversification of activities, the Bank currently has no acquisition or diversification plans.

The Bank’s mutual form of ownership would be preserved in the MHC, which would always own the majority of the Bank’s outstanding stock so long as the MHC remains in existence. The Proposed

Reorganization does not preclude the conversion of the MHC from the mutual to stock form of organization following the Proposed Reorganization, subject to obtaining all required regulatory and corporate approvals. In addition, the mutual holding company structure would allow the MHC to borrow funds and/or to issue debt or preferred stock to the public or in a private placement. The proceeds of any such borrowings, debt issuance or preferred stock issuance could be contributed to the Stock Bank as core capital for regulatory capital purposes. At the present time, the Bank has no plans to borrow funds or issue debt or preferred stock following the Proposed Reorganization.

The attached Information Materials contain a more detailed analysis of the matters discussed briefly in this letter. We urge you to read the Information Materials carefully. The Board of Directors urges you to attend the Special Meeting and unanimously recommends that you vote FOR the Plan and FOR the approval of the proposed incorporators of the MHC. Your vote is very important.

Sincerely,

Edward F. Doherty, Jr.

Edward F. Doherty, Jr.
President and Chief Executive Officer

StonehamBank – A Co-operative Bank
80 Montvale Avenue
Stoneham, Massachusetts 02180
(781) 481-5772

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
To Be Held on Thursday, June 25, 2026

The Special Meeting of Shareholders (the “Special Meeting”) of StonehamBank – A Co-operative Bank (the “Bank”) will be held at the Marriott Courtyard Unicorn Park, 700 Unicorn Park Drive, Woburn, Massachusetts 01801, on Thursday, June 25, 2026. The Special Meeting will begin at 8:30 a.m., Massachusetts time. Polls will remain open for voting at the Special Meeting from approximately 8:35 a.m. until 5:30 p.m.


Information Materials for the Special Meeting are provided herewith. The Special Meeting is to consider and act on:

1. The approval of a Plan of Reorganization from a Mutual Co-operative Bank to a Mutual Holding Company (the “Plan”), and all actions necessary or incident thereto, whereby the Bank would reorganize into a mutual holding company structure comprised of the following two entities: (i) a Massachusetts-chartered stock co-operative bank (the “Stock Bank”) that would succeed to all of the rights and obligations of the Bank; and (ii) a Massachusetts-chartered mutual holding company that would own 100% of the common stock of the Stock Bank.
2. The approval of the proposed incorporators of the mutual holding company.
3. Such other matters as may properly come before the Special Meeting or any adjournments thereof.

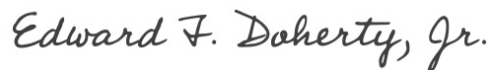
Any action may be taken on the foregoing proposals at the Special Meeting on the date specified above or on any date or dates to which the Special Meeting may be adjourned. The persons who will be entitled to vote at the Special Meeting will be those depositors of the Bank as of April 30, 2026 (the “Voting Record Date”) who have also attained the age of 18 years.

The Board of Directors urges you to attend the Special Meeting and unanimously recommends that you vote **FOR** approval of the Plan and **FOR** approval of the proposed incorporators. Your vote is very important. Unless the Plan is approved by a majority of the depositors voting at the Special Meeting, the proposed reorganization pursuant to the Plan will not take place and the Bank will continue to operate as a mutual co-operative bank without a holding company.

BY ORDER OF THE BOARD OF DIRECTORS



Katie Fitzgerald
Clerk



Edward F. Doherty, Jr.
President and Chief Executive Officer

Stoneham, Massachusetts
May 29, 2026

**Information Statement of
StonehamBank – A Co-operative Bank
80 Montvale Avenue
Stoneham, Massachusetts 02180**

**SPECIAL MEETING OF SHAREHOLDERS
To Be Held On
Thursday, June 25, 2026**

PURPOSE OF THE SPECIAL MEETING

The purpose of this Special Meeting of Shareholders (depositors) is to vote on StonehamBank – A Co-operative Bank’s (the “Bank”) proposed Plan of Reorganization from a Mutual Co-operative Bank to a Mutual Holding Company (the “Plan”).

INTRODUCTION

On March 30, 2026, the Bank’s Board of Directors unanimously adopted the Plan pursuant to which the Bank would reorganize into the mutual holding company structure comprised of the following two entities: (1) a Massachusetts-chartered stock co-operative bank (the “Stock Bank”) that would succeed to all of the rights and obligations of the Bank; and (2) a Massachusetts-chartered mutual holding company (the “MHC”) that would own 100% of the outstanding common stock of the Stock Bank. The Bank would take the following steps to form the Stock Bank and the MHC: (1) the Bank would charter a Massachusetts chartered interim mutual bank (“De Novo”) and capitalize it with \$250,000; (2) De Novo would reorganize into the MHC and form a de novo stock co-operative bank subsidiary (the “Stock Bank”), and all of the assets and liabilities of the MHC would be transferred to the Stock Bank, except for \$250,000, which would be used to capitalize the MHC; and (3) the Bank would merge with and into the Stock Bank with the Stock Bank as the resulting entity (the “Merger”). The formation of the MHC and the Stock Bank, and all transactions incident thereto are referred to herein as the “Proposed Reorganization.” A copy of the Plan is attached to this Information Statement.

Under Massachusetts law, a depositor of a Massachusetts-chartered co-operative bank is considered a shareholder of the bank. Depositors as of April 30, 2026 who have attained the age of 18 years will be entitled to vote at the Special Meeting and are referred to herein as the “eligible depositors.” This Information Statement is being furnished to the eligible depositors in connection with a Special Meeting of Shareholders to be held on June 25, 2026. At the Special Meeting, eligible depositors are being asked to consider and vote on the Plan and the proposed incorporators of the MHC. Under regulations of the Massachusetts Commissioner of Banks (the “Commissioner of Banks”), the Plan and the proposed incorporators must be approved by a majority of the depositors voting at the Special Meeting, and all eligible depositors must be provided this Information Statement before voting on the Plan and the proposed incorporators.

To consummate the Proposed Reorganization, the Bank must receive approvals and/or waivers from each of the Commissioner of Banks, the Federal Deposit Insurance Corporation (the “FDIC”) and the Board of Governors of the Federal Reserve System (the “FRB”). The FDIC requires that the mutual holding company reorganization be approved by a majority of the votes of eligible depositors of the reorganizing institution. Massachusetts law only requires the approval of a majority vote of voting depositors. For example, as of the April 30, 2026 Voting Record Date, the Bank had approximately 13,369 depositor accounts that were eligible to vote on the proposed matter. Generally, the FDIC requirement would be that a majority, or 6,685, of the votes from these depositor accounts must vote in favor of the proposal for the proposal to be approved. Conversely, Massachusetts law requires that a majority of the eligible depositors that attend and vote at the meeting vote in favor of the proposal for the proposal to be approved. Therefore, under Massachusetts law, if 100 depositors vote on the proposal, then the proposal will pass if at least 51 depositors vote in favor of the proposal.

In addition, Massachusetts laws and regulations do not permit depositors to vote by proxy. Accordingly, to obtain satisfaction of the FDIC and Massachusetts voting standards, the Bank would need a significant number of its depositors to attend the Special Meeting, in person, and to vote on the Plan. The Bank has requested a partial waiver of the FDIC's eligible depositor voting requirement with respect to approval of the Proposed Reorganization. Such a waiver has been granted by the FDIC in similar circumstances; however, the FDIC will likely only grant such waiver if a significant amount of depositors attend the Special Meeting and vote on the Proposed Reorganization.

REASONS FOR THE REORGANIZATION

The Bank has several business purposes for wanting to undertake the Proposed Reorganization.

As a result of the Proposed Reorganization, the Bank would be in stock form, which is a form of ownership used by commercial banks, most major business corporations and an increasing number of savings banks, co-operative banks and savings associations. The Proposed Reorganization would provide the Bank with greater flexibility to undertake mergers and acquisitions. For example, it would enable the Bank to acquire other stock banks, and hold them as separate subsidiaries. As a mutual co-operative bank without a holding company, the Bank may not currently do so. The MHC also is expected to facilitate the diversification of the Bank's activities. Under federal law, a bank holding company may engage in a broader range of activities than the Bank itself. Although the Reorganization would facilitate other merger and acquisition opportunities and would facilitate diversification of activities, the Bank currently has no acquisition or diversification plans.

Although the MHC could convert to a stock holding company in the future, there currently are no plans for any such conversion. The Bank is committed to being an independent community-oriented institution, and to meeting the financial and credit needs of the communities in which it operates. The Board of Directors believes that the mutual holding company structure is best suited for this purpose.

In addition, the mutual holding company structure also would allow the MHC to borrow funds and/or to issue debt or preferred stock to the public or in a private placement. The proceeds of any such borrowings, debt issuance or preferred stock issuance may be contributed to the Bank as core capital for regulatory capital purposes. The Bank has no plans to borrow funds or issue debt or preferred stock at the present time.

THE MUTUAL HOLDING COMPANY REORGANIZATION

The following summary does not purport to be complete and is qualified in its entirety by reference to the more detailed information appearing in the Plan and the proposed chartering instruments and bylaws for both the MHC and the Stock Bank. The Plan is being provided to you along with this Information Statement.

General

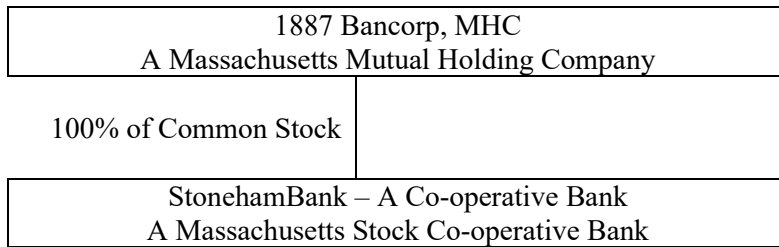
On March 30, 2026, the Board of Directors of the Bank unanimously adopted the Plan pursuant to which the Bank would reorganize into the mutual holding company structure comprised of the following two entities: (1) the Stock Bank as the successor to the Bank; and (2) the MHC, which would own 100% of the common stock of the Bank.

The Proposed Reorganization

The Proposed Reorganization is expected to be effected as follows, or in any other manner approved by the Commissioner of Banks that is consistent with the purposes of the Plan and applicable laws and regulations.

The Bank would organize De Novo as an interim mutual co-operative bank and capitalize it with \$250,000. De Novo would reorganize into the MHC and establish a subsidiary banking institution named Stoneham Interim Stock Bank (the “Stock Bank”). Immediately thereafter, the Bank would merge with and into the Stock Bank with the Stock Bank surviving the merger and being renamed StonehamBank – A Co-operative Bank.

Upon completion of the Proposed Reorganization, the corporate structure of the MHC and the Stock Bank would be as follows:



In connection with the Proposed Reorganization, the MHC would not retain any assets of the Bank that are required by the Stock Bank to satisfy capital and reserve requirements of Massachusetts or federal law. The Bank would contribute \$250,000 to the MHC. The Stock Bank may distribute additional capital to the MHC after the Proposed Reorganization, subject to the rules and regulations of the Commissioner of Banks or the FDIC regulations governing capital distributions.

Conditions to Closing of the Proposed Reorganization

The Proposed Reorganization would not be consummated until the following conditions are satisfied: (1) the Bank receives either private letter rulings from the Internal Revenue Service or opinions of counsel with respect to the federal and Massachusetts income tax consequences of the Proposed Reorganization; (2) the FDIC approves the Bank’s application under the Bank Merger Act to merge into the Stock Bank and issues its non-objection to the Proposed Reorganization; (3) the FDIC approves the insurance of accounts of the Stock Bank; (4) the FRB approves the application of the MHC under the Bank Holding Company Act (the “BHCA”) to acquire control of the Bank; (5) the Depositors Insurance Fund (the “DIF”) confirms the continuation of insurance of deposit accounts in excess of FDIC coverage; and (6) the Commissioner of Banks approves the Proposed Reorganization, including the Plan, the respective charters and bylaws of the Stock Bank, the De Novo Bank and the MHC, and all other transactions contemplated by the Plan for which approval is required by the Commissioner, including approval of the merger of the Bank into the Stock Bank and the formation of the MHC.

In addition, the FDIC requires that the mutual holding company reorganization be approved by a majority of the votes of eligible depositors of the reorganizing institution. Massachusetts law only requires the approval of a majority vote of those depositors who vote but does not permit depositors to vote by proxy. Accordingly, as previously mentioned, the Bank is requesting a partial waiver of the FDIC’s eligible depositor voting requirement with respect to approval of the Proposed Reorganization. The receipt of such a waiver from the FDIC is contingent upon a significant amount of depositors of the Bank attending and voting at the Special Meeting. Accordingly, your attendance at the Special Meeting is very important and we strongly encourage you to attend. **Approvals, non-objections, confirmations and authorizations by the FDIC, the FRB, the DIF or the Commissioner of Banks will not constitute recommendations or endorsements by such entities of the Proposed Reorganization.**

Effective Date of the Reorganization

The effective date of the Reorganization (the “Effective Date”) would be the date upon which the Bank completes the reorganization into the mutual holding company structure after all necessary

regulatory approvals have been obtained. On such date, the Stock Bank would commence business as StonehamBank – A Co-operative Bank, and the MHC would commence business as 1887 Bancorp, MHC. The Bank expects that the Effective Date will be during the third quarter of 2026.

Accounting Treatment of Reorganization

The Proposed Reorganization would result in the creation of no new equity. The Proposed Reorganization would result in no change to the accounting of the MHC's assets, liabilities, and equity on a consolidated basis.

Interpretation and Amendment of the Plan

All interpretations of the Plan and application of its provisions to particular circumstances by a majority of the Board of Directors of the Bank shall be final, subject to the authority of the Commissioner of Banks and the FDIC.

The Plan may be substantively amended by a majority vote of the Board of Directors in response to comments received from the Commissioner of Banks or the FDIC or otherwise before the approval of the Proposed Reorganization by depositors at the Special Meeting, and may be amended in response to comments received from the Commissioner of Banks or the FDIC, or otherwise at any time thereafter only with the concurrence of the Commissioner of Banks. The Plan may be terminated at any time before the Special Meeting by a majority vote of the Board of Directors and at any time thereafter with the concurrence of the Commissioner of Banks.

Impact on Deposits

Upon completion of the Proposed Reorganization, each deposit account in the Bank at the date the Proposed Reorganization is completed would become a deposit account in the Stock Bank in the same amount and upon the same terms and conditions, except that all persons who had liquidation rights with respect to the Bank would continue to have such rights solely with respect to the MHC. All insured deposit accounts of the Bank that are transferred to the Stock Bank would continue to be insured by the FDIC and the DIF in the same manner as deposit accounts existing in the Bank immediately before the Proposed Reorganization.

Impact on Loans

The Proposed Reorganization would not affect any borrower or other customer relationships with the Bank, as each borrowing, contract or other customer relationship would automatically continue with the Stock Bank on the same terms and conditions that such relationship existed with the Bank immediately before the Proposed Reorganization.

Minority Stock Issuance

The Plan states that, following the completion of the Proposed Reorganization, the Stock Bank (or a subsidiary stock holding company if one is formed) may issue common stock in a public offering (although no public offering is contemplated at this time). In such an offering, the depositors of the Stock Bank would receive the right to subscribe for common stock of the Bank on a priority basis, pursuant to applicable regulations of the Commissioner of Banks and applicable federal bank regulators. Any such stock issuance would require the adoption of a stock issuance plan that would be subject to the approval of the depositors of the Stock Bank, the Commissioner of Banks pursuant to the requirements of Massachusetts law and regulation and applicable federal bank regulators. ***No stock issuance is being undertaken in connection with the Proposed Reorganization.*** In addition, the Bank has committed to the Commissioner of Banks that the Bank will not issue common stock in a public offering during the first 24 months following the consummation of the Proposed Reorganization, which commitment may be

waived by the Commissioner of Banks for supervisory or compelling and valid business reasons established to the satisfaction of the Commissioner of Banks.

A minority stock issuance after the Proposed Reorganization would still require the affirmative vote of a majority of the eligible depositors voting.

Conversion of Mutual Holding Company to Stock Form

The Plan states that the MHC may elect to convert to stock form in accordance with applicable law and regulation (a “Conversion Transaction”). In a Conversion Transaction, the depositors of the Bank would receive the right to subscribe for common stock of a new stock holding company (the “Stock Holding Company”) on a priority basis, pursuant to applicable regulations of the Commissioner of Banks and applicable federal bank regulators. Any Conversion Transaction would be subject to the approval of the depositors of the Stock Bank, the Commissioner of Banks and applicable federal bank regulators. If a Conversion Transaction does not occur, the MHC would always own at least 51% of the voting stock of the Stock Bank. ***The Bank has no current intention to conduct a Conversion Transaction.*** In addition, the Bank has committed to the Commissioner of Banks that the Holding Company will not issue common stock in a public offering during the first 24 months following the consummation of the Proposed Reorganization, which commitment may be waived by the Commissioner of Banks for supervisory or compelling and valid business reasons established to the satisfaction of the Commissioner of Banks.

Although a Conversion Transaction and related stock offering after the Proposed Reorganization would still require the approval of the depositors of the Stock Bank, it would require the affirmative vote of a majority of the eligible depositors voting, compared to the affirmative vote of two-thirds of eligible depositors voting that would be required if such conversion and stock issuance were conducted by the mutual bank.

THE MUTUAL HOLDING COMPANY

General

The MHC would be a mutual holding company chartered under the laws of the Commonwealth of Massachusetts with the powers set forth in its proposed articles of organization and bylaws. The MHC would not hold any assets of the Bank that are required to be held by the Stock Bank to satisfy capital or reserve requirements of Massachusetts or federal law. All assets, rights, obligations and liabilities of whatever nature of the Bank that are not expressly retained by the MHC would be transferred to the Stock Bank. The MHC would be regulated by the Commissioner of Banks and the FRB.

Immediately after consummation of the Proposed Reorganization, it is expected that the only business activities of the MHC would be owning all of the common stock of the Stock Bank and the cash the Bank capitalized the MHC with (after the payment of Reorganization expenses by the MHC). The MHC would be authorized to pursue other business activities that are closely related to banking, although the Bank has no current plans for the holding company to engage in any other business activities immediately after the Proposed Reorganization.

Properties

The MHC is not expected to own real or personal property initially. Instead, the MHC intends to utilize the premises, equipment and furniture of the Bank, and the MHC may reimburse the Bank for the use of such facilities. The principal executive offices of the MHC would be located at 80 Montvale Avenue, Stoneham, Massachusetts, and its telephone number at that address would be (781) 481-5772.

Comparison of the Chartering Instruments and Bylaws of the MHC, the Stock Bank and the Bank

The Bank began operations as a co-operative bank in 1887. The following is a comparison of the Bank's current mutual charter and mutual bylaws (the "Mutual Bank Bylaws") with: (1) the Stock Bank's charter (the "Stock Bank Charter") and bylaws (the "Stock Bank Bylaws"); and (2) the MHC's charter (the "MHC Charter") and bylaws (the "MHC Bylaws").

Purpose and Powers. The MHC Charter provides that the MHC would have and may exercise all powers and authority, express or implied, under applicable federal and state law, but would not have power to take deposits. The Mutual Bank Bylaws and the Stock Bank Charter provide that the Bank and the Stock Bank, respectively, have all powers granted to co-operative banks under applicable law and regulation.

Duration. The duration of each of the Bank, the Stock Bank and the MHC is perpetual.

Capital. Neither the Bank, in its current mutual form, nor the MHC may issue capital stock. The Stock Bank Charter authorizes the Stock Bank to issue up to 500 shares of preferred stock and up to 1,000 shares of common stock, par value \$1.00 per share. The Stock Bank will not issue or sell more than 49% of its shares of voting stock to persons other than the MHC for so long as the MHC is in existence.

Voting Rights of Depositors. All holders of deposit accounts are shareholders of the Mutual Bank, and those persons who have been depositors for at least 90 days before the date of a meeting of shareholders and have attained the age of 18 years, are entitled to vote on certain matters of the Mutual Bank. Following the Proposed Reorganization, depositors of the Stock Bank would not have voting rights in the matters of the MHC or the Stock Bank, except with respect to stock issuances and any proposal to effect a full conversion of the MHC to stock form, as voting rights with respect to the MHC are vested in its incorporators, who will be elected by the eligible depositors at this Special Meeting.

Directors. The Stock Bank Charter and the MHC Bylaws provide that the directors are divided into three classes and are to be elected to three-year terms. The Mutual Bank Bylaws provide for not less than five and no more than 15 directors. The Stock Bank Bylaws set those persons designated in the Charter of the Bank as the initial directors of the Stock Bank. The MHC Bylaws set the Board of Directors of the Bank as the initial trustees of the MHC.

Corporators. The MHC Charter provides for a Board of Corporators of the MHC, and the MHC Bylaws provide for a minimum of 25 corporators. The MHC's corporators would represent the interests of the Bank's depositors and local community following the Proposed Reorganization. The Mutual Bank Bylaws do not provide for corporators. The MHC Bylaws provide for ten-year terms for corporators. The corporators have such powers as are expressly reserved to them under the laws of Massachusetts to act on such matters as are properly brought before them by trustees, and to annually elect trustees. Pursuant to Massachusetts law, the corporators of the MHC would initially consist of those individuals who are elected by the eligible depositors at this Special Meeting. The Stock Bank does not have corporators.

Depositors of the Mutual Bank have the right to vote in a merger or acquisition transaction of the Mutual Bank. However, neither the Stock Bank's depositors nor the MHC's corporators would have voting rights in a merger or acquisition transaction of the Stock Bank following the Proposed Reorganization. Such a transaction would only require the approval of the MHC as the sole stockholder of the Stock Bank.

Liquidation Rights. Under Massachusetts law, in the event of a liquidation of a mutual co-operative bank, deposit account holders have the right to any assets remaining after payment of expenses and satisfaction of liabilities. All persons who had liquidation rights with respect to the Bank as of the

effective date of the Proposed Reorganization would continue to have such rights solely with respect to the MHC. In addition, all persons who become depositors of the Stock Bank subsequent to the Proposed Reorganization would have liquidation rights with respect to the MHC. In each case, no person who ceases to be the holder of a deposit account of the Stock Bank would have any liquidation rights with respect to the MHC. Liquidation rights accorded to depositors under Massachusetts law relate to the liquidation of the MHC and not to the liquidation or other disposition of any asset of the MHC, including the Stock Bank. In the event of a liquidation or dissolution of the MHC, the MHC would comply with such rules and regulations with respect to such liquidation or dissolution as are in effect at such time.

Indemnification. The Mutual Bank Bylaws provide for indemnification of directors and officers for claims against such persons. The MHC Bylaws and the Stock Bank Bylaws indemnify incorporators, trustees, directors, officers, and employees against claims in connection with their service. Under the MHC Bylaws, indemnification would not be provided with respect to a matter in which it has been adjudicated that the individual did not act in good faith in the reasonable belief that his or her action was in the best interest of the MHC. In the absence of an adjudication, the determination of good faith would be made by a majority of the disinterested directors. The Stock Bank Bylaws also require that the individual seeking indemnification acted in good faith and in the best interests of the Bank. The MHC Bylaws and the Stock Bank Bylaws also provide for payment by the MHC and the Stock Bank, respectively, of expenses incurred by the indemnified party in advance of a final disposition of the matter upon receipt of an undertaking by the indemnified party to repay such payment if such person is adjudicated or determined to be not entitled to indemnification.

Limitation of Liability. The Mutual Bank Bylaws have no provision addressing the limitation of personal liability of directors or officers. The MHC Charter and the Stock Bank Charter provide that directors/trustees shall not be personally liable for monetary damages for breach of fiduciary duty, except for liability, among other things, (1) for any breach of the duty of loyalty, (2) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, or (3) for any transaction from which the individual derived an improper personal benefit.

Amendment. The MHC Charter and Bylaws both require that amendments be approved by a majority vote of the Corporators and the MHC trustees may also amend the MHC Bylaws. The Mutual Bank Bylaws require a two-thirds affirmative vote of the eligible depositors present and voting at a regular or special meeting of shareholders to amend the Mutual Bank Bylaws. The Stock Bank Charter may be amended upon proposal by the Board of Directors followed by the affirmative vote of stockholders holding not less than two-thirds of the then outstanding shares. The Stock Bank Bylaws may be amended by a majority vote of the Board of Directors or by the stockholders by a vote of at least two-thirds of the voting power of the then outstanding common stock.

VOTE REQUIRED FOR APPROVAL AND VOTING PROCEDURES

Each person, at least 18 years of age, who is recorded on the Bank's records as a shareholder of the Bank on April 30, 2026 will be entitled to cast one vote on the Plan and on the proposed incorporators. The affirmative vote of a majority of the voting depositors is required to approve the Plan and to approve the incorporators. The proposed incorporators will be voted as a group, and not individually. According to the Bank's analysis of its records, as of April 30, 2026, there were approximately 13,369 eligible depositor accounts. Pursuant to the Bank's bylaws, a quorum at the Special Meeting will consist of at least 15 eligible depositors. Voting may only occur in person, and may not be conducted by proxy. The Special Meeting will commence at 8:30 a.m. on June 25, 2026. Polls will remain open for voting from approximately 8:35 a.m. until 5:30 p.m.

In addition to the voting limitations provided by law, no person is qualified to vote at the Special Meeting unless such person has been a depositor of the Bank as of April 30, 2026. Deposits held in a trust or other fiduciary capacity may be voted by the trustee or other fiduciary to whom voting rights are delegated under the trust instrument or other governing document or applicable law, provided

that a trustee or fiduciary may vote on behalf of one trust or estate only. In the case of individual retirement accounts and Keogh trusts established at the Bank, the Bank, as trustee, will only vote on behalf of the beneficiary if the Bank receives instructions from the beneficiary. In no event will any person be entitled to more than one vote.

The FDIC requires that a mutual holding company reorganization be approved by a majority of the votes of eligible depositors of the reorganizing institution and Massachusetts law does not allow proxy voting. Accordingly, without a partial waiver from the FDIC of its voting requirement more than half of depositors of the Bank would need to attend the Special Meeting and vote in favor of the Proposed Reorganization. The FDIC will likely grant a waiver from its voting requirement if a significant number of the Bank's eligible depositors attend and vote at the Special Meeting. Accordingly, your attendance at the Special Meeting is very important and we strongly encourage you to attend.

THE BOARD OF DIRECTORS OF THE BANK UNANIMOUSLY RECOMMENDS THAT YOU VOTE TO APPROVE THE PLAN AND TO APPROVE THE PROPOSED CORPORATORS.

REGULATORY APPROVALS

The Proposed Reorganization is subject to the following regulatory approvals or notices of non-objection:

- (1) Approval by the FRB for the MHC to become a bank holding company.
- (2) Receipt from the FDIC of: (i) issuance of a notice of non-objection with respect to the Proposed Reorganization; (ii) approval of the merger portion of the Proposed Reorganization; and (iii) approval of the Bank's request for a partial waiver of a majority vote of all eligible depositors on the Proposed Reorganization, which vote is required by FDIC regulations but not required under Massachusetts law, as Massachusetts law only requires a majority vote of voting depositors.
- (3) Approval by the Commissioner of Banks of the De Novo's application, including the Plan, the respective charters and bylaws of the Stock Bank, the De Novo Bank and the MHC, and approval of all other transactions contemplated by the Plan for which approval is required by the Commissioner of Banks, including approval of the merger of the Bank into the Stock Bank and the formation of the MHC.
- (4) Approval by the FDIC of insurance of accounts of the Stock Bank.
- (5) Confirmation by the DIF of the continuation of insurance of deposit accounts in excess of FDIC coverage.

The Bank anticipates final Commissioner of Banks, FRB, FDIC and DIF action on such applications subsequent to the Special Meeting.

REGULATORY APPROVAL OR NON-OBJECTION TO THE PLAN AND TO THE PROPOSED REORGANIZATION DOES NOT CONSTITUTE A RECOMMENDATION OR ENDORSEMENT OF THE PLAN BY THE REGULATORY AUTHORITIES.

MANAGEMENT OF THE STOCK BANK AND MHC

Executive Officers. Upon the completion of the Proposed Reorganization, the executive officers of the Stock Bank and the MHC would consist of those persons serving as executive officers of the Bank at that time. The names, dates of birth and positions for each of the current executive officers of the Bank are as follows:

Name	Date of Birth	Position
Edward F. Doherty, Jr.	12/31/1968	President and Chief Executive Officer
Nancy Coyle, CPA	3/27/1963	Executive Vice President—Chief Financial Officer
Darren R. Sawicki	7/13/1975	Senior Vice President—Chief Operating Officer
Chad Titcomb	9/21/1984	Senior Vice President—Chief Credit and Environmental Officer*
Anna Dinis	2/24/1972	Senior Vice President—Chief Retail Banking and Customer Experience Officer*
Kevin Marquis	6/9/1971	Senior Vice President—Chief Lending Officer*
Tom Marshall	11/6/1967	Senior Vice President—Chief Information Officer*
Lauren Constantine	3/23/1981	Senior Vice President—Chief Marketing & Business Development Officer*

* Officers of the Bank only.

Directors. Upon the completion of the Proposed Reorganization, the directors of the Stock Bank and the trustees of the MHC would consist of those persons serving as directors of the Bank at that time. The directors of the Stock Bank and the trustees of the MHC would have three-year terms, which would be staggered to provide for the election of approximately one-third of the board each year. The names, occupations, dates of birth, current term and date elected to the Board for each of the current directors of the Bank are as follows:

Name	Date of Birth	Year First Elected	Term Expires	Occupation
John R. Cullen, Jr.	8/8/1953	2011	2026	Builder
Michael P. Dalton	10/11/1965	2022	2026	Real Estate
Joseph M. Falcao	10/3/1966	2023	2026	Chief Financial Officer
Harvey J. Gordon	5/12/1952	2023	2028	CPA
Monica L. Herlihy	9/10/1954	2023	2028	Retired Retail Banker
Gloria E. Korta	6/20/1956	2023	2027	Retired OB/GYN
James T. McIntyre	10/2/1969	2020	2027	Retired Police Chief
John J. Melkonian	1/30/1982	2014	2027	Automotive Industry
Gilbert A. Moreira	12/6/1946	2015	2027	Retired Chief Financial Officer
M. Daria Niewenhous	10/16/1958	2001	2028	Retired Attorney
Aricia A. Symes-Elmer	5/25/1969	2019	2026	Stylist
Edward F. Doherty, Jr.	12/13/1968	2026	2028	President and Chief Executive Officer of StonehamBank – A Co-operative Bank and 1887 Bancorp, MHC

Corporators. The MHC must have at least 25 corporators. Upon the completion of the Proposed Reorganization, the corporators of the MHC would consist of those persons who are elected as corporators at this Special Meeting. Corporators would be elected for staggered terms of ten years.

Remuneration. Corporators would not receive compensation for their service as corporators. Directors and executive officers of the Bank would not receive an increase in total compensation as a result of the Proposed Reorganization.

SELECTED FINANCIAL CONDITION AND OPERATING DATA

The following tables set forth certain information concerning the financial position and operating results of the Bank (including consolidated data from operations of subsidiaries) at the dates or for the periods indicated.

	At April 30, 2026	At April 30, 2025
	(In thousands)	
<u>Selected Financial Condition Data:</u>	(unaudited)	
Total assets	\$ 902,651	\$ 840,563
Loans, net	711,040	664,805
Cash and cash equivalents	71,196	59,737
Securities available for sale	96,185	91,758
Deposits	748,109	713,781
Federal Home Loan Bank advances.....	80,300	50,300
Total equity capital	69,973	63,198
	(In thousands)	
	For the Year Ended April 30, 2026	For the Year Ended April 30, 2025
<u>Selected Operating Data:</u>	(unaudited)	
Interest and dividend income	\$ 43,833	\$ 38,257
Interest expense	<u>19,252</u>	<u>20,051</u>
Net interest income.....	24,581	18,206
Provision for credit losses.....	<u>425</u>	<u>6</u>
Net interest income after provision for credit losses.	24,156	18,200
Other income	2,795	1,402
Other expense	<u>20,142</u>	<u>19,061</u>
Income before income taxes	6,809	541
Income taxes expense	<u>1,757</u>	<u>151</u>
Net income	<u>\$ 5,053</u>	<u>\$ 390</u>

REGULATORY CAPITAL COMPLIANCE

	At March 31, 2026	
	Amount	Percent of Average Assets/Risk- weighted Assets
	(Dollars in thousands) (unaudited)	
GAAP capital	\$ 69,434	
Tier 1 leverage capital:		
Capital level.....	\$ 81,505	8.99%
Requirement	<u>45,348</u>	<u>5.00%</u> ⁽¹⁾
Excess.....	<u>\$ 36,157</u>	<u>3.99%</u>
Tier 1 risk-based capital:		
Capital level.....	\$ 81,505	12.47%
Requirement	<u>52,308</u>	<u>8.00%</u> ⁽¹⁾
Excess.....	<u>\$ 29,197</u>	<u>4.47%</u>
Total risk-based capital:		
Capital level.....	\$ 88,859	13.59%
Requirement	<u>65,386</u>	<u>10.00%</u> ⁽¹⁾
Excess.....	<u>\$ 23,474</u>	<u>3.59%</u>
Common equity tier 1 risk-based capital:		
Capital level.....	\$ 81,505	12.47%
Requirement	<u>42,501</u>	<u>6.50%</u> ⁽¹⁾
Excess.....	<u>\$ 39,004</u>	<u>5.97%</u>

(1) Reflects amounts required to be “well capitalized.”

REGULATION OF THE MHC

After consummation of the Proposed Reorganization, the MHC would be a bank holding company subject to examination, regulation and periodic reporting under the BHCA, as administered by the FRB, and would be subject to examination and regulation by the Commissioner of Banks. The FRB has adopted capital adequacy regulations for bank holding companies (on a consolidated basis) whose consolidated assets exceeds \$3.0 billion. Such capital requirements are substantially similar to those of the FDIC for the Bank. The MHC is not expected to have \$3.0 billion in assets as of the consummation of the Proposed Reorganization.

Massachusetts law defines the powers and duties of the MHC. Under such laws, the MHC may engage in the following activities: (1) invest in the stock of one or more banking institutions; (2) acquire a mutual banking institution, including a federal or Massachusetts-chartered credit union, through consolidation or merger with the Stock Bank; (3) merge with, acquire or be acquired by another state or federal mutual holding company, provided that any such mutual holding company will have a subsidiary bank that was in mutual form until it reorganized into a mutual holding company; (4) merge with or acquire a bank holding company, provided that the MHC is the surviving entity; (5) invest in the capital stock of corporations as permitted for a Massachusetts banking institution; (6) exercise any other power or engage in any other activity permitted to mutual banks chartered in Massachusetts, except that a mutual holding company may not accept deposits; (7) engage directly or indirectly only in such activities as are now or may hereafter be proper activities for bank holding companies under applicable Massachusetts or federal law or regulations; and (8) exercise any rights, waive any rights or take or waive any other action with respect to any securities of any subsidiary banking institution which are held by the MHC.

Prior FRB and Board of Bank Incorporation (“BBI”) approval will be required for the MHC to acquire direct or indirect ownership or control of any voting securities of any bank or bank holding

company. In addition to the approval of the FRB and BBI, prior approval of any bank acquisition may also be required to be obtained from other agencies having supervisory jurisdiction over the bank to be acquired, including the Commissioner of Banks.

The status of the MHC as a registered bank holding company under the BHCA does not exempt it from certain federal and state laws and regulations applicable to corporations generally. In addition, a bank holding company is generally prohibited by the BHCA from engaging in non-banking activities, or acquiring direct or indirect control of more than 5% of the voting securities of any company engaged in non-banking activities. One of the principal exceptions to this prohibition is for activities found by the FRB to be so closely related to banking or managing or controlling banks as to be a proper incident thereto. Some of the principal activities that the FRB has determined by regulation to be so closely related to banking are: (1) making or servicing loans; (2) performing certain data processing services; (3) providing discount brokerage services; (4) acting as fiduciary, investment or financial advisor; (5) leasing personal or real property; (6) making investments in corporations or projects designed primarily to promote community welfare; and (7) acquiring a savings and loan association whose direct and indirect activities are limited to those permitted for bank holding companies. If specified qualitative criteria are met and the MHC so decides, it may become a “financial holding company” and thereby engage in a broader range of financial activities including investment banking and insurance underwriting.

The FRB’s “source of strength” doctrine requires that holding companies serve as a source of strength for their subsidiary depository institutions by providing capital, liquidity and other support in times of financial stress.

DIVIDENDS

The Stock Bank’s ability to pay cash dividends to the MHC, as its sole stockholder, would be subject to various federal and state restrictions. Under FDIC regulations, the Stock Bank would be prohibited from paying dividends if, among other things, the Stock Bank is not in compliance with applicable regulatory capital requirements. Dividends may also be restricted if the Stock Bank’s capital does not exceed the “capital conservation buffer” established by federal regulation. Under Massachusetts law, a co-operative bank may pay dividends only out of its net profits and only to the extent it does not impair its capital and surplus accounts. The approval of the Commissioner of Banks is also required for the Stock Bank to declare a dividend, if the total of all dividends declared by it in any calendar year exceeds the total of its net profits for that year combined with its retained net profits of the preceding two years, less any required transfer to surplus or a fund for the retirement of any preferred stock.

THE STOCK BANK

General

Stoneham Interim Stock Bank (the “Stock Bank”) would be a Massachusetts-chartered stock co-operative bank regulated by the Commissioner of Banks and the FDIC. Upon the effective date of the Proposed Reorganization, all of the common stock of the Stock Bank would be issued to the MHC, and the Stock Bank would be the surviving stock bank in the merger with the Bank and would be renamed “StonehamBank – A Co-operative Bank.”

Management of the Stock Bank

Officers. Upon completion of the Proposed Reorganization, the management of the Stock Bank would consist of those persons serving as officers of the Bank at that time. No changes would be made to

the terms and conditions of employment of officers of the Bank as a result of the Proposed Reorganization.

Directors. Upon completion of the Proposed Reorganization, the directors of the Stock Bank would consist of those persons serving as directors of the Bank at that time. The directors of the Stock Bank would have three-year terms that will be staggered to provide for the election of approximately one-third of the board members each year. Directors of the Stock Bank would be elected by the MHC. The proposed directors of the Stock Bank are listed above in “Management of the Stock Bank and MHC—Directors.”

BOARD OF CORPORATORS

Following the Proposed Reorganization, the interests of the Bank’s depositors and local community would continue to be represented by a Board of Corporators, consisting of members of the communities served by the Bank. Massachusetts law requires that the Board of Corporators have at least 25 members. The following persons have been proposed as the initial Board of Corporators, for election by the eligible depositors at the Special Meeting.

<u>Name</u>	<u>Address</u>
Stefan Cencarik	9 Danielle Dr., Danvers, MA 01923
Marianne Cohen	8 Old Nahant Road, Wakefield, MA 01880
Erica Covel	7 Sherman Road, Stoneham, MA 02180
John R. Cullen, Jr.	8 Homestead Lane, Stoneham, MA 02180
Michael Dalton	15 Cooley Drive, Woburn, MA 01801
James Dangora	566 Boston Road, Billerica, MA 01821
Megan Day	49 Perkins Street, Stoneham, MA 02180
Anthony DeCotis	9 Woodbury Lane, Middelton, MA 01949
Joseph Falcao	27 Mohawk Path, Holliston, MA 01746
John Feudo	52 Ballard Street, Tewksbury, MA 01876
Margaret Gambale	146 Salem Street #3, Boston, MA 02113
Harvey Gordon	25 Ellen Road, Stoneham, MA 02180
Anthony Guardia	27 Davey Lane, Wakefield, MA 01880
Lisa Gurgone	48 Cowasset Lane, Waltham, MA 02451
Monica Herlihy	850 W. Falmouth Hwy Unit 11, Falmouth, MA 02540
Dr. James Hickey	41 Bancroft Road, Andover, MA 01810
Patrick Houghton	4D Carnation Circle, Reading, MA 01867
Gloria Korta	7 Wainwright Road #12, Winchester, MA 01890
Pat Lee	22 Aspen Road, North Reading, MA 01864
Peter Lennon	PO Box 232, Woburn, MA 01801
James McIntyre	25 Newton Avenue, Tewksbury, MA 01876

<u>Name</u>	<u>Address</u>
John Melkonian	129 Eastway, Reading MA 01867
Gilbert Moreira	1 William Road, Billerica, MA 01821
M. Daria Niewenhous	22 Sunset Rock Lane, Reading, MA 01867
Mario Patalano	29 Fieldstone Drive, Stoneham, MA 02180
Tara Peacock	10 Whitney Street, Burlington, MA 01803
Megan Samborski	7 Hampton Road, Stoneham, MA 02180
Chris Senna	8 Westwood Road, Lexington, MA 02421
Aricia Symes-Elmer	23 Bateson Drive, Andover, MA 01810
Joseph Tarby	83 Pleasant Street, Woburn, MA 01801

FEDERAL AND STATE TAX CONSEQUENCES OF THE REORGANIZATION

Consummation of the Proposed Reorganization is conditioned on prior receipt by the Bank of (1) either an IRS ruling or an opinion of counsel with respect to the federal income tax consequences of the Proposed Reorganization and (2) either a ruling from the Massachusetts Department of Revenue or an opinion of counsel or tax advisor with respect to the Massachusetts tax consequences of the Proposed Reorganization. Unlike private letter rulings, opinions of counsel are not binding on the Internal Revenue Service or the Massachusetts Department of Revenue, and either agency could disagree with such opinions. In the event of such disagreement, there can be no assurance that the Stock Bank or the shareholders would prevail in a judicial proceeding.

The Bank will receive an opinion of counsel from Luse Gorman, PC, to the effect that, for federal income tax purposes: (1) the conversion of De Novo into the MHC, a Massachusetts mutual holding company, will qualify as a tax-free reorganization under Code Section 368(a)(1)(F); (2) provided that the merger of the Bank into the Stock Bank qualifies as a merger under Massachusetts law, the merger of the Bank into the Stock Bank with the Stock Bank as the survivor and the transfer of the depositors' equity interest in the Bank to the MHC in exchange for equity interests (i.e. liquidation rights) in the MHC qualifies as a tax-free reorganization described in Code Sections 368(a)(1)(A) and 368(a)(2)(D) (the Bank, the Stock Bank and the MHC are each "a party to the reorganization," as defined in Code Section 368(b)); (3) the Bank will recognize no gain or loss upon the transfer of substantially all its assets to the Stock Bank solely in exchange for equity interests (i.e., liquidation rights) in the MHC and the Stock Bank's assumption of its liabilities, if any; (4) neither the Stock Bank nor the MHC will recognize gain or loss upon the receipt by the Stock Bank of substantially all of the assets of the Bank in exchange for equity interests in the MHC and the Stock Bank's assumption of the Bank's liabilities; (5) the MHC's basis in the stock of the Stock Bank will increase by an amount equal to the Bank's net basis in the property transferred to the Stock Bank; (6) the Stock Bank's basis in the property received from the Bank will be the same as the basis of such property in the hands of the Bank immediately before the Proposed Reorganization; (7) the Stock Bank's holding period for the property received from the Bank will include the period during which such property was held by the Bank; (8) subject to the conditions and limitations set forth in Code Sections 381, 382, 383 and 384 and the Treasury regulations promulgated thereunder, the Stock Bank will succeed to and take into account the items of the Bank described in Code Section 381(c); (9) no gain or loss will be recognized by the depositors of the Bank on the receipt of equity interests with respect to the MHC in exchange for their equity interests in the Bank; (10) each depositor's aggregate basis, if any, in the MHC equity interest received in the exchange will equal the aggregate basis, if any, of each depositor's equity interest in the Bank; and (11) the holding period of the MHC

equity interests received by the depositors of the Bank will include the period during which the Bank equity interests surrendered in exchange therefor were held.

Baker Newman Noyes will provide a state tax opinion to the effect that for Massachusetts state income tax purposes: (1) for purposes of Massachusetts General Laws, chapter 63, sections 1, 2 and 2A, no gross income, gain or loss will be recognized by the Bank, the MHC or the Stock Bank as a result of the transactions contemplated by the Plan; (2) the MHC's basis in the stock of Stock Bank received in the transaction will be the same as the basis of the property transferred in exchange therefor, reduced by the sum of the liabilities assumed by the Stock Bank or to which assets transferred are taken subject; (3) the MHC's holding period for the common stock of the Stock Bank received in the transaction will include the period during which the property exchanged was held by the MHC; (4) the Stock Bank's basis in the assets received from the Bank in the Merger will be the same as the basis of such property in the hands of the Bank immediately before the Merger; (5) the Stock Bank's holding period in the assets received from the Bank in the Merger will include the period during which the assets were held by the Bank; (6) no gross income, gain or loss will be recognized by the depositors of the Bank on the receipt of equity interests in the MHC in exchange for their equity interests in the Bank; (7) each depositor's aggregate basis in the MHC equity interest received in the Merger will equal the aggregate basis of each depositor's equity interest in the Bank; and (8) a depositor's holding period in an MHC equity interest received in the Merger will include the period during which the Bank equity interest surrendered in exchange therefor was held.

ADDITIONAL INFORMATION

The Bank files quarterly reports of condition and income with the FDIC. This information is available, without charge, through the FDIC's website at www.fdic.gov.

If you have any questions about the Proposed Reorganization, please contact Edward F. Doherty, Jr., President and Chief Executive Officer of StonehamBank – A Co-operative Bank, at 80 Montvale Avenue, Stoneham, Massachusetts 02180 or via telephone at (781) 481-5772. A copy of the Plan of Reorganization, without copies of the Charters, Articles of Organization and Bylaws of the Stock Bank and MHC that are exhibits to the Plan, is included with this Information Statement. A copy of the Plan of Reorganization, including the exhibits, is available on our website at www.stonehambank.com. In addition, hardcopies of the Charters, Articles of Organization and Bylaws of the Stock Bank and MHC are available upon request made to Edward F. Doherty, Jr., President and Chief Executive Officer of StonehamBank – A Co-operative Bank, at 80 Montvale Avenue, Stoneham, Massachusetts 02180. Copies of these documents will also be available for review by depositors at the Special Meeting.

OTHER MATTERS

The Board of Directors is not aware of any business to come before the Special Meeting other than those matters described in the attached Notice and in this Information Statement.

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**PLAN OF REORGANIZATION
FROM A MUTUAL COOPERATIVE BANK
TO A MUTUAL HOLDING COMPANY**

OF

**STONEHAMBANK – A CO-OPERATIVE BANK
STONEHAM, MASSACHUSETTS**

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1. Introduction

The Board of Directors of StonehamBank – A Co-operative Bank has adopted this Plan of Reorganization from a Mutual Cooperative Bank to a Mutual Holding Company pursuant to which the Bank proposes to reorganize from a Massachusetts-chartered mutual cooperative bank into the mutual holding company structure pursuant to the laws of the Commonwealth of Massachusetts, the regulations of the Commissioner and the FDIC, and other applicable Federal laws and regulations. Following the Reorganization, the Bank will be in a single-tier mutual holding company structure comprised of the following two entities: (i) a Massachusetts-chartered stock cooperative bank that will succeed to all of the rights and obligations of the Bank as set forth in the Plan; and (ii) a Massachusetts-chartered mutual holding company. The Stock Bank will become a wholly-owned subsidiary of the MHC.

The Reorganization, and certain transactions incidental to the Reorganization, are subject to the approval of the Commissioner, the FDIC and the FRB. The Reorganization has been approved by a majority of the Board of Directors of the Bank and must be approved by a majority of the Bank's Members present and voting at an annual meeting or at a special meeting called for such purpose. By approving this Plan, the Members will also be approving all steps necessary and incidental to the formation of the Stock Bank and the MHC, including any merger necessary to consummate the Reorganization and the respective Charters and Bylaws of the MHC and the Stock Bank. References herein to the Charters of the MHC and the Bank shall be deemed to refer to the articles of organization of the MHC and the Bank, as amended and/or restated from time to time.

2. Definitions

As used in this Plan, the terms set forth below have the following respective meanings:

Application: The application, including a copy of this Plan, submitted by the Bank to the Commissioner for approval of the Reorganization.

Bank: StonehamBank – A Co-operative Bank, in its current mutual form or post-Reorganization stock form, as indicated by the context in which it is used.

BHCA: The Bank Holding Company Act of 1956, as amended.

BMA: The Bank Merger Act.

Bylaws: The Bylaws of the Stock Bank or Bank, as amended and/or restated from time to time.

Capital Stock: Any and all authorized stock of the Stock Bank.

Common Stock: The Common Stock, par value \$1.00 per share, to be issued by the Stock Bank to the MHC in connection with the Reorganization.

Commissioner: The Office of the Commissioner of Banks of the Commonwealth of Massachusetts.

De Novo Bank: The Massachusetts de novo mutual cooperative bank chartered to effect the Reorganization.

Deposit Account(s): Withdrawable deposit(s) in the Bank or the Stock Bank, including certificates of deposit, and including any other deposit or share qualifying the holder thereof as a Shareholder of a Massachusetts-chartered cooperative bank.

Depositor: Any person holding a Deposit Account with the Bank.

Director: A member of the Board of Directors of the Bank.

Effective Date: The date upon which all necessary approvals have been obtained to consummate the Reorganization and the transfer of assets and liabilities of the Bank to the Stock Bank is completed.

FDIC: The Federal Deposit Insurance Corporation.

FRB: The Board of Governors of the Federal Reserve System.

Member: Any member of the Bank in its mutual form. The term Member when used in this Plan shall be interchangeable with the term Shareholder as such term is used in the mutual Bank's Bylaws.

MHC: The mutual holding company resulting from the Reorganization.

MHC Funds: Up to \$250,000, which will be used to capitalize the MHC, as set forth in Section 4.A.

Minority Stock Offering: One or more offerings of 49% or less in the aggregate of the outstanding Common Stock to persons other than the MHC.

Non-Voting Stock: Capital Stock other than Voting Stock.

Plan: This Plan of Reorganization from a Mutual Cooperative Bank to a Mutual Holding Company.

Preferred Stock: Preferred stock issuable by the Stock Bank pursuant to its Charter.

Reorganization: The reorganization of the Bank into the MHC and the creation of the Stock Bank pursuant to this Plan, as well as all steps necessary or incidental thereto.

Stock Bank: The newly organized Massachusetts-chartered stock cooperative bank to be established as a subsidiary of the MHC.

Voting Stock:

(1) Common Stock or Preferred Stock, or similar interests if the shares by statute, charter or in any manner, entitle the holder:

(i) To vote for or to select directors of the Stock Bank; and

(ii) To vote on or to direct the conduct of the operations or other significant policies of the Stock Bank.

(2) Notwithstanding anything in paragraph (1) above, Preferred Stock is not "Voting Stock" if:

- (i) Voting rights associated with the Preferred Stock are limited solely to the type customarily provided by statute with regard to matters that would significantly and adversely affect the rights or preferences of the Preferred Stock, such as the issuance of additional amounts or classes of senior securities, the modification of the terms of the Preferred Stock, the dissolution of the Stock Bank, or the payment of dividends by the Stock Bank when preferred dividends are in arrears;
- (ii) The Preferred Stock represents an essentially passive investment or financing device and does not otherwise provide the holder with control over the issuer; and
- (iii) The Preferred Stock does not at the time entitle the holder, by statute, charter, or otherwise, to select or to vote for the selection of directors of the Stock Bank.

(3) Notwithstanding anything in paragraphs (1) and (2) above, "Voting Stock" shall be deemed to include Preferred Stock and other securities that, upon transfer or otherwise, are convertible into Voting Stock or exercisable to acquire Voting Stock where the holder of the stock, convertible security or right to acquire Voting Stock has the preponderant economic risk in the underlying Voting Stock. Securities immediately convertible into Voting Stock at the option of the holder without payment of additional consideration shall be deemed to constitute the Voting Stock into which they are convertible; other convertible securities and rights to acquire Voting Stock shall not be deemed to vest the holder with the preponderant economic risk in the underlying Voting Stock if the holder has paid less than 50% of the consideration required to directly acquire the Voting Stock and has no other economic interest in the underlying Voting Stock.

3. Business Purposes for the Reorganization

The Bank has several purposes for effecting the proposed Reorganization.

The Reorganization will structure the Bank in the stock form, which is used by commercial banks, most major business corporations and an increasing number of cooperative banks, savings banks and savings associations. The mutual holding company structure will provide the Bank with greater flexibility to undertake mergers and acquisitions. For example, it will enable the MHC to own and hold the Bank and other financial institutions as separate subsidiaries. As a mutual cooperative bank without a holding company, the Bank may not acquire and hold either a cooperative or savings bank or a commercial bank as separate subsidiaries. The MHC also is expected to facilitate the diversification of the Bank's activities. Under Federal law, a bank holding company may engage in a broader range of activities than the Bank itself. Although the Reorganization will facilitate mergers and acquisitions and will facilitate diversification of activities, the Bank currently has no acquisition or diversification plans.

The mutual holding company structure also will allow the MHC to borrow funds, on a secured and unsecured basis, and/or to issue debt or preferred stock to the public or in a private placement. The proceeds of any such borrowings, debt issuance or preferred stock issuance may be contributed to the Stock Bank as core capital for regulatory capital purposes. The Bank has not made a determination to borrow funds or issue debt or preferred stock at the present time.

4. Certain Effects of the Reorganization

A. Organization of the Mutual Holding Company and Stock Bank

As part of the Reorganization, the Bank will establish the MHC as a Massachusetts mutual holding company. The Reorganization will be effected as follows, or in any other manner approved by the Commissioner that is consistent with the purposes of this Plan and applicable laws and regulations:

- (i) The Bank will cause to be organized the De Novo Bank as a Massachusetts-chartered interim mutual cooperative bank, and capitalize it with up to \$250,000 of cash (the “MHC Funds”);
- (ii) The De Novo Bank will reorganize into the MHC and will organize the Stock Bank as an interim stock cooperative bank subsidiary; and
- (iii) The Bank will merge with and into the Stock Bank with the Stock Bank as the resulting entity.

The Bank will apply to the Commissioner to have the MHC receive and retain the MHC Funds in connection with the Reorganization. Other than the MHC Funds, upon the Effective Date, all assets, rights, obligations and liabilities of any nature of the Bank shall be transferred to the Stock Bank in the Reorganization. The Bank may distribute additional capital to the MHC following the Reorganization, subject to Commissioner and FDIC regulations governing capital distributions.

B. Operation and Ownership of the Stock Bank

The Stock Bank will be authorized to exercise any and all powers, rights and privileges of, and shall be subject to all limitations applicable to, stock cooperative banks under Massachusetts law. Copies of the Charter and Bylaws of the Stock Bank are attached hereto as Exhibits A and B, respectively, and are made a part of this Plan. The initial Board of Directors of the Stock Bank will be the existing Board of Directors of the Bank. Thereafter, the holders of shares of the Stock Bank’s voting stock (which initially will be the MHC) will elect approximately one-third of the Stock Bank’s Board of Directors annually. The present management of the Bank will continue as the management of the Stock Bank following the Reorganization. The Stock Bank will be owned by its shareholders, which initially will be the MHC.

The Reorganization will not result in any reduction of the amount of retained earnings (other than the assets of the Bank distributed to and retained by the MHC), undivided profits, and general loss reserves that the Bank had before the Reorganization. Such retained earnings and general loss reserves will be accounted for by the MHC and the Stock Bank on a consolidated basis in accordance with generally accepted accounting principles.

All insured Deposit Accounts of the Stock Bank will continue to be federally insured up to the legal maximum by the FDIC in the same manner as Deposit Accounts existing in the Bank immediately prior to the Reorganization, and Depositors will receive, without payment, an identical account in the Stock Bank. Further, the Depositors Insurance Fund will continue to insure the portion of each Deposit Account in the Stock Bank that is not insured by the FDIC. All loans and other borrowings from the Bank shall retain the same status with the Stock Bank after the Reorganization as they had with the Bank immediately before the Reorganization. Depositors who have liquidation rights in the Bank immediately before the Reorganization will continue to have such rights in the MHC after the Reorganization for so long as they maintain Deposit Accounts in the Stock Bank, as well as an interest in the liquidation rights described in Section 7 hereof.

C. Operation of the MHC

As a mutual holding company, the MHC will have no shareholders. The rights and powers of the MHC will be defined by the MHC's Charter and Bylaws and by the provisions applicable to bank holding companies and mutual holding companies under Federal and Massachusetts laws and regulations. The MHC will have a Board of Directors, which is expected to initially consist of all of the members of the Board of Directors of the Bank. It is expected initially that management of the MHC will consist of the senior management persons of the Bank.

Any liquidation rights of Depositors that existed under Massachusetts law prior to the Reorganization shall continue in the MHC following the Reorganization. The rights and powers of the MHC will be defined by the MHC's Charter and Bylaws (copies of which are attached hereto as Exhibits C and D, respectively, and made a part of this Plan) and by applicable provisions of Federal and Massachusetts laws and regulations.

5. Conditions to Implementation of the Reorganization

Consummation of the Reorganization is expressly conditioned upon prior occurrence of the following:

- A. Approval by a majority of the Board of Directors of the Bank.
- B. Approval by a majority of the Bank's Members present and voting at an annual or special meeting.
- C. Approval by the FRB for the MHC to become a bank holding company.
- D. Approval by the Commissioner of the Application, including this Plan, the respective Charters and Bylaws of the Stock Bank and the MHC, and all other transactions contemplated by this Plan for which approval is required by the Commissioner including approval of the formation of the De Novo Bank and the Stock Bank and their respective Charters and Bylaws, and the reorganization of De Novo Bank into the MHC and the existence of the Stock Bank as a subsidiary of the MHC.
- E. Receipt of a notice of intent not to object to the Reorganization from the FDIC, or the passage of 60 days (subject to extension for an additional 60 days) following the acceptance of a complete FDIC notice by the FDIC; and approval by the FDIC pursuant to the BMA of the transfer of assets and liabilities of the MHC to the Stock Bank and the merger of the Bank into the Stock Bank in connection with the Reorganization.
- F. Approval by the FDIC of insurance of accounts of the Stock Bank.
- G. Receipt by the Bank of either a private letter ruling from the Internal Revenue Service or an opinion of the Bank's counsel as to the federal income tax consequences of the Reorganization to the MHC the Stock Bank and the Bank.
- H. Receipt by the Bank of either a private letter ruling of the Massachusetts Department of Revenue or an opinion of counsel or the Bank's independent public accountants as to the Massachusetts income tax consequences of the Reorganization to the MHC, the Stock Bank and the Bank.

The Bank intends to consummate the Reorganization as soon as possible after all of the above conditions are satisfied.

6. Charters and Bylaws

The proposed Charters and Bylaws of the Stock Bank and of the MHC are a part of this Plan. By their approval of this Plan, the Members shall have approved and adopted the respective Charters and Bylaws of the Stock Bank and the MHC.

7. Liquidation Rights

Following the Reorganization, each Depositor who had liquidation rights with respect to the Bank as of the date of the Reorganization will continue to have such rights solely with respect to the MHC for as long as such Depositor remains a Depositor of the Stock Bank. In addition, all persons who become Depositors of the Stock Bank subsequent to the Reorganization also will have liquidation rights with respect to the MHC. In each case, no person who ceases to be the holder of a Deposit Account with the Stock Bank shall have any liquidation rights with respect to the MHC. No liquidation account shall be established in connection with the Reorganization. The MHC shall liquidate under Massachusetts General Law Chapter 167H, Section 2 upon the sale or acquisition of the Stock Bank to a bank holding company or savings and loan holding company that is not a mutual holding company, or upon the sale of the Stock Bank to a banking or thrift institution that is not a subsidiary of a mutual holding company.

8. Minority Stock Issuance

Following the completion of the Reorganization, the Stock Bank (or a to be formed subsidiary stock holding company) may issue Common Stock to Members and to the public. Any such stock issuance would require the adoption of a stock issuance plan that would be subject to the approval of the FRB, the Commissioner and the Bank's Members pursuant to the requirements of applicable regulations of the Commissioner. **However, the Board of Directors of the Bank has no plan or intent to issue any stock now or in the future and no plans to "go public" or complete a Minority Stock Offering or Conversion transaction described below.**

9. Conversion of MHC to Stock Form

Following the completion of the Reorganization, the MHC may elect to convert to stock form in accordance with applicable law (a "Conversion Transaction"). The terms of such a Conversion Transaction cannot be determined at this time and there is no assurance when, if ever, a conversion will occur. If the Conversion Transaction does not occur, the MHC will always own at least 51% of the Common Stock of the Stock Bank. If the MHC converts to stock form, either directly or in connection with a merger, the shareholders of the Stock Bank other than the MHC, if any, will be entitled to exchange their shares of stock in the Stock Bank for shares of the converted MHC, *provided* that the basis for the exchange is fair and reasonable.

A Conversion Transaction would require the approval of applicable bank regulators, and would be presented to a vote of the Depositors and shareholders of the Stock Bank as of a voting record date prior to the completion of the Conversion Transaction. Federal and state regulatory policy requires that in any Conversion Transaction the Depositors of the Stock Bank will be accorded the same stock purchase priorities as if the MHC were a mutual cooperative bank converting to stock form.

10. Interpretation

All interpretations of this Plan and application of its provisions to particular circumstances by a majority of the Board of Directors of the Bank shall be final, subject to the authority of the Commissioner, the FDIC and, to the extent applicable, the FRB.

11. Expenses

Expenses incurred in connection with the Reorganization shall be reasonable.

12. Amendment or Termination of this Plan

If necessary or desirable, the terms of this Plan may be substantively amended by a majority vote of the Bank's Board of Directors as a result of comments from regulatory authorities or otherwise, at any time prior to submission of this Plan to the Members. At any time after approval of this Plan by the Members, the terms of this Plan may be amended by a majority vote of the Board of Directors in response to comments received from the Commissioner, the FDIC or the FBR, and may be amended for any other reason only with the concurrence of the Commissioner, the FDIC and, to the extent applicable, the FRB. This Plan may be terminated by a majority vote of the Board of Directors at any time prior to the date of the meeting of Members called to consider and vote upon this Plan and may be terminated by a majority vote of the Board of Directors at any time thereafter with the concurrence of the Commissioner.

This Plan shall be terminated if the Reorganization is not completed within 24 months from the date upon which the Members of the Bank approve this Plan and may not be extended by the Bank.

Dated: March 30, 2026

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