

**CHARTER  
OF  
1887 BANCORP, MHC**

**WHEREAS**, StonehamBank – A Co-operative Bank, in accordance with Chapter 167H of the Massachusetts General Laws and all other applicable law, has voted to reorganize into the mutual holding company form of organization; and

**WHEREAS**, in connection with the reorganization of StonehamBank – A Co-operative Bank, a charter has been granted to incorporate Stoneham De Novo Bank (hereinafter referred to as the “De Novo Bank”) as an interim Massachusetts mutual co-operative stock bank.

The charter of the De Novo Bank is hereby amended and restated in its entirety to read as follows:

**ARTICLE I. NAME**

The name of this corporation shall be 1887 Bancorp, MHC (the “Corporation”) and may be changed from time to time by the Corporators of the Corporation.

**ARTICLE II. MAIN OFFICE**

The main office of the Corporation shall be located in the Town of Stoneham, Massachusetts, and may be changed from time to time by resolution of the Board of Directors of the Corporation.

**ARTICLE III. DURATION**

The duration of the Corporation is perpetual.

**ARTICLE IV. NATURE AND POWERS**

The Corporation is a mutual holding company organized under Chapter 167H of the Massachusetts General Laws and shall have and may exercise all powers and authority, express and implied, available to it under Chapter 167H, as it may be amended from time to time, and under all other applicable state and federal law. Notwithstanding any other provision contained herein, the Corporation shall have no power to take deposits.

**ARTICLE V. CORPORATORS**

The Corporation shall have a Board of Corporators that shall initially consist of those persons who are elected as Corporators by the members of StonehamBank – A Co-operative Bank (the “Bank”) at the meeting at which the reorganization into a mutual holding company was approved. Corporators shall otherwise be elected as provided in the bylaws of the Corporation.

## ARTICLE VI. DIRECTORS

The Corporation shall have a Board of Directors which shall initially consist of those persons who both (a) are serving as Directors of the Bank on the date of the organization of the Corporation and (b) meet the qualifications for the position of Director set forth in the bylaws of the Corporation. Directors shall otherwise be elected as provided in the bylaws of the Corporation.

## ARTICLE VII. LIQUIDATION AND DISSOLUTION

### Section 1. Liquidation and Dissolution.

The Corporation may liquidate its affairs and be dissolved in accordance with the procedures set forth in Chapter 167I, Section 15 of the Massachusetts General Laws, as it may be amended from time to time.

### Section 2. Liquidation Rights.

All persons who had liquidation rights pursuant to Chapter 1671, Section 15 with respect to the Bank prior to its reorganization as a mutual holding company will continue to have such rights solely with respect to the Corporation following such reorganization. All existing and future depositors of the subsidiary stock bank of the Corporation resulting from the Reorganization shall have the same liquidation rights in the Corporation under Chapter 167H, Section 2 of the Massachusetts General Laws as were conferred upon depositors of the Bank immediately prior to such reorganization. All existing and future depositors of any other subsidiary bank that is acquired by the Corporation in the future and is in the mutual form of organization when so acquired shall have the same liquidation rights in the Corporation under said Chapter 167H, Section 2 as were conferred upon depositors of such acquired bank immediately prior to such acquisition, provided that if such acquired bank is merged into another subsidiary bank from which the Corporation draws members, the depositors of such acquired bank shall receive the same liquidation rights as the depositors of the subsidiary bank into which such acquired bank is merged.

### Section 3. Limitations.

Liquidation rights accorded depositors under Chapter 1671, Section 15 shall relate to the liquidation of the Corporation and not to the liquidation or other disposition of any asset or group of assets owned by the Corporation, including without limitation any stock bank or other subsidiary that may be owned in whole or in part by the Corporation. No depositor of any subsidiary bank of the Corporation shall, as such, have any rights with respect to the Corporation or any of its assets or properties, except (a) liquidation rights with respect to the Corporation provided for herein and (b) rights as a creditor with respect to any subsidiary bank of the Corporation in which the depositor has a deposit. No merger, consolidation, disposition or acquisition of assets or liabilities or other similar transaction or business combination to which the Corporation is a party or otherwise involving the Corporation will constitute a liquidation for the purposes of this Article VII, whether the Corporation is or is not the surviving entity in such transaction or combination. Only a liquidation of the Corporation in accordance with said Chapter 1671, Section 15 will constitute a liquidation for the purposes of this Article VII.

## **ARTICLE VIII. INDEMNIFICATION**

The Directors, Corporators, officers, and employees of the Corporation shall be indemnified to the extent provided in the bylaws of the Corporation. Any such indemnification may be limited by Section 18(k) of the Federal Deposit Insurance Act, and the regulations issued thereunder by the Federal Deposit Insurance Corporation, as well as applicable state law and regulations.

## **ARTICLE IX. LIMITATION OF LIABILITY**

The following provision shall be applicable if and when permitted by applicable law: No Director or Corporator of the Corporation shall be personally liable to the Corporation for monetary damages for breach of his fiduciary duty as a Director, except for liability (i) for any breach of such Director's duty of loyalty to the Corporation, (ii) for acts or omissions not in good faith or which involve intentional misconduct or in knowing violation of law, or (iii) for any transaction from which the Director derived an improper personal benefit. Any repeal or modification of this Article IX shall not adversely affect any right or protection existing at the time of such repeal or modification with respect to any acts or omissions occurring before such repeal or modification.

## **ARTICLE X. AMENDMENT OF CHARTER**

This charter may be amended by a majority vote of the Corporators present in person or by proxy and voting at a duly constituted regular or special meeting of Corporators; provided, however, that the notice for such meeting must state that a purpose of the meeting is to consider and act upon a proposed amendment to the charter and shall include the text of the proposed amendment or a summary thereof.



**BYLAWS  
OF  
1887 BANCORP, MHC**

**ARTICLE I. ORGANIZATION**

**Section 1. Organization.** The name of the Corporation is 1887 Bancorp, MHC. The location of its main office shall be as set forth in the charter. The Corporation may have such additional offices, either within or without the United States, as the Board of Directors may from time to time designate in accordance with applicable law.

**Section 2. Corporate Governance Procedures.** The Corporation shall be governed by Chapter 167H of the Massachusetts General Laws (the “MGL”) and other applicable provisions of law. To the extent not inconsistent with the above, and as permitted by Section 6 of Chapter 167H of the MGL, the Corporation may, from time to time, follow one or more governance procedures for corporations under Chapter 156D of the MGL (“Chapter 156D”) as if, for purposes of corporate governance, the Corporation were a corporation formed under Chapter 156D. Any corporate governance procedures of Chapter 156D that are not expressly included in these Bylaws may be followed by the Corporation if recorded in the minutes of the Corporation’s Directors following the use of such procedures.

**ARTICLE II. CORPORATORS**

**Section 1. Number; Election; Term.** The initial members of the Board of Corporators shall be as provided in the Corporation’s charter. Such initial Corporators shall continue to serve as Corporators for the balance of the terms to which they were elected subject to the provisions of Sections 5 and 6 of this Article II. Corporators may be elected at any annual or special meeting of Corporators if the notice of the proposed meeting includes the election of Corporators as an item for action at the meeting. Except as provided in the second sentence of this paragraph, all Corporators shall be elected for a term of ten (10) years, or, if a Corporator was elected at a special meeting of Corporators, such Corporator shall serve until the annual meeting next following the tenth anniversary of such Corporator’s election. There shall be at least twenty-five (25) Corporators. Not more than three-fifths of the Corporators shall be Directors or officers of the Corporation (or any subsidiary of the Corporation) at any one time. Nominations of candidates for election as Corporators shall be recommended for approval by the Board of Directors or a duly constituted nominating committee of the Board of Directors. The names and addresses of all persons intended to be proposed as Corporators at any legal meeting of the Corporators shall be filed with the Secretary at least two weeks prior to such meeting. Nominations for Corporators at an annual or special meeting shall not be accepted from the floor. A person elected as a Corporator shall signify his or her acceptance by notifying the Secretary thereof in writing within thirty (30) days after such election.

**Section 2. Meetings.** The Annual Meeting of the Corporators shall be held on such date (other than a legal holiday) as the Board of Directors designates. The time and place of the meeting shall be designated by the Board of Directors, the Chair of the Board or the Chief Executive Officer. Special meetings may be called by the Board of Directors, the Chair of the

Board, or the Chief Executive Officer, or as otherwise required by law. Only those matters set forth in the notice of a special meeting may be acted upon at such special meeting. The Chair of the Board shall preside at all meetings of the Corporators. In the absence of the Chair of the Board, the following shall preside in enumerated order: the Chief Executive Officer, the President, the Lead Director or a Director of the Corporation chosen by the Corporators present to preside at the meeting.

**Section 3. Notice of Corporator Meetings.** A written notice of all annual and special meetings of Corporators shall state the place, date, hour and purposes of such meetings. Such notice shall be given by the Secretary, an Assistant Secretary or by any other person authorized by these Bylaws or by law, including any person designated by the Secretary, the Chief Executive Officer, the person or persons calling the meeting or the Board of Directors. Notice of Corporator meetings shall be given to each Corporator not less than seven (7) days nor more than sixty (60) days before the meeting. Such notice may be delivered to Corporators by any means permitted by law, including (i) by mailing it postage prepaid, or delivering it by use of a nationally recognized overnight delivery or courier service, addressed to such Corporator at his or her address as it appears in the records of the Corporation, (ii) by electronic transmission, including, without limitation, by facsimile transmission, electronic mail or posting on the internet or other electronic network together with separate notice to the Corporator of such specific posting directed to an electronic mail address furnished by the Corporator, or in any other manner of electronic transmission agreed to in writing by the Corporator to whom such notice is provided, or (iii) in any other manner, including by electronic transmission, consistent with policies and procedures approved by the Corporators. If notice is given by mail, overnight delivery or courier service, such notice shall be deemed given when deposited in the mail or with such delivery or courier service. Written notice by electronic transmission is effective: (1) if by facsimile transmission, when directed to a number furnished by the Corporator for the purpose of such delivery; (2) if by electronic mail, when directed to an electronic mail address furnished by the Corporator for the purpose of such delivery; (3) if delivered by a posting on the internet or other electronic network together with separate notice to the Corporator of such specific posting directed to an electronic mail address furnished by the Corporator for the purpose, upon the later of (i) such posting and (ii) the giving of such separate notice; (4) if delivered by any other form of electronic transmission agreed to by the Corporator to whom such notice is given, when directed to the Corporator in the manner agreed. Notice delivered in accordance with policies and procedures approved by the Corporators shall be effective at the time set forth in such policy and procedures. An affidavit of the Secretary or an Assistant Secretary of the Corporation or of an agent of the Corporation that the notice has been given by mail, overnight delivery or courier, or by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

If a majority of the Corporators present and voting at any meeting of the Corporators, or adjournment thereof, vote to adjourn the meeting, the Chair of the meeting may adjourn the meeting to such day, time and place as may be specified in such vote or by the Chair, but if no quorum is present, the Chair may adjourn the meeting to another day, time or place. When any Corporator meeting, either annual or special, is adjourned to a different date, time or place, a new notice need not be given of the new date, time or place if the new date, time or place, if any, is announced at the meeting before adjournment.

A written waiver of notice, executed before or after a meeting by such Corporator or his or her attorney thereunto authorized and filed with the records of the meeting, shall be deemed equivalent to notice of the meeting. A Corporator's attendance at a meeting waives: (i) objection to lack of notice or defective notice of the meeting, unless the Corporator at the beginning of the meeting objects to holding the meeting or transacting business at the meeting; and (2) objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the Corporator objects to considering the matter when it is presented. Neither the business to be transacted at, nor the purpose of, any annual meeting or special meeting of Corporators need be specified in any written waiver of notice.

**Section 4. Quorum and Voting.** Except as otherwise provided in the charter or these bylaws, a quorum shall consist of thirteen (13) Corporators or twenty-five percent (25%) of the total number of Corporators, whichever is greater, provided, however, that in any event not more than fifty (50) Corporators shall be necessary to constitute a quorum. Each Corporator present in person or by proxy shall be counted for purposes of determining the presence of a quorum and shall be entitled to one vote. If less than a quorum is present, a meeting of Corporators may be adjourned and reconvened from time to time until a quorum is present.

When a quorum is present, any matter before the meeting, other than the election by Corporators, shall be decided by vote of a majority of Corporators present in person or by proxy, except where a larger vote is required by law, by the Corporation's charter or by these bylaws. A merger of the Corporation with another mutual holding company, or a merger with any other type of entity permitted by law, must be approved by the affirmative vote of a majority of Corporators voting, in person or by proxy, at such meeting and after approval by a two-thirds (66%) majority of the Corporation's Board of Directors. Any election by Corporators shall be determined by a plurality of the votes cast, except where a larger vote is required by law, by the Corporation's charter or by these bylaws.

**Section 5. Resignation and Removal.** Any Corporator may resign at any time by delivering his or her written resignation to the main office of the Corporation, including by electronic means, addressed to the Chair of the Board, the Chief Executive Officer or the Secretary. Any Corporator who fails to attend two or more successive annual meetings of the Corporators may be removed by the Corporators at their next annual meeting, and such action and vote when recorded shall be evidence of such removal. Any Corporator also may be removed as provided by law. Any Corporator may be removed for cause by a vote of a majority of the Corporators. For the purpose of this Section 5, there shall be "cause" to remove such Corporator from office if such person (i) has been convicted of or pleads nolo contendere or admits to sufficient facts for a finding of guilty to a crime involving moral turpitude or a crime relating to the Corporation's business, (ii) has willfully engaged in deliberate dishonesty, illegal conduct or gross misconduct, (iii) in the opinion of the Board of Directors, has engaged in conduct that has impaired public confidence in the Corporation or any subsidiary banking institution of the Corporation or (iv) is guilty of a material violation of law or his or her fiduciary duties to the Corporation. In the event any Corporator is employed by a subsidiary bank of the Corporation as an officer or other employee and such officer or other employee resigns from such position or is terminated from such position, with or without cause, then the Board of

Directors may in its discretion remove such person from his position as a Corporator, with or without cause.

**Section 6. Qualification.** Each Corporator shall have such qualifications as are required by applicable law. No Corporator shall serve as a corporator, trustee or officer of any other mutual holding company, as trustee, director or officer of any bank or thrift institution that is not a subsidiary of the Corporation, or as a director or officer of any holding company for any bank or thrift institution which is not a subsidiary of the Corporation. Unless otherwise determined by the Board of Directors, the term of any Corporator that also serves as an officer or employee of the Corporation, or any subsidiary thereof, shall expire upon the termination of such individual's service as an officer or employee.

**Section 7. Manner of Participation.** If permitted by the Board of Directors for any meeting of Corporators, Corporators and proxy holders not physically present at a meeting of Corporators may by means of remote communications: (i) participate in a meeting of Corporators; and (ii) be deemed present in person and vote at a meeting of Corporators, provided that: (a) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a Corporator or proxyholder; (b) the Corporation shall implement reasonable measures to provide such Corporators and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the Corporators, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings; and (c) if any Corporator or proxy holder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

**Section 8. Voting by Proxy.** If permitted by the Board of Directors for any meeting of Corporators, a Corporator may vote in person or may appoint a proxy to vote or otherwise act for him or her by signing an appointment form, either personally or by his or her attorney-in-fact as provided by this provision. An appointment of a proxy is effective when received by the Secretary or other officer or agent authorized to tabulate votes. Unless otherwise provided in the appointment form, an appointment is valid for a period of 11 months from the date the Corporator signed the form or, if undated, from the date of its receipt by such officer or agent. Any Corporator's proxy may be transmitted by facsimile or other electronic means in a manner complying with applicable law. Except as otherwise permitted by law or limited therein, proxies shall entitle the persons authorized thereby to vote at any adjournment of such meeting but shall not be valid after final adjournment of such meeting. Subject to the provisions of Section 7.24 of Chapter 156D (or any successor provision thereof), and to any express limitation on the proxy's authority provided in the appointment form, the Corporation is entitled to accept the proxy's vote or other action as that of the Corporator making the appointment.

**Section 9. Acceptance of Votes, Consents, Waivers or Proxy Appointments.** Subject to Section 8 of these Bylaws, Section 7.24 of Chapter 156D (and any successor provision thereof) is applicable to Corporation's acceptance of votes, consents, waivers and proxy appointments. For purposes of clarity, and not to limit the applicability of Section

7.24 of Chapter 156D, the Corporation and its officer or agent who accepts or rejects a vote, consent, waiver, or proxy appointment in good faith and in accordance with the standards of Section 7.24 of Chapter 156D shall not be liable for damages resulting from the acceptance or rejection.

**Section 10. Assent to Bylaws.** All rules, regulations, policies and procedures of the Corporation as adopted by the Corporators or by the Board of Directors and these bylaws, each as in effect from time to time, shall be binding upon all Corporators and on all other persons dealing with the Corporation, whether or not the Corporator or other person has signed a statement signifying assent to such rules and regulations and these bylaws.

### **ARTICLE III. DIRECTORS**

**Section 1. Number; Election; Term.** Directors shall be elected by the Corporators at any annual or special meeting of Corporators if the notice of the proposed meeting includes the election of Directors as an item for action at the meeting. The number of Directors shall be established from time to time by a majority vote of the Board of Directors, provided that the number so fixed shall be at least seven (7) and not more than twenty-five (25). The Board of Directors shall be divided into three (3) classes as nearly equal in number as possible and one of such classes shall be elected annually for a term of three (3) years and until their successors are elected and qualified; provided, however, that during the minimum time necessary to balance the classes on the Board of Directors consistent with the foregoing, any Director or class of Directors may be elected for a term of one (1) year and any Director or class of Directors may be elected for a term of two (2) years. When the number of Directors is changed, the Board of Directors shall determine the class or classes to which the increased or decreased number of Directors shall be apportioned. Any vacancy in the Board of Directors, resulting from an increase in the number of Directors or otherwise, may be filled by the remaining Directors then in office for the balance of the unexpired term.

**Section 2. Director Nominations.** Nominations of candidates for election as Directors at any meeting of Corporators shall be made by the Board of Directors or by a duly constituted nominating committee thereof. Only persons nominated in accordance with this Article III, Section 2 shall be eligible for election as Directors at a meeting of Corporators.

**Section 3. Meetings.** The Board of Directors shall hold a regular meeting at least once every year. Special meetings may be called and held at any time as provided by law.

**Section 4. Notice.** Notice of the time, date and place of all special meetings of the Board of Directors shall be given to each Director by the Secretary or an Assistant Secretary or in the case of the death, absence, incapacity or refusal of such persons, by the officer or one of the Directors calling the meeting. Such notice shall be given to each Director in person, by telephone or voicemail, or by electronic transmission including, without limitation, by facsimile transmission, electronic mail or posting on the internet or other electronic network together with separate notice to the Director of such specific posting directed to an electronic mail address furnished by the Director, or by any other means of electronic transmission agreed to in writing

by the Director, at least twenty-four (24) hours in advance of the meeting. Notice may also be provided to Directors by written notice mailed postage prepaid or sent by use of a nationally recognized overnight delivery or courier service addressed to his or her address as listed on the Corporation's records, at least forty-eight (48) hours in advance of such meeting. In addition, notice may be given in any other manner, including by electronic transmission, consistent with policies and procedures approved by the Board of Directors. If mailed or sent by overnight delivery or courier, such notice shall be deemed to be delivered when deposited in the mail or with such delivery or courier service. Written notice by electronic transmission is effective: (1) if by facsimile transmission, when directed to a number furnished by the Director for the purpose of such delivery; (2) if by electronic mail, when directed to an electronic mail address furnished by the Director for the purpose of such delivery; (3) if delivered by a posting on the internet or other electronic network together with separate notice to the Director of such specific posting directed to an electronic mail address furnished by the Director for the purpose, upon the later of (i) such posting and (ii) the giving of such separate notice; (4) if by any other form of electronic transmission agreed to by the Director to whom such notice is given, when directed to the Corporation in the manner agreed. Notice delivered in accordance with policies and procedures approved by the Board of Directors must be delivered at or prior to the time, and shall be effective at the time, set forth in such policy and procedures. An affidavit of the Secretary or an Assistant Secretary of the Corporation or of an agent of the Corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

When any Board of Directors meeting, either regular or special, is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. It shall not be necessary to give any notice of the time and place of any meeting adjourned for less than thirty (30) days or of the business to be transacted thereat, other than an announcement at the meeting at which such adjournment is taken.

Any Director may waive notice of any meeting by a writing executed by him or her either before or after the meeting and filed with the records of the meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because such meeting is not lawfully called or convened and does not thereafter vote for or assent to action taken at the meeting. Neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in the notice or waiver of such meeting.

**Section 5. Presiding Officer.** The Chair of the Board shall preside at all meetings of the Board of Directors; and in the event of the absence or disability of the Chair, the Lead Director, if one is designated by the Board of Directors, shall preside. In the event of the absence or disability of the Chair and the Lead Director, a presiding Officer pro-tem shall be designated by a majority of the Directors present at the meeting; provided, that any person presiding at any meeting of the Board of Directors shall be a Director of the Corporation; and provided further, that if the person presiding is the Secretary of the Board of Directors, a Secretary pro-tem shall be appointed for the meeting by the presiding Officer.

**Section 6. Quorum and Voting.** Except as otherwise provided in the charter or these bylaws, a quorum shall consist of a majority of the Directors then in office. At a meeting where a quorum is present, a majority of the Directors present may take any action on behalf of the Board of Directors, unless a larger number is required by law or these bylaws. If less than a quorum is present, a meeting of Directors may, by action of the presiding officer, be adjourned and reconvened from time to time without further notice, except as provided in Article III, Section 5. At such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally noticed.

**Section 7. Resignation.** Any Director may resign at any time by giving written notice, including by electronic means, to the Secretary. Unless otherwise specified in the notice, the resignation shall take effect immediately upon receipt, except that any resignation specifying an effective date shall take effect upon such date or upon acceptance unless otherwise provided in such acceptance; provided, however, that notwithstanding the foregoing, such resignation shall not take effect until the next meeting of the Board of Directors if by reason of its taking effect prior to such meeting the number of Directors would thereby be reduced to less than seven (7).

If an Officer or employee of the Corporation or its Subsidiaries also serves as a Director, his or her office as a Director shall be automatically vacated and he or she shall be deemed to have voluntarily resigned as a Director upon his or her ceasing to serve as an Officer or employee of the Corporation or its Subsidiaries unless this provision is waived by vote of two-thirds of the other Directors.

**Section 8. Removal.** At any meeting of the Directors, the Directors may remove any Director for cause, including but not limited to a violation of the Corporation's standards of conduct as in effect on the date of such violation, by a vote of at least two-thirds of the entire Board of Directors and without a vote of the Corporators. Notice of intention to seek such removal shall be furnished to the Director or Secretary whose removal is sought, by a person so authorized by the Board of Directors, at least two (2) weeks prior to the date of the proposed meeting of the Board of Directors. Such Director or Secretary shall be entitled to appear personally at and address the Directors at such meeting; provided, however, that such Director or the Secretary shall be recused from the meeting during the Board's deliberation and vote on his or her removal. Upon the removal of a Director or the Secretary of the Corporation as above provided, such person's office forthwith shall be deemed to be vacant and the Board of Directors may fill the vacancy for the unexpired term in accordance with applicable provisions of law and these bylaws. For the purpose of this Section 8, there shall be "cause" to remove such Director or the Secretary from office if such person (i) has been convicted of or pleads nolo contendere or admits to sufficient facts for a finding of guilty to a crime involving moral turpitude or a crime relating to the Corporation's business, (ii) has willfully engaged in deliberate dishonesty, illegal conduct or gross misconduct, (iii) in the opinion of the Board of Directors, has engaged in conduct that has impaired public confidence in the Corporation or any subsidiary banking institution of the Corporation or (iv) is guilty of a material violation of law or his or her fiduciary duties to the Corporation.

The Board of Directors may, upon the vote of two-thirds of the Directors present and voting, declare vacant the office of a Director who has failed to attend regular meetings of the Board and to carry out his or her duties for six (6) consecutive months.

**Section 9. Qualifications.** Each Director shall have such qualifications as are required by applicable law and by such policies as may be adopted by the Board of Directors. No Director shall serve as a corporator, director, trustee or officer of any other mutual holding company, as a corporator, trustee, director or officer of any bank or thrift institution that is not a subsidiary of the Corporation, or as a director or officer of any holding company for any bank or thrift institution which is not a subsidiary of the Corporation. No person shall be elected or appointed to serve or shall continue serving as a Director if he is not a Corporator, except that any person elected by the Board of Directors pursuant to the last sentence of Article III, Section 1 hereof to fill a vacancy on the Board of Directors, however created, need not be a Corporator at the time of such election or at any time prior to the next Annual Meeting of Corporators. To the extent required by law, at least a majority of the members of the Board of Directors shall be a citizen and part-time or full-time resident of the Commonwealth of Massachusetts. No more than two (2) officers may serve as a director at the same time.

**Section 10. Powers and Duties.** The Directors shall have the power and authority to govern the business and affairs of the Corporation subject to the charter and these bylaws, including the power and authority to manage the business and affairs of the Corporation.

**Section 11. Chair and Vice Chair of the Board.** The Board of Directors shall annually appoint from its members a Chair of the Board of Directors at their first meeting after the Annual Meeting of Corporators. The Chair shall preside at all meetings of the Corporators and of the Board of Directors and have such other powers and duties as from time to time may be conferred upon him or her by the Board of Directors, provided that any such powers or duties so conferred shall not be in conflict with those of the Chief Executive Officer or the President.

The Board may also appoint a Vice Chair annually from its members if deemed necessary by the Board of Directors. The Vice Chair shall be elected by and from the Directors who are not Officers or employees of the Corporation or its Subsidiaries (the "Independent Directors") and the Vice Chair shall also serve as the Lead Director, as described herein. When serving as the Lead Director, the Vice Chair shall: serve as the Independent Directors' central point of communication with the Chair and Chief Executive Officer; lead executive sessions of the Board of Directors; consult with the Chair and Chief Executive Officer on agendas for regular meetings of the Board of Directors; advise the Chair and Chief Executive Officer on the quality and timeliness of information provided to the Board of Directors; recommend individual Directors to serve as committee chairs; serve as an *ex officio* member of each committee of the Board of Directors; work with committee chairs to align the work of the committees with the goals of the Corporation; participate in the recruitment, orientation and training of new Directors; oversee an annual self-assessment process by the Board of Directors; and provide feedback to individual Directors based on any self-assessment or peer review process. During any period in which the position of Chair and the office of Chief Executive Officer are not held by the same person, the Chair shall have all of the powers and duties as set forth in this Section 11 as if he or she were

the Lead Director, to the extent applicable. The Vice Chair, in the absence, death or disability of the Chair shall exercise all the powers and perform all the duties of the Chair.

The Chair and the Vice Chair, if any, shall have such other powers and duties as from time to time may be conferred upon him or her by the Board of Directors, provided that any such powers or duties so conferred shall not be in conflict with those of the Chief Executive Officer.

**Section 12. Compensation.** Directors shall receive such compensation as may be determined from time to time by the Board of Directors.

**Section 13. Manner of Participation.** Members of the Board of Directors or committees of the Board appointed pursuant to these bylaws may participate in meetings by means of a conference telephone or similar communication equipment by which all persons participating in the meeting can hear each other. Such participation shall constitute presence in person, including for purposes of Section 7 hereof, and shall constitute attendance for the purpose of compensation pursuant to Section 12 hereof, unless the Board of Directors by resolution provides otherwise.

**Section 14. Action by Consent.** Any action required or permitted to be taken by the Board of Directors at any meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors then in office. Such written consents shall be filed with the records of the meetings of the Board of Directors and shall be treated for all purposes as a vote at a meeting of the Board of Directors.

**Section 15. Presumption of Assent.** A Director of the Corporation who is present at a meeting of the Board of Directors at which action on any matter is taken shall be presumed to have assented to the action taken unless: (1) he or she objects at the beginning of the meeting, or promptly upon his or her arrival, to holding it or transacting business at the meeting; (2) his or her dissent or abstention from the action taken is entered in the minutes of the meeting; or (3) he or she delivers written notice of his or her dissent or abstention to the presiding officer of the meeting before its adjournment or to the Corporation immediately after adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

**Section 16. Honorary or Advisory Directors.** Subject to applicable law, the Board of Directors may appoint any person as an Honorary or Advisory Director and may by resolution determine their compensation for their service. Honorary or Advisory Directors may attend meetings of the Board of Directors but shall have no vote on any matter acted upon by the Board.

#### **ARTICLE IV. COMMITTEES**

A committee of at least three Directors who are not officers of the Corporation shall be appointed by the Board of Directors to serve as an Audit Committee. Each member of the Audit Committee shall serve for a one-year term.

The Board of Directors shall appoint such other committees as the Board of Directors may determine. Members of the committees appointed by the Board of Directors shall serve at the pleasure of the Board of Directors.

## **ARTICLE V. OFFICERS**

**Section 1. Composition and Duties.** The officers of the Corporation shall consist of a Chief Executive Officer, a President, a Treasurer, a Secretary, and such other officers as the Directors may from time to time appoint including, without limitation, a Chief Financial Officer, and one or more Vice Presidents, Vice Treasurers, Assistant Treasurers, or Assistant Secretaries. Such officers shall serve at the pleasure of the Board of Directors. The powers and duties of the officers shall be as follows:

(a) Chief Executive Officer. The Chief Executive Officer shall have general supervision and control of the Corporation's business, subject to the Board of Directors' oversight, and shall have such specific powers and duties as are set forth in the law or these Bylaws, or as may be designated from time to time by the Board of Directors. The Chief Executive Officer shall have authority to appoint any agents or employees, other than those provided by law or by these Bylaws to be elected or appointed by the Board of Directors, and to prescribe their powers and duties which may include the power to appoint subordinate agents or employees.

(b) President. The President shall have such powers and duties as from time to time may be conferred upon him or her by law, by the Board of Directors, or the Chief Executive Officer.

(c) Treasurer. The Treasurer shall have such powers and duties as may be prescribed by law or by the Board of Directors.

(d) Vice Presidents. Any Executive Vice President, Senior Vice President or Vice President shall have such powers and perform such duties as the President, the Chief Executive Officer or the Board of Directors may from time to time designate.

(e) Secretary. The Secretary shall have such powers and duties as may be prescribed by law, the Board of Directors, the Chief Executive Officer or the President. The Secretary shall also keep a record of all meetings of the Corporators and, if also the Secretary of the Board of Directors, the meetings of the Board of Directors. In the absence of the Secretary, or Assistant Secretary, a Temporary Secretary, designated by the person presiding at such meeting, shall perform the duties of the Secretary.

(f) Other Officers. Other officers shall have such powers and duties as may be prescribed by the Chief Executive Officer or by the Board of Directors.

**Section 2. Election.** The Board of Directors shall have authority to appoint all officers.

**Section 3. Resignation and Removal.** Any officer may resign at any time by giving written notice to the Chief Executive Officer, the President or the Board of Directors. Unless otherwise specified in the notice and agreed upon by the Chief Executive Officer, the resignation shall take effect immediately upon receipt.

**Section 4. Qualification.** No officer of the Corporation shall serve as a corporator, director, trustee or officer of any other mutual holding company, as a corporator, trustee, director or officer of any bank or thrift institution that is not a subsidiary of the Corporation, or as a director or officer of any holding company for any bank or thrift institution which is not a subsidiary of the Corporation.

**Section 5. Compensation.** The compensation of all officers shall be fixed by the Board of Directors or by a committee appointed by the Board of Directors.

## ARTICLE VI. INDEMNIFICATION

**Section 1. Definitions.** For purposes of this Article: (a) “Officer” means any person, and any heirs or personal representatives of such person, who serves, or has served, as a Director of the Corporation, an “executive officer” of the Corporation, as such term is defined in Regulation O of the Board of Governors of the Federal Reserve System, or a Corporator of the Corporation; provided, however, that permitting the indemnification of Corporators under this Article VI is not intended to result in Corporators being subject to an increased duty to the Corporation, or act as acknowledgement of such an increased duty; (b) “Non-Officer Employee” means any person who serves or has served as an employee of the Corporation but who is not or was not an Officer, and any heirs or personal representatives of such person; (c) “Proceeding” means any action, suit or proceeding, civil or criminal, brought or threatened in or before any court, tribunal, administrative or legislative body or agency and any claim which could be the subject of a Proceeding; and (d) “Expenses” means any liability fixed by a judgment, order, decree or award in a Proceeding, any amount reasonably paid in settlement of a Proceeding and any professional fees or disbursements or other expenses reasonably incurred in a Proceeding.

**Section 2. Indemnified Parties.** Except as provided in Sections 4 and 5 of this Article VI, each Officer shall be indemnified by the Corporation against any and all expenses incurred by such Officer in connection with any Proceeding in which such Officer is involved as a result of serving or having served (a) as a Corporator, Director, officer or employee of the Corporation, (b) in any capacity with respect to any employee benefit plan sponsored by the Corporation or any wholly-owned subsidiary of the Corporation, (c) as a director, officer or employee of any wholly-owned subsidiary of the Corporation, or (d) in any capacity with any other corporation, organization, partnership, joint venture, trust or other entity at the request or direction of the Corporation.

**Section 3. Non-Officer Employees.** Except as provided in Sections 4 and 5 of this Article VI, each Non-Officer Employee of the Corporation may, in the discretion of the Board of Directors, be indemnified by the Corporation against any and all Expenses incurred by such Non-Officer Employee in connection with any Proceeding in which such Non-Officer Employee is involved as a result of serving or having served (a) as an employee of the Corporation, (b) in

any capacity with respect to any employee benefit plan sponsored by the Corporation or any wholly-owned subsidiary of the Corporation, (c) as a director, officer or employee of any wholly-owned subsidiary of the Corporation, or (d) in any capacity with any other corporation, organization, partnership, joint venture, trust or other entity at the request or direction of the Corporation.

**Section 4. Service at the Request or Direction of the Corporation.** No indemnification shall be provided to any Officer or Non-Officer Employee with respect to serving or having served in any of the capacities described in Section 2(d) or 3(d) above unless the following two conditions are met: (a) such service was requested or directed in each specific case by a vote of the Board of Directors or by vote of a committee of the Board of Directors prior to the occurrence of the event to which the indemnification relates, and (b) the Corporation maintains insurance coverage for the type of indemnification sought. The Corporation shall not be liable for indemnification under Section 2(d) or 3(d) above for any amount in excess of the proceeds of insurance received with respect to such coverage as the Corporation in its discretion may elect to carry. The Corporation may, but shall not be required to, maintain insurance coverage with respect to indemnification under Section 2(d) or 3(d) above. Notwithstanding any other provision of this Section 4, but subject to Section 5 of this Article VI, the Board of Directors may provide an Officer or Non-Officer Employee with indemnification under Section 2(d) or 3(d) above as to a Proceeding even if one or both of the two conditions specified in this Section 4 have not been met and even if the amount of the indemnification exceeds the amount of the proceeds of any insurance which the Corporation may have elected to carry, provided that the Board of Directors in its discretion determines it to be in the best interests of the Corporation to do so.

**Section 5. Good Faith.** No indemnification shall be provided to an Officer or to a Non-Officer Employee with respect to a matter as to which such person shall have been adjudicated in any Proceeding not to have acted in good faith in the reasonable belief that the action of such person was in the best interests of the Corporation. In the event that a Proceeding is compromised or settled so as to impose any liability or obligation upon an Officer or Non-Officer Employee, no indemnification shall be provided to said person with respect to a matter if there is a determination that with respect to such matter that such person did not act in good faith in the reasonable belief that the action of such person was in the best interests of the Corporation. The determination shall be made by a majority vote of those Directors who are not involved in such Proceeding. However, if more than half of the Directors are involved in such Proceeding, the determination shall be made by a majority vote of a committee of three disinterested Directors chosen at a regular or special meeting of the Board of Directors to make such determination; provided, however, that if there are less than three disinterested Directors, the determination shall be made by a committee consisting of three disinterested Corporators, chosen at a regular or special meeting of the Board of Directors to make such determination.

**Section 6. Prior to Final Disposition.** Any indemnification provided under this Article, in the case of an Officer shall include, and in the case of a Non-Officer Employee may in the discretion of the Board of Directors include, payment by the Corporation of Expenses incurred in defending a Proceeding in advance of the final disposition of such Proceeding upon receipt of an undertaking by the Officer or Non-Officer Employee to repay such payment if such person shall be adjudicated or determined to be not entitled to indemnification under this Article.

**Section 7. Insurance.** The Corporation shall purchase and maintain insurance to protect itself and any Officer or Non-Officer Employee against any liability of any character asserted against or incurred by the Corporation or any such person, or arising out of any such status, whether or not the Corporation would have the power to indemnify such person against such liability by law or under the provisions of this Article.

**Section 8. Independent Indemnification.** Nothing in this Article shall limit any lawful rights to indemnification existing independently of this Article.

**Section 9. Regulatory Limitation.** The rights to indemnification and to the advancement of expenses under this Article are subject to the applicable provisions of Section 18(k) of the Federal Deposit Insurance Act, and the regulations issued thereunder by the Federal Deposit Insurance Corporation.

## **ARTICLE VII. CONFLICTS OF INTEREST**

No contract or transaction between the Corporation and one or more of its Directors or officers, or between the Corporation and any other corporation, partnership, association, or other organization of which one or more of its Directors, officers, partners, or members are members of the Board of Directors or officers of the Corporation, or in which one or more of the Corporation's Directors or officers have a financial or other interest, shall be void or voidable solely by reason thereof, or solely because the Director or officer is present at or participates in the meeting of the Board of Directors of the Corporation or a committee thereof that authorized the contract or transaction, if:

(1) Any duality of interest or possible conflict of interest on the part of any Director or officer of the Corporation is disclosed to the other members of the Board or committee at a meeting at which a matter involving such duality or conflict of interest is considered or acted upon; and

(2) Any Director having a duality of interest or possible conflict of interest on any matter refrains from voting on the matter. The minutes shall reflect that a disclosure was made and the abstention from voting.

The foregoing requirements shall not be construed as preventing a Director from briefly stating his position in the matter, nor from answering pertinent questions of other members of the Board or committee

Each Director and officer shall be advised of the foregoing upon the acceptance of his office and shall provide information annually regarding such duality of interest or possible conflict of interest.

## **ARTICLE VIII. MISCELLANEOUS**

**Section 1. Fiscal Year.** Except as otherwise provided by the Board of Directors, the fiscal year of the Corporation shall end on April 30 of each year.

**Section 2. Seal.** The Board of Directors shall have power to adopt and alter the seal of the Corporation.

**Section 3. Execution of Instruments.** All deeds, leases, transfers, contracts, bonds, stock certificates and other certificates representing securities, notes and other obligations and certificates to be executed by the Corporation in the ordinary course of its business without Director action may be executed on behalf of the Corporation by the President or any other officer or agent of the Corporation as the Board of Directors may authorize for such purpose.

**Section 4. Voting of Securities.** Unless the Board of Directors otherwise provides, the President or any other officer or agent designated by the Board of Directors may waive notice of or act on behalf of the Corporation or appoint another person or persons to act as proxy or attorney in fact for the Corporation with or without discretionary power and/or power of substitution at any meeting, or to execute any written consent in lieu of any meeting, of the stockholders or shareholders of any other corporation or organization any of whose securities are held by the Corporation.

**Section 5. Subsidiary.** For purposes of these bylaws, “subsidiary” of the Corporation means (i) any corporation more than 50% of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the Directors of such corporation (irrespective of whether or not at the time stock of any class or classes of such corporation shall have or might have voting rights by reason of the happening of any contingency) is at the time owned by the Corporation directly or indirectly through subsidiaries and (ii) any partnership, association, joint venture or other entity in which the Corporation directly or indirectly through subsidiaries has more than a 50% equity interest at the time.

**Section 6. Vote Required to Approve Stock Issuance Plan.** Any plan providing for the issuance of securities to a person other than the Corporation by a subsidiary bank holding company of the Corporation or subsidiary banking institution of the Corporation, which was formerly a mutual banking institution or any proposal to convert the Corporation from mutual form to stock form of ownership (each a “Public Transaction”) shall require approval of eighty percent (80%) of the entire Board of Directors and two-thirds of all of the Corporators present and voting at a meeting duly called to consider such Public Transaction. Notwithstanding Article IX, any repeal or significant amendment of this Section 6 shall require approval of all but two (2) of the Directors and two-thirds of the Corporators at a meeting duly called for the purpose.

**Section 7. Prohibition on Insider Enrichment.** For a period of five (5) years following completion of any Public Transaction, no officer, Director or employee of the Corporation or its affiliates shall be awarded, or provided any option or opportunity to purchase, equity securities issued by the Bank or any of its affiliates, except as may be required by law.

**Section 8. Charter.** All references in these bylaws to the charter shall be deemed to refer to the Articles of Organization (Charter) of the Corporation, as amended and in effect from time to time.

**Section 9. Emergency.** In the event of an emergency declared by a proper governmental authority, State or Federal, and until declaration of the termination of such emergency, or in the event of a disaster, either of which renders ordinary operations of the Corporation and/or communications in the area practically impossible, and until the effects of such a disaster are substantially overcome, the officers and employees of the Corporation shall continue to conduct its affairs with the assistance of those members of the Board of Directors who are readily available. The powers and duties of the Board of Directors may be exercised and performed by said available members with or without formal meetings and free from the usual notice and quorum requirements. The emergency powers herein granted shall cease upon declaration of the termination of the emergency or the overcoming of the same, as aforesaid.

## **ARTICLE IX. AMENDMENTS**

These bylaws may be amended by a majority vote of the Corporators present in person or proxy and voting at a duly constituted regular or special meeting of the Corporators; provided, however, that the notice for such meeting must state that a purpose of the meeting is to consider and act upon a proposed bylaw amendment and shall include the text of the proposed amendment or a summary thereof. The Board of Directors may make, amend or repeal these bylaws, in whole or in part, except with respect to any provision thereof which by law, the Corporation's charter or these bylaws requires action by the Corporators. Not later than the time of giving notice of the meeting of Corporators next following the making, amending or repealing by the Board of Directors of any bylaw, notice thereof stating the substance of such change shall be given to all Corporators. Any bylaw adopted or amended by the Board of Directors may be amended or reinstated by the Corporators following the procedures outlined above.

In the event of an inconsistency between any bylaw of this Corporation and any provision of law or regulation made thereunder, such provision of law or regulation shall govern.



**ARTICLES OF ORGANIZATION**  
**OF**  
**STONEHAM INTERIM STOCK BANK**

**SECTION 1. NAME**

The name of the Bank is: STONEHAM INTERIM STOCK BANK

**SECTION 2. LOCATION**

The principal office of the Bank shall be located in the Town of Stoneham, Massachusetts, and may be changed from time to time by the Board of Directors of the Bank, subject to compliance with the provisions of Section 2 of Chapter 167C of the Massachusetts General Laws, or successor statute.

**SECTION 3. PURPOSE AND POWERS**

The Bank is a stock cooperative bank chartered under Chapters 167H and 170 of the Massachusetts General Laws and shall have and may exercise all powers and authority, express and implied, available to it under law.

**SECTION 4. DURATION**

The duration of the Bank is perpetual.

**SECTION 5. CAPITAL STOCK**

The total number of shares of all classes of capital stock which the Bank is authorized to issue is one thousand five hundred (1,500) shares, of which one thousand (1,000) shares shall be common stock, \$1.00 par value per share, and five hundred (500) shares shall be preferred stock, \$1.00 par value per share. Subject to the approval of the Commissioner of Banks of the Commonwealth of Massachusetts (the "Commissioner of Banks"), if required by law, the shares may be issued by the Bank from time to time by a vote of its Board of Directors without the approval of its shareholders. Upon payment of lawful consideration, such shares shall be deemed to be fully paid and nonassessable. In the case of a stock dividend, that part of the surplus of the Bank that is transferred to stated capital upon the issuance of shares as a stock dividend shall be deemed to be the consideration for their issuance.

A description of the different classes and series of the Bank's capital stock and a statement of the designations and the relative rights, preferences and limitations of the shares of each class and series of capital stock are as follows:

**A. Common Stock.**

Except as provided by law or in this Section 5 (or in any supplementary sections hereto or in any certificate of establishment of any series of preferred stock), the holders of the common stock shall exclusively possess all voting power. Each holder of shares of common stock shall be entitled to one vote on all matters for each share held by such holder. There shall be no cumulative voting rights in the election of directors.

Whenever there shall have been paid, or declared and set aside for payment, to the holders of the outstanding shares of any class of stock having preference over the common stock as to the payment of dividends, the full amount of dividends and of a sinking fund or a retirement fund or other retirement payments, if any, to which such holders are respectively entitled in preference to the common stock, then dividends may be paid on the

common stock and on any class or series of stock entitled to participate therewith as to dividends, out of any assets legally available for the payment of dividends; but only when and as declared by the Board of Directors.

In the event of any liquidation, dissolution or winding up of the Bank, after there shall have been paid to or set aside for the holders of any class having preference over the common stock in the event of liquidation, dissolution or winding up of the Bank the full preferential amounts to which they are respectively entitled, the holders of the common stock, and of any class or series of stock entitled to participate in whole or in part therewith as to distribution of assets, shall be entitled, after payment or provision for payment of all debts and liabilities of the Bank, to receive the remaining assets of the Bank available for distribution, in cash or in kind, in proportion to their holdings.

#### B. Preferred Stock.

Subject to the approval of the provisions of any series of preferred stock by the Commissioner of Banks, if required by law, the Board of Directors of the Bank is authorized by vote or votes, from time to time adopted, to provide for the issuance of preferred stock in one or more series and to fix and state the voting powers, designations, preferences and relative participating, optional or other special rights of the shares of each series, and the qualifications, limitations and restrictions thereof, including, but not limited to, determination of one or more of the following:

- (1) The distinctive serial designation and the number of shares constituting such series;
- (2) The dividend rates or the amount of dividends to be paid on the shares of such series, whether dividends shall be cumulative and, if so, from which date or dates, the payment date or dates for dividends and the participating or other special rights, if any, with respect to dividends;
- (3) The voting powers, if any, of shares of such series;
- (4) Whether the shares of such series shall be redeemable and, if so, the price or prices at which, and the terms and conditions on which, such shares may be redeemed;
- (5) The amount or amounts payable upon the shares of such series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Bank;
- (6) Whether the shares of such series shall be entitled to the benefit of a sinking or retirement fund to be applied to the purchase or redemption of such shares, and if so entitled, the amount of such fund and the manner of its application, including the price or prices at which such shares may be redeemed or purchased through the application of such fund;
- (7) Whether the shares of such series shall be convertible into, or exchangeable for, shares of any other class or classes or of any other series of the same or any other class or classes of stock of the Bank, and if so convertible or exchangeable, the conversion price or prices, or the rate or rates of exchange, and the adjustments thereof, if any, at which such conversion or exchange may be made, and any other terms and conditions of such conversion or exchange;
- (8) The price or other consideration for which the shares of such series shall be issued; and
- (9) Whether the shares of such series which are redeemed or converted shall have the status of authorized but unissued shares of preferred stock and whether such shares may be reissued as shares of the same or any other series of stock.

Unless otherwise provided by law, any such vote shall become effective when the Bank files with the Secretary of State of the Commonwealth of Massachusetts a certificate of designation of one or more series of preferred stock signed by the Chief Executive Officer, the President or any Vice President and by the Secretary, Assistant Secretary, Clerk or Assistant Clerk of the Bank, setting forth a copy of the vote of the Board of Directors establishing and

designating the series and fixing and determining the relative rights and preferences thereof, the date of adoption of such vote and a certification that such vote was duly adopted by the Board of Directors.

#### **SECTION 6. ACTION BY WRITTEN CONSENT OF SHAREHOLDERS**

Subject to the rights of the holders of any series or Preferred Stock or any other series or class of stock as set forth in this Charter to elect additional directors under specific circumstances or to consent to specific actions taken by the Bank, any action required or permitted to be taken by the shareholders of the Bank may be effected by unanimous written consent of the shareholders and such written consent shall have all the force and effect of a meeting of shareholders.

#### **SECTION 7. STANDARDS FOR BOARD OF DIRECTORS' EVALUATION OF OFFERS**

The Board of Directors of the Bank, when evaluating any offer to (A) make a tender or exchange offer for any equity security of the Bank, (B) merge or consolidate the Bank with another institution or (C) purchase or otherwise acquire all or substantially all of the properties and assets of the Bank, shall, in connection with the exercise of its judgment in determining what is in the best interests of the Bank and its shareholders, give due consideration to all relevant factors including, without limitation: the economy of the state, region and nation; the social and economic effects of acceptance of such offer on the Bank's present and future account holders, borrowers, employees and suppliers; and on the communities in which the Bank operates or is located; and the ability of the Bank to fulfill the objectives of a Massachusetts-chartered stock cooperative bank under applicable statutes and regulations, including the possibility that these interests may be best served by the continued independence of the Bank.

#### **SECTION 8. PRE-EMPTIVE RIGHTS**

Holders of the capital stock of the Bank shall not be entitled to pre-emptive rights with respect to any shares of the capital stock of the Bank which may be issued.

#### **SECTION 9. BENEFICIAL OWNERSHIP LIMITATION**

From the date of consummation of the mutual holding company reorganization of the Bank (the "Reorganization"), no person shall directly or indirectly offer to acquire or acquire beneficial ownership (as that term is defined pursuant to Rule 13d-3 of the rules and regulations promulgated under the Securities Exchange Act of 1934) of more than 4.9% of the outstanding shares of any class of equity securities of the Bank during the three (3) year period following the Reorganization or after such three (3) year period more than ten percent (10%) of the outstanding shares of any class of equity securities of the Bank. This limitation shall not apply (A) to any acquisition of shares of capital stock of the Bank which has been expressly approved in advance by an affirmative vote of not less than two-thirds of the votes of each class of shares eligible to be cast by shareholders at a duly constituted meeting of shareholders called expressly for such purpose and, if required under applicable law, by the Commissioner of Banks, (B) to any offer to the Bank made by the underwriters selected by the Bank in connection with a public offering by the Bank of the Bank's capital stock or (C) to a transaction in which the Bank forms a holding company without change in the respective beneficial ownership interests of its shareholders other than pursuant to the exercise of any dissenters' appraisal rights.

For the purposes of determining the number of shares of equity securities owned hereunder by any individual, group acting in concert, corporation, partnership, association, joint venture, pool, joint stock company, trust, unincorporated organization or similar company, syndicate or any other group formed for the purpose of acquiring, holding or disposing of securities ("Person"), the number of shares of equity securities deemed to be outstanding shall include shares deemed beneficially owned by such Person, but shall not include any other shares, of equity securities which may be issuable by the Bank pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options or otherwise.

If beneficial ownership of any class of equity securities is acquired in violation of this Section 9, (i) all shares of common or preferred stock beneficially owned by any Person in excess of 4.9% or ten percent (10%), as the case may be, of the total number of outstanding shares of such class shall not be counted as shares entitled to

vote, shall not be voted by any Person or counted as voting shares in connection with any matter submitted to the shareholders for a vote.

## **SECTION 10. DIRECTORS**

The Bank shall be under the direction of a Board of Directors. The number of directors shall not be fewer than seven (7) nor more than twenty-five (25). The names of the original eleven (11) directors under this Charter, together with the year of expiration of their respective terms, are set forth in Exhibit A hereto. The Board of Directors shall be divided into three classes as nearly equal in number as possible, with one class to be elected each year. Directors shall continue to serve for the terms specified in Exhibit A hereto and until their successors are elected and qualified, unless they sooner resign, retire, die or are removed.

Subject to the rights of the holders of any series of Preferred Stock or any other series or class of stock as set forth in any certificate of establishment with respect thereto to elect additional directors under specific circumstances, any director may be removed from office at any time in accordance with the procedures set forth in Section 4.17 of the bylaws of the Bank.

## **SECTION 11. DIRECTORS' LIABILITY**

No director shall be personally liable to the Bank or its shareholders for monetary damages for any breach of such director's fiduciary duty as a director, notwithstanding any provision of law imposing such liability; provided, however, that, to the extent required by applicable law, this provision shall not eliminate the liability of a director (i) for any breach of such director's duty of loyalty to the Bank or its shareholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under provisions of the Massachusetts General Laws imposing liabilities on directors in respect of distributions to the shareholders of the Bank or loans to officers or directors of the Bank, or (iv) any transaction from which such director derived any improper personal benefit. This provision shall not eliminate the liability of a director for any act or omission occurring prior to the date upon which this provision becomes effective. No amendment to or repeal of this provision shall apply to or have any effect on the liability or alleged liability of any director of the Bank for or with respect to any acts or omissions of such director occurring prior to the date of such amendment or repeal.

## **SECTION 12. TRANSACTIONS WITH INTERESTED PERSONS**

Section 12.1. Unless entered into in bad faith or in violation of any provision of this Charter, no contract or transaction by the Bank shall be void, voidable or in any way affected by reason of the fact that it is with an Interested Person.

Section 12.2. For the purposes of this Section, "Interested Person" means any Person in any way interested in the Bank whether as a director, officer, shareholder, employee or otherwise, and any other entity in which any such Person is in any way interested.

Section 12.3. Unless such contract or transaction was entered into in bad faith or in violation of any provision of this Charter, no Interested Person, because of such interest, shall be liable to the Bank or to any other Person for any loss or expense incurred by reason of such contract or transaction or shall be accountable for any gain or profit realized from such contract or transaction.

Section 12.4. The provisions of this Section 12 shall be operative notwithstanding that the presence of an Interested Person was necessary to constitute a quorum at a meeting of directors or shareholders of the Bank at which such contract or transaction was authorized or that the vote of an Interested Person was necessary for the authorization of such contract or transaction.

## **SECTION 13. ACTING AS A PARTNER**

To the extent not prohibited by applicable law, the Bank may be a partner in any business enterprise which it would have power to conduct by itself.

#### **SECTION 14. SHAREHOLDERS MEETINGS**

Meetings of shareholders may be held at such place in the Commonwealth of Massachusetts or, if permitted by applicable law, elsewhere in the United States as the Board of Directors may determine.

#### **SECTION 15. CALL OF SPECIAL MEETINGS**

Special meetings of the shareholders for any purpose or purposes may be called at any time only by the Chairman of the Board, the President, or by the Board of Directors pursuant to a resolution adopted by a majority of the total number of directors that the Bank would have if there were no vacancies.

#### **SECTION 16. AMENDMENT OF BYLAWS**

The Board of Directors or the shareholders may adopt, alter, amend or repeal the Bylaws of the Bank. Pursuant to the corporate governance election in Section 1.2 of the Bank's Bylaws, Section 21 of Chapter 167J and Chapter 156D of the Massachusetts General Laws, such action by the Board of Directors shall require the affirmative vote of at least a majority of the directors then in office at a duly constituted meeting of the Board of Directors. Such action by the shareholders shall require the affirmative vote of at least two-thirds of the total votes eligible to be cast by shareholders at a duly constituted meeting of shareholders called expressly for such purpose. Any amendment, addition, alteration, change or repeal so acted upon shall be effective upon filing with the Secretary of State of the Commonwealth of Massachusetts.

#### **SECTION 17. AMENDMENT OF CHARTER**

Subject to applicable law, no amendment, addition, alteration, change or repeal of this Charter shall be made, unless such is first proposed by the Board of Directors of the Bank and thereafter approved by the shareholders by the affirmative vote of at least two-thirds of the total votes eligible to be cast at a legal meeting. All references herein to the Charter shall be deemed to refer to the Articles of Organization of the Bank, as amended and in effect from time to time.

**EXHIBIT A. DIRECTORS OF STONEHAM INTERIM STOCK BANK**

<u>Name</u>	<u>Year Initial Term as Director Expires</u>
John R. Cullen, Jr.	2026
Michael P. Dalton	2026
Edward F. Doherty, Jr.	2028
Joseph M. Falcao	2026
Harvey J. Gordon	2028
Monica L. Herlihy	2028
Gloria E. Korta	2027
James T. McIntyre	2027
John J. Melkonian	2027
Gilbert A. Moreira	2027
M. Daria Niewenhous	2028
Aricia A. Symes-Elmer	2026

**APPENDIX B**

<b><u>Name</u></b>	<b><u>Residential Address</u></b>	<b><u>City</u></b>	<b><u>State</u></b>	<b><u>Zip</u></b>	<b><u>Post Office Address</u></b>
John J. Melkonian	129 Eastway	Reading	MA	01867	Same as Residence
M. Daria Niewenhaus	25 Sunset Rock Lane	Reading	MA	01867	Same as Residence
John R. Cullen, Jr.	8 Homestead Lane	Stoneham	MA	02180	Same as Residence
Michael P. Dalton	15 Cooley Drive	Woburn	MA	01801	Same as Residence
Joseph M. Falcao	27 Mohawk Path	Holliston	MA	01746	Same as Residence
Harvey J. Gordon	25 Ellen Road	Stoneham	MA	02180	Same as Residence
Monica L. Herlihy	165 Cambridge Road, Unit 13	Woburn	MA	01801	Same as Residence
Gloria E. Korta	7 Wainwright Road, #12	Winchester	MA	01890	Same as Residence
James T. McIntyre	23 Newton Avenue	Tewksbury	MA	01876	Same as Residence
Gilbert A. Moreira	1 William Road	Billerica	MA	01821	Same as Residence
Aricia A. Symes-Elmer	23 Bateson Drive	Andover	MA	01810	Same as Residence
Edward F. Doherty, Jr.	150 Briarwood Drive	Hanover	MA	02339	Same as Residence



**BYLAWS  
OF  
STONEHAMBANK – A CO-OPERATIVE BANK**

**ARTICLE 1. ORGANIZATION**

**Section 1.1. Organization.** The name of this Bank is “StonehamBank – A Co-operative Bank.” The Bank shall have and fully exercise all powers and authority, both express and implied, available to it under applicable law.

**Section 1.2. Corporate Governance Procedures.** The Bank shall be governed by Chapter 170 of the Massachusetts General Laws (the “MGL”) and other applicable provisions of law. To the extent not inconsistent with the above, and as permitted by Section 21 of Chapter 167J of the MGL, the Bank may, from time to time, follow one or more governance procedures for corporations under Chapter 156D of the MGL (“Chapter 156D”) as if, for purposes of corporate governance, the Bank were a corporation formed under Chapter 156D. Any corporate governance procedures of Chapter 156D that are not expressly included in these Bylaws may be followed by the Bank if recorded in the minutes of the Bank’s directors following the use of such procedures.

**ARTICLE 2. OFFICES**

**Section 2.1. Principal Office.** The principal office of the Bank shall be located in the Town of Stoneham, Massachusetts, and may be changed from time to time by the Board of Directors of the Bank, subject, however, to compliance with the provisions of Section 2 of Chapter 167C of the MGL, or successor statute.

**Section 2.2. Additional Offices.** The Bank may have such additional offices, either within or without the Commonwealth of Massachusetts, as the Board of Directors may from time to time designate, subject, however, to compliance with the provisions of Section 3 of Chapter 167C of the MGL, or successor statute, and to the approval of the Federal Deposit Insurance Corporation (the “FDIC”) to the extent required by law.

**ARTICLE 3. SHAREHOLDERS**

**Section 3.1. Annual Meeting.** The annual meeting of the shareholders of the Bank shall be held on such date (other than a legal holiday) and at such time as the Board of Directors may designate. The failure to hold an annual meeting at the time fixed in accordance with these Bylaws shall not affect the validity of any corporate action.

**Section 3.2. Special Meeting.** Subject to the rights of the holders of any series of preferred stock (the “Preferred Stock”), or any other series or class of stock as set forth in the Charter (as defined in Section 14.3 of these Bylaws) to elect additional directors under specified circumstances, special meetings of the shareholders may be called only by the Chair of the Board, the Chief Executive Officer or the Board of Directors pursuant to a resolution adopted by a majority of the total number of directors then serving on the Board (excluding any vacancies) (the “Whole Board”).

**Section 3.3. Place of Meeting.** The Board of Directors may designate the place of meeting for any meeting of the shareholders. If no designation is made by the Board of Directors, the place of meeting shall be the principal executive offices of the Bank.

**Section 3.4. Notice of Meeting.** A written notice of all annual and special meetings of shareholders stating the hour, date, place and purposes of such meetings shall be given by the Secretary or an Assistant Secretary (or other person authorized by these Bylaws or by law) not less than seven (7) days nor more than sixty (60) days before the meeting to each shareholder entitled to vote thereat or to each shareholder who, under the Charter or under these Bylaws, is entitled to such notice. Such notice may be delivered to shareholders by any means permitted by Chapter 156D, including by mailing it addressed to such shareholder at the address of such shareholder as it appears on the stock transfer books of the Bank. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid. In the case of a special meeting the notice shall also state the purpose or purposes thereof. Any previously scheduled meeting of the shareholders may be postponed by a resolution of the Board of Directors upon public notice given before the time previously scheduled for such meeting of shareholders.

**Section 3.5. Waiver of Notice.** Notice of any shareholders' meeting may be waived in writing by any shareholder either before or after the time stated therein for convening of the meeting, and, if any person present in person or by proxy at a shareholders' meeting does not protest, before or at the commencement of the meeting, the lack of proper notice, such person shall be deemed to have waived notice of such meeting.

**Section 3.6. Quorum and Adjournment.** Except as otherwise provided by law or by the Charter, the holders of a majority of the voting power of the then outstanding shares of the Bank entitled to vote generally in the election of directors (the "Voting Stock"), represented in person or by proxy, shall constitute a quorum at a meeting of shareholders, except that when specified business is to be voted on by a class or series voting as a class, the holders of a majority of the shares of such class or series shall constitute a quorum for the transaction of such business. The chair of the meeting or a majority of the voting power of the shares of Voting Stock so represented may adjourn the meeting from time to time, whether or not there is such a quorum (or in the case of specified business to be voted on as a class or series, the chair or a majority of the shares of such class or series so represented may adjourn the meeting with respect to such specified business). No notice of the time and place of adjourned meetings need be given except as required by law. The shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

**Section 3.7. Proxies.** Shareholders may vote either in person or by written proxy dated not more than six (6) months before the meeting named therein. Proxies shall be filed with the Secretary of the meeting or of any adjournment thereof, before being voted. Except as otherwise limited therein, proxies shall entitle the persons authorized thereby to vote at any adjournment of such meeting, but they shall not be valid after final adjournment of such meeting. A proxy with respect to stock held in the name of two or more persons shall be valid if executed by or on behalf of any one of them unless at or before the exercise of the proxy the Bank receives a

specific written notice to the contrary from any one of them. A proxy purporting to be executed by or on behalf of a shareholder shall be deemed valid unless challenged at or before its exercise, and the burden of proving invalidity shall rest on the challenger.

### **Section 3.8. Notice of Shareholder Business and Nominations.**

#### **(A) Annual Meetings of Shareholders**

(1) Nominations of persons for election to the Board of Directors of the Bank and the proposal of business to be considered by the shareholders may be made (a) pursuant to the Bank's notice of meeting delivered pursuant to Section 3.4 of these Bylaws, (b) by or at the direction of the Chair of the Board or the Board of Directors pursuant to a resolution adopted by a majority of the Whole Board or (c) by any shareholder of the Bank who is entitled to vote at the meeting, who complied with the notice procedures set forth in clauses (2) and (3) of paragraph (A) of this Section 3.8 and who was a shareholder of record at the time such notice is delivered to the Secretary of the Bank.

(2) For nominations or other business to be properly brought before an annual meeting by a shareholder pursuant to clause (c) of paragraph (A)(1) of this Section 3.8, the shareholder must have given timely notice thereof in writing to the Secretary of the Bank. To be timely, a shareholder's notice shall be delivered to the Secretary at the principal executive offices of the Bank not less than seventy (70) days nor more than ninety (90) days before the first anniversary of the preceding year's annual meeting; provided, however, that if the date of the annual meeting is advanced by more than twenty (20) days, or delayed by more than seventy (70) days, from such anniversary date, notice by the shareholder to be timely must be so delivered not earlier than the ninetieth (90<sup>th</sup>) day before such annual meeting and not later than the close of business on the later of the seventieth day before such annual meeting or the tenth (10<sup>th</sup>) day following the day on which public announcement of the date of such meeting is first made. Such shareholder's notice shall set forth: (a) as to each person whom the shareholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to regulations promulgated by the FDIC pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; (b) as to any other business that the shareholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such shareholder and the beneficial owner, if any, on whose behalf the proposal is made; and (c) as to the shareholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such shareholder, as they appear on the Bank's books, and of such beneficial owner and (ii) the class and number of shares of the Bank which are owned beneficially and of record by such shareholder and such beneficial owner.

(3) Notwithstanding anything in the second sentence of paragraph (A)(2) of this Section 3.8 to the contrary, if the number of directors to be elected to the Board of Directors is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the Bank at least

eighty (80) days before the first anniversary of the preceding year's annual meeting, a shareholder's notice required by these Bylaws shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Bank not later than the close of business on the tenth (10<sup>th</sup>) day following the day on which such public announcement is first made by the Bank.

(B) **Special Meeting of Shareholders.** Only such business shall be conducted at a special meeting of shareholders as shall have been brought before the meeting pursuant to the Bank's notice of meeting pursuant to Section 3.4 of these Bylaws.

(C) **General.**

(1) Only persons who are nominated in accordance with the procedures set forth in these Bylaws shall be eligible to serve as directors and only such business shall be conducted at a meeting of shareholders as shall have been brought before the meeting in accordance with the procedures set forth in these Bylaws.

(2) Except as otherwise provided by law, the Charter or these Bylaws, the chair of the meeting, as selected by the Board of Directors, shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the procedures set forth in these Bylaws and, if any proposed nomination or business is not in compliance with these Bylaws, to declare that such defective proposal or nomination shall be disregarded.

(3) For purposes of these Bylaws, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Bank with the FDIC pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(4) Notwithstanding the foregoing provisions of these Bylaws, a shareholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in these Bylaws. Nothing in these Bylaws shall be deemed to affect any rights (i) of shareholders to request inclusion of proposals in the Bank's proxy statement pursuant to rules promulgated under the Exchange Act or (ii) of the holders of any series of Preferred Stock to elect directors under specified circumstances.

**Section 3.9. Procedure for Election of Directors; Required Vote.** Election of directors at all meetings of the shareholders at which directors are to be elected shall be by written ballot, and except as otherwise set forth in the Charter with respect to the right of the holders of any series of Preferred Stock or any other series or class of stock to elect additional directors under specified circumstances, a plurality of the votes cast thereat shall elect the directors. Except as otherwise provided by law, the Charter or these Bylaws, all matters submitted to the shareholders at any meeting shall be decided by the affirmative vote of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the matter and shall be the act of the shareholders.

**Section 3.10. Shareholder Action by Written Consent.** Subject to the rights of the holders of any series of Preferred Stock or any other series or class of stock as set forth in the Charter to elect additional directors under specific circumstances or to consent to specific actions taken by the Bank, any action required or permitted to be taken by the shareholders of the Bank may be effected by unanimous written consent of the shareholders and such written consent shall have all of the force and effect of a meeting of shareholders.

## **ARTICLE 4. BOARD OF DIRECTORS**

**Section 4.1. General Powers.** The business and affairs of the Bank shall be managed by or under the direction of its Board of Directors. In addition to the powers and authorities by these Bylaws expressly conferred upon them, the Board of Directors may exercise all such powers of the Bank and do all such lawful acts and things as are not by law or by the Charter or by these Bylaws required to be exercised or done by the shareholders. The directors may appoint a Chair of the Board and shall appoint the members of the Executive Committee, any other committees of the Board of Directors, and any officers of the Bank as are determined to be necessary.

**Section 4.2. Composition and Term.** The Board of Directors shall be composed of: (a) those persons designated in the Charter of the Bank, such persons to serve as directors until the respective expiration dates of their terms as set forth therein and until their successors are elected and qualified and (b) as such terms expire, those persons who are elected as directors from time to time as provided herein. Subject to the rights of the holders of any series of Preferred Stock or any other series or class of stock as set forth in the Charter to elect directors under specified circumstances, the number of directors shall be fixed from time to time exclusively pursuant to a resolution adopted by a majority of the Whole Board, but shall consist of not more than twenty-five (25) nor less than seven (7) directors. The directors, other than those who may be elected by the holders of any series of Preferred Stock or any other series or class of stock as set forth in the Charter, shall be divided into three classes as nearly equal in number as possible; provided, however, that during the minimum time necessary to balance the classes on the Board of Directors consistent with the foregoing, any director or class of directors may be elected for a term of one (1) year and any director or class of directors may be elected for a term of two (2) years. Members of each class shall hold office until their successors shall have been duly elected and qualified. At each succeeding annual meeting of shareholders of the Bank, (i) the successors of the class of directors whose term expires at that meeting shall be elected by a plurality vote of all votes cast at such meeting to hold office for a term expiring at the annual meeting of shareholders held in the third year following the year of their election, and until their successors are elected and qualified and (ii) if authorized by a resolution of the Board of Directors, directors may be elected to fill any vacancy on the Board of Directors, regardless of how such vacancy shall have been created. Up to two additional directors may be elected in any fiscal year by vote of a majority of the directors then in office.

### **Section 4.3. Qualification and Nominations.**

(A) Each director shall have such qualifications as are required by applicable law. Each director shall own, in his/her own right and free of any lien or encumbrance, common stock, either of the Bank or of a company owning at least seventy-five percent (75%) of the stock of the Bank, having a par value, or a fair market value on the date the person became a director,

of not less than \$1,000; provided, however, that this requirement shall apply only to the extent that the Bank or a company owning at least seventy-five percent (75%) of the stock of the Bank has issued common stock to a person other than a holding company thereof. Any director who ceases to be the owner of the required number of shares of stock, or who becomes in any other manner disqualified, shall vacate his/her office forthwith. Each director, when appointed or elected, shall take an oath that he/she will faithfully perform the duties of his/her office and that he/she is the owner, in his/her own right and free of any lien or encumbrance, of the amount of stock required by this Section 4.3. A record of the oath shall be made a part of the records of the Bank. No director shall serve as a corporator, trustee, director or officer of any bank or thrift institution or bank or thrift institution holding company that is not the parent mutual holding company of the Corporation, or a subsidiary thereof. To the extent required by law, each member of the Board of Directors shall be a citizen and resident of the Commonwealth of Massachusetts. No more than two (2) officers may serve as a director at the same time.

(B) The Chair shall, at or before the regular meeting of the Board of Directors held in March of each year, appoint a Shareholder Nominating Committee of not less than three (3) directors. It shall be the duty of the Shareholder Nominating Committee to nominate eligible individuals to be elected at the next Annual Meeting for the positions of director and Secretary of the Bank. The Board of Directors or its delegated committee may provide the Shareholder Nominating Committee with guidance and suitability standards to take into consideration when evaluating potential nominees.

**Section 4.4. Regular Meetings.** A regular meeting of the Board of Directors shall be held without notice other than these Bylaws immediately after, and at the same place as, each annual meeting of shareholders. In addition, regular meetings of the Board of Directors shall not be less frequent than quarterly. The Board of Directors may, by resolution, provide the time and place for the holding of regular meetings without notice other than such resolution.

**Section 4.5. Special Meetings.** Special meetings of the Board of Directors shall be called at the request of the Chair of the Board or the Chief Executive Officer, the President, or a majority of the Board of Directors. The person or persons authorized to call special meetings of the Board of Directors may fix the place and time of the meetings.

**Section 4.6. Notice.** Notice of the time, date and place of all special meetings of the Board of Directors shall be given to each director by the Secretary or an Assistant Secretary or in the case of the death, absence, incapacity or refusal of such persons, by the officer or one of the directors calling the meeting. Such notice shall be given to each director in person, by telephone or voicemail, or by electronic transmission including, without limitation, by facsimile transmission, electronic mail or posting on the internet or other electronic network together with separate notice to the director of such specific posting directed to an electronic mail address furnished by the director, or by any other means of electronic transmission agreed to in writing by the director, at least twenty-four (24) hours in advance of the meeting. Notice may also be provided to directors by written notice mailed postage prepaid or sent by use of a nationally recognized overnight delivery or courier service addressed to his or her address as listed on the Bank's records, at least forty-eight (48) hours in advance of such meeting. In addition, notice may be given in any other manner, including by electronic transmission, consistent with policies and procedures approved by the Board of Directors. If mailed or sent by overnight delivery or

courier, such notice shall be deemed to be delivered when deposited in the mail or with such delivery or courier service. Written notice by electronic transmission is effective: (1) if by facsimile transmission, when directed to a number furnished by the director for the purpose of such delivery; (2) if by electronic mail, when directed to an electronic mail address furnished by the director for the purpose of such delivery; (3) if delivered by a posting on the internet or other electronic network together with separate notice to the director of such specific posting directed to an electronic mail address furnished by the director for the purpose, upon the later of (i) such posting and (ii) the giving of such separate notice; (4) if by any other form of electronic transmission agreed to by the director to whom such notice is given, when directed to the director in the manner agreed. Notice delivered in accordance with policies and procedures approved by the Board of Directors must be delivered at or before the time, and shall be effective at the time, set forth in such policy and procedures. An affidavit of the Secretary or an Assistant Secretary of the Bank or of an agent of the Bank that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

When any Board of Directors meeting, either regular or special, is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. It shall not be necessary to give any notice of the time and place of any meeting adjourned for less than thirty (30) days or of the business to be transacted thereat, other than an announcement at the meeting at which such adjournment is taken.

**Section 4.7. Waiver of Notice.** Any director may waive notice of any meeting by a writing executed by him or her either before or after the meeting and filed with the records of the meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because such meeting is not lawfully called or convened and does not thereafter vote for or assent to action taken at the meeting. Neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in the notice or waiver of such meeting.

**Section 4.8. Quorum.** A majority of the directors then in office shall constitute a quorum at any meeting of the Board of Directors for the transaction of business, but if at any meeting of the Board of Directors there shall be less than a quorum present, the presiding officer or a majority of the directors present may adjourn the meeting from time to time without further notice. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless a larger number is required by law or these Bylaws.

**Section 4.9. Presiding Officer.** The Chair of the Board shall preside at all meetings of the Board of Directors; and in the event of the absence or disability of the Chair, the Lead Director, if one has been designated by the Board of Directors, shall preside. In the event of the absence or disability of the Chair and the Lead Director, a presiding Officer pro-tem shall be designated by a majority of the directors present at the meeting; provided, that any person presiding at any meeting of the Board of Directors shall be a director of the Bank; and provided further, that if the person presiding is the Secretary of the Board of Directors, a Secretary pro-tem shall be appointed for the meeting by the presiding Officer.

**Section 4.10. Chair and Vice Chair of the Board.** The Board of Directors shall appoint a Chair by and from the directors at their first meeting after the Annual Meeting. The Chair shall preside at all meetings of the Shareholders and of the Board of Directors and have such other powers and duties as from time to time may be conferred upon him or her by the Board of Directors, provided that any such powers or duties so conferred shall not be in conflict with those of the Chief Executive Officer or the President. No person may simultaneously serve as both the Chair and Chief Executive Officer.

The directors shall appoint a Vice Chair by and from the directors at their first meeting after the Annual Meeting; provided, however, that during any period in which the position of Chair and the office of Chief Executive Officer are held by the same person, the Vice Chair shall be elected by and from the directors who are not Officers or employees of the Bank (the “Independent Directors”), and the Vice Chair shall also serve as the Lead Director, as described herein. When serving as the Lead Director, the Vice Chair shall: serve as the Independent Directors’ central point of communication with the Chair and Chief Executive Officer; lead executive sessions of the Board of Directors; consult with the Chair and Chief Executive Officer on agendas for regular meetings of the Board of Directors; in consultation with the Board Affairs Committee, conduct an annual evaluation of the Chief Executive Officer; advise the Chair and Chief Executive Officer on the quality and timeliness of information provided to the Board of Directors; recommend, in consultation with the Board Affairs Committee, individual directors to serve as committee chairs; serve as an *ex officio* member of each committee of the Board of Directors; work with committee chairs to align the work of the committees with the goals of the Bank; participate in the recruitment, orientation and training of new directors; oversee an annual self-assessment process by the Board of Directors; and provide feedback to individual directors based on any self-assessment or peer review process. The Lead Director may, in consultation with the Chair and Chief Executive Officer, call a special meeting of the Board Affairs Committee. During any period in which the position of Chair and the office of Chief Executive Officer are not held by the same person, in addition to the powers and duties of the Chair set forth in this Section 4.10, the Chair shall have all of the powers and duties as set forth in this Section 4.10 as if he or she were the Lead Director, to the extent applicable. The Vice-Chair, in the absence, death or disability of the Chairperson, shall exercise all the powers and perform all the duties of the Chair.

**Section 4.11. Vacancies.** Subject to the rights of the holders of any series of Preferred Stock or any other series or class of stock as set forth in the Charter to elect additional directors under specified circumstances, vacancies resulting from death, resignation, retirement, disqualification, removal from office or other cause, and newly created directorships resulting from any increase in the authorized number of directors, may be filled only by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors. A director so elected shall hold office for a term continuing until the next election of directors by the shareholders. No decrease in the number of authorized directors shall shorten the term of any incumbent director.

**Section 4.12. Presumption of Assent.** A director of the Bank who is present at a meeting of the Board of Directors at which action on any Bank matter is taken shall be presumed to have assented to the action taken unless his/her dissent or abstention shall be entered in the minutes of the meeting or unless he/she shall file a written dissent to such action with the person

acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Bank within five days after the date a copy of the minutes of the meeting is received. Such right to dissent shall not apply to a director who voted in favor of such action.

**Section 4.13. Manner of Participation.** Members of the Board of Directors or of committees elected by the Board pursuant to Section 4.16 may participate in meetings of the Board or such committee by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other. Such participation shall constitute presence in person, including attendance for the purpose of compensation pursuant to Section 4.14 or Section 5.8, unless the Board of Directors by resolution provides otherwise.

**Section 4.14. Compensation of Directors.** The Board of Directors shall have authority to fix fees of directors.

**Section 4.15. Resignation or Vacation of Office.**

(A) **Voluntary Resignation.** Any director may resign at any time by giving written notice of resignation to the Secretary of the Bank or the Chair. Such resignation shall take effect upon receipt, except that any resignation specifying an effective date shall take effect upon such date or upon acceptance unless otherwise provided in such acceptance; provided, however, that notwithstanding the foregoing, such resignation shall not take effect until the next meeting of the Board of Directors if by reason of its taking effect before such meeting the number of directors would thereby be reduced to less than seven (7).

(B) **Vacation of Office.** If an Officer or employee of the Bank also serves as a Director, his or her office as a director shall be automatically vacated and he or she shall be deemed to have voluntarily resigned as a Director upon his or her ceasing to serve as an Officer or employee of the Bank unless this provision is waived by vote of two-thirds of the other directors.

**Section 4.16. Committees.** In addition to the Executive Committee referred to in Article 5 hereof and the Audit Committee referred to in this Section 4.16 below, the Board of Directors may designate one or more additional committees, each such additional committee to consist of those directors appointed by the Board of Directors. The Board of Directors may appoint one or more directors as alternate members of any such committee, who may take the place of any absent member or members at a meeting of such committee. Members of the committees appointed by the Board of Directors shall serve at the pleasure of the Board of Directors. Subject to applicable law, and regulatory orders or decisions, the Board of Directors may authorize payment to the members of any committee of a reasonable fee as compensation for service as a member of such committee.

If a member of any such committee shall be absent from any meeting, or disqualified from voting thereat, the remaining member or members present and not disqualified from voting, whether or not such member or members constitute a quorum, may, by unanimous vote, appoint another member of the Board of Directors to act at the meeting in place of an absent or

disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise, when the Board of Directors is not in session, all the powers and authority of the Board of Directors in the direction of the Bank, except action in respect to dividends to shareholders, removing directors from office and the filling of vacancies in the Board of Directors or committees created pursuant to the authority set forth in this section, the amendment of the Charter of the Bank, or the amendment of these Bylaws or as otherwise provided by law.

Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors. Unless otherwise specified in the resolution of the Board of Directors designating the committee, the majority of the total number of members of the committee shall constitute a quorum for the transaction of business, and the vote of the majority of the members of the committee present at any meeting of which there is a quorum shall be the act of the committee. Each such committee shall keep regular minutes of its meetings and report the same to the Board of Directors, when required. Except to the extent otherwise determined by the Board of Directors, each committee shall fix its own rules of procedure and each committee shall have the authority to designate from among its members one or more subcommittees, with such authority as may be fixed by resolution of the committee, provided that no subcommittee may have greater authority than its parent committee.

- (a) **Audit Committee.** The Audit Committee shall have the powers and duties provided by law. The Board of Directors, at its first meeting after the annual meeting of shareholders, shall appoint an Audit Committee of not less than three (3) directors. The members of the Audit Committee shall be appointed for a term of one year and until their successors are appointed and qualified, or until removed by the Board of Directors. In addition to the powers and duties of the Audit Committee prescribed by applicable provisions of law, said committee shall also monitor the independence, and evaluate the performance, of the Bank's independent auditors and the integrity of the Bank's financial reporting process and internal controls, and have such other powers and perform such other duties as the Board of Directors may from time to time determine.
- (b) **Security Committee.** The Security Committee shall consist of not less than three (3) directors, who shall not be members of the Audit Committee and who shall be elected at the first meeting of the Board of Directors after the Annual Meeting for a term of one (1) year and until their successors are elected and qualified. The Security Committee shall (i) approve or supervise the approval of all loans, (ii) file or cause to be filed with the Board of Directors such reports as are required by law and (iii) have such other powers and perform such other duties as the Board of Directors may from time to time determine.
- (c) **Finance Committee.** The Board of Directors, at its first meeting after the Annual Meeting, shall appoint a Finance Committee of not less than three (3) directors who shall take an oath of office in accordance with law. The members of the Finance Committee shall be elected for a term of one (1) year and until their successors are elected and qualified. In addition to the powers and duties of the Finance Committee prescribed by applicable provisions of law, such committee shall also

oversee fiscal issues of the Bank, make recommendations on salaries of all personnel and have such other powers and perform such other duties as the Board of Directors may from time to time determine.

- (d) **Board Affairs Committee.** The Board Affairs Committee shall consist of the Chair of the Board of Directors, the Chief Executive Officer (if he or she is a director), the Chair of the Security Committee, the Chair of the Finance Committee and at least one (1) other director who shall be elected at the first meeting of the Board of Directors after the Annual Meeting. Such Committee shall make an annual evaluation of the performance of the members of the Board of Directors, the Chair of the Board, the Chief Executive Officer and the President, advise the Board of Directors regarding government and corporate structure issues and the qualifications and recruitment of directors and have such powers and perform such duties as the Board of Directors may from time to time determine.

#### **Section 4.17. Removal.**

(A) **Removal by Shareholders.** Subject to the rights of the holders of any series of Preferred Stock or any other series or class of stock as set forth in the Charter to elect additional directors under specified circumstances, any director may be removed from office at any time by shareholders, but only for cause and then only by the affirmative vote of the holders of at least eighty percent (80%) of the voting power of the then outstanding Voting Stock, voting together as a single class.

(B) **Removal of Director for Absences.** The Board of Directors may, upon the vote of two-thirds of the directors present and voting, declare vacant the office of a director who has both failed to attend regular meetings of the Board and to carry out his or her duties for six (6) consecutive months.

(c) **Removal by Board.** In addition to any removal right of the Shareholders above, any director or the Secretary of the Bank may be removed from office for cause, including but not limited to a violation of the Bank's standards of conduct as in effect on the date of such violation, by vote of two-thirds of the directors and without a vote of the Shareholders after compliance with the procedures set forth in this Section 4.17(c). For the purpose of this Section 4.17(c), there shall be "cause" to remove such director or the Secretary from office if such person (i) has been convicted of or pleads nolo contendere or admits to sufficient facts for a finding of guilty to a crime involving moral turpitude or a crime relating to the Bank's business, (ii) has willfully engaged in deliberate dishonesty, illegal conduct or gross misconduct, (iii) in the opinion of the Board of Directors, has engaged in conduct that has impaired public confidence in the Bank or (iv) is guilty of a material violation of law or his or her fiduciary duties to the Bank. Notice of intention to seek such removal shall be furnished to the director or Secretary whose removal is sought, by a person so authorized by the Board of Directors, at least two (2) weeks before the date of the proposed meeting of the Board of Directors. Such director or Secretary shall be entitled to appear personally at and address the directors at such meeting; provided, however, that such director or the Secretary shall be recused from the meeting during the Board's deliberation and vote on his or her removal. Upon the removal of a director or the Secretary of the Bank as above provided, such person's office forthwith shall be deemed to be vacant and the

Board of Directors may fill the vacancy for the unexpired term in accordance with applicable provisions of law and these Bylaws.

**Section 4.18. Secretary.** The Secretary shall be elected by the directors at their first meeting after the annual meeting of shareholders. The Secretary may be, but need not be, the same person who serves as the Secretary of the Bank. The Secretary shall keep correct records of all meetings of the Board of Directors and shall give notice of all such meetings as hereinabove provided.

**Section 4.19. Honorary Directors.** Subject to applicable provisions of law, any person who shall have served as a director of the Bank (or in a merging institution merged into or acquired by the Bank) for ten (10) years or more may, upon ceasing to be a director, be continued as an Honorary Director in the manner and for such term as is provided by law. Honorary Director(s) shall, with the consent of the Board of Directors, be allowed to attend meetings of the Board but shall have no vote. Honorary Directors will not receive any compensation.

**Section 4.20. Advisory Board.** The Board of Directors may appoint one or more persons on such terms and conditions and having such qualifications deemed appropriate by it as Advisory Board Members. Advisory Board Members may serve for an indefinite term and shall give consultation and advice on such matters as the Board of Directors shall request. Advisory Board Members may, with the consent of the Board of Directors, be allowed to attend meetings of the Board of Directors but shall have no vote. Advisory Board Members may be compensated for attendance at meetings, subject to applicable law, and regulatory orders or decisions.

## **ARTICLE 5. EXECUTIVE COMMITTEE**

**Section 5.1. Designation of Executive Committee.** The Board of Directors shall designate no less than three (3) directors to constitute an Executive Committee. The Board Affairs Committee provided for in Section 4.16(d) shall serve as the Executive Committee. No member of the Executive Committee shall continue to be such a member after he/she ceases to be a director of the Bank. Only one of the persons holding the offices or performing the duties of President, Vice President, Treasurer or Secretary, shall, at the time, be a member of the Executive Committee. The Board of Directors shall have the power, subject to applicable law, at any time to increase or decrease the number of members of the Executive Committee, to fill vacancies on it, to remove any member of it, and to change its functions, subject to applicable law.

**Section 5.2. Powers of the Executive Committee.** During the intervals between meetings of the Board of Directors, subject to such limitations as may be prescribed by the Board of Directors, the Executive Committee shall have and may exercise all the authority of the Board of Directors, including power to authorize the seal of the Bank to be affixed to all documents that may require it, but excluding those powers that by law, by the Charter or by these Bylaws, may not be delegated. The Executive Committee may formulate and recommend to the Board of Directors for approval general policies regarding the management of the business and affairs of the Bank.

**Section 5.3. Record of Proceedings.** The Executive Committee shall keep minutes of its acts and proceedings.

**Section 5.4. Place of Meetings.** Meetings of the Executive Committee, regular or special, may be held either within or without the United States.

**Section 5.5. Regular Meetings.** Regular meetings of the Executive Committee, of which no notice shall be necessary, shall be held on such days and at such places as shall be established by the majority of the Executive Committee.

**Section 5.6. Special Meetings.** Special meetings of the Executive Committee shall be called at the request of any member of the Executive Committee and shall be held upon notice by any means, and within the respective timeframe, permitted under Section 4.6 hereof. Notice of any special meeting of the Executive Committee may be waived in writing, signed by the member or members entitled to the notice, whether before or after the time of the meeting. Attendance of any member of the Executive Committee at a special meeting shall constitute a waiver of notice of the meeting.

**Section 5.7. Quorum.** A majority of the Executive Committee shall be necessary to constitute a quorum for the transaction of any business. The acts of a majority of the members present at a meeting at which a quorum is present shall be the acts of the Executive Committee.

**Section 5.8. Compensation.** The Board of Directors may authorize payment to the members of the Executive Committee of a reasonable fee as compensation for service as a member of the Executive Committee.

## **ARTICLE 6. OFFICERS**

**Section 6.1. Enumeration.** The officers of the Bank shall consist of a Chief Executive Officer, a President, a Treasurer, a Secretary, and such other officers as the Board of Directors may from time to time elect including, without limitation, a Chief Financial Officer, and one or more Vice Presidents, Vice Treasurers, Assistant Treasurers, or Assistant Secretaries.

**Section 6.2. Election.** All officers (other than the Secretary) shall be elected annually by the Board of Directors at its first meeting following the annual meeting of shareholders, and the Secretary shall be elected by the shareholders at their annual meeting or at a special meeting of shareholders duly called for such purpose. Officers may also be elected by the Board of Directors at any other meeting. The Chief Executive Officer or the President shall have authority to appoint any agents or employees, other than those provided by law or by these Bylaws to be elected or appointed by the Board of Directors, and to prescribe their powers and duties which may include the power to appoint subordinate agents or employees.

**Section 6.3. Qualification.** Any two or more offices may be held by any person, except that the President or the Chief Executive Officer shall not also serve as the Secretary of the Bank or the Board of Directors. Any officer may be required by the Board of Directors to give bond for the faithful performance of his/her duties in such amount and with such sureties as the Board of Directors may determine.

**Section 6.4. Tenure.** Except as otherwise provided by law, by the Charter, or by these Bylaws, the Chair of the Board, the President and Treasurer shall hold office until the first meeting of the Board of Directors following the next annual meeting of the shareholders and until their respective successors are elected and qualified; the Secretary shall hold office until the next annual meeting of shareholders and until a successor is elected and qualified; and all other officers shall hold office until the first meeting of the Board of Directors following the next annual meeting of shareholders, or for such shorter term as the Board of Directors may fix at the time such officers are elected. Any officer may resign at any time by written notice to the Board of Directors, the Executive Committee, the Chair of the Board, the Chief Executive Officer, the President or the Secretary. Such resignation shall be effective upon receipt unless the resignation otherwise provides. Election or appointment of an officer, employee or agent shall not of itself create contract rights. The Board of Directors may, however, authorize the Bank to enter into an employment contract with any officer in accordance with law, but no such contract right shall impair the right of the Board of Directors to remove any officer at any time in accordance with Section 6.5 hereof.

**Section 6.5. Removal.** Except as otherwise provided by law, the Charter or these Bylaws, the Board of Directors may remove any officer with or without cause by the affirmative vote of a majority of the Whole Board. Any such removal, other than for cause, shall be without prejudice to the contract rights, if any, of the persons involved. Any officer, agent or employee not elected or appointed by the Board of Directors shall hold office at the discretion of the President. Nothing contained in this Section 6.5 shall be construed as limiting the right of any duly authorized Officer or of the Board of Directors to terminate or suspend at any time, without notice, the employment of any person. If an employee of the Bank also serves as an Officer, other than the Secretary, his or her Office shall be automatically vacated and he or she shall be deemed to have voluntarily resigned as an Officer of the Bank upon his or her ceasing to serve as an employee of the Bank unless this provision is waived by vote of two-thirds of the other directors.

**Section 6.6. Absence or Disability.** In the event of the absence or disability of any officer, the Board of Directors may designate another officer to act temporarily in place of such absent or disabled officer.

**Section 6.7. Vacancies.** Any vacancy in any office may be filled for the unexpired portion of the term by the Board of Directors.

**Section 6.8. Chief Executive Officer.** The Chief Executive Officer shall have general supervision and control of the Bank's business, subject to the Board of Directors' oversight, and shall have such specific powers and duties as are set forth in the law or these Bylaws, or as may be designated from time to time by the Board of Directors. The Chief Executive Officer shall have authority to appoint any agents or employees, other than those provided by law or by these Bylaws to be elected or appointed by the Board of Directors, and to prescribe their powers and duties which may include the power to appoint subordinate agents or employees.

**Section 6.9. President.** The President shall have such powers and duties as from time to time may be conferred upon him or her by law, by the Board of Directors, or the Chief Executive Officer.

**Section 6.10. Treasurer.** The Treasurer shall have such powers and duties as may be prescribed by law or by the Board of Directors.

**Section 6.11. Vice Presidents.** Any Executive Vice President, Senior Vice President or Vice President shall have such powers and perform such duties as the President or the Board of Directors may from time to time designate.

**Section 6.12. Secretary.** The Secretary shall have such powers and duties as may be prescribed by law, the Board of Directors or the President. The Secretary shall also keep a record of all meetings of the shareholders, shall give notice of all such meetings, and, if also the Secretary of the Board of Directors, the meetings of the Board of Directors. In the absence of the Secretary, or Assistant Secretary, a Temporary Secretary, designated by the person presiding at such meeting, shall perform the duties of the Secretary.

**Section 6.13. Other Officers.** Any other Officer not specifically referred to above shall be elected by the Board of Directors annually with such powers and duties as the Board of Directors, the President or the Chief Executive Officer may from time to time prescribe.

## **ARTICLE 7. STOCK CERTIFICATES AND TRANSFERS**

**Section 7.1. Certificates of Stock.** Unless otherwise provided by the Board of Directors, each shareholder shall be entitled to a certificate of the capital stock of the Bank in such form as may from time to time be prescribed by the Board of Directors. Such certificate shall be signed by the President or a Vice President and by the Treasurer or an Assistant Treasurer. Such signatures may be facsimile if the certificate is signed by a transfer agent or by a registrar, other than a director, officer or employee of the Bank. In case any officer who has signed or whose facsimile signature has been placed on such certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the Bank with the same effect as if he were such officer at the time of its issue. Every certificate for shares of stock that is subject to any restriction on transfer and every certificate issued when the Bank is authorized to issue more than one class or series of stock shall contain such legend with respect thereto as is required by law.

**Section 7.2. Transfers.** Subject to any restrictions on transfer and unless otherwise provided by the Board of Directors, shares of stock may be transferred on the books of the Bank by the surrender to the Bank or its transfer agent of the certificate therefor properly endorsed or accompanied by a written assignment and power of attorney properly executed, with transfer stamps (if necessary) affixed, and with such proof of the authenticity of signature as the Bank or its transfer agent may reasonably require.

**Section 7.3. Record Holders.** Except as otherwise required by law, by the Charter or by these Bylaws, the Bank shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote, regardless of any transfer, pledge or other disposition of such stock, until the shares have been transferred on the books of the Bank in accordance with the requirements of these Bylaws.

It shall be the duty of each shareholder to notify the Bank of his/her address and any changes thereto.

**Section 7.4. Record Date.** The Board of Directors may fix in advance a time of not more than sixty (60) days before the date of any meeting of the shareholders, the date for the payment of any dividend or the making of any distribution to shareholders or the last day on which the consent or dissent of shareholders may be effectively expressed for any purpose, as the record date for determining the shareholders having the right to notice of and to vote at such meeting, and any adjournment thereof, or the right to receive such dividend or distribution or the right to give such consent or dissent. In such case, only shareholders of record on such record date shall have such right, notwithstanding any transfer of stock on the books of the Bank after the record date.

If no record date is fixed and the transfer books are not closed, (a) the record date for determining shareholders having the right to notice of or to vote at a meeting of shareholders shall be the close of business on the day next preceding the day on which notice is given, and (b) the record date for determining shareholders for any other purpose shall be the close of business on the date on which the Board of Directors acts with respect thereto.

**Section 7.5. Replacement of Certificates.** In case of the alleged loss, destruction or mutilation of a certificate of stock, a duplicate certificate may be issued in place thereof, upon such terms as the Board of Directors may prescribe.

**Section 7.6. Issuance of Capital Stock.** Except as provided by law, the Board of Directors shall have the authority, with the approval of the Commissioner of Banks of the Commonwealth of Massachusetts to the extent required by law, to issue or reserve for issue from time to time the whole or any part of the capital stock of the Bank which may be authorized from time to time, to such persons or organizations, for such consideration, whether cash, property, services or expenses and on such terms as the Board of Directors may determine, including, without limitation, the granting of options, warrants or conversion or other rights to subscribe to said capital stock.

**Section 7.7. Dividends.** Subject to applicable law, the Charter and these Bylaws, the Board of Directors may from time to time declare, and the Bank may pay, dividends on outstanding shares of its capital stock.

## **ARTICLE 8. DEPOSITS**

Deposits of any type permitted by law may be received by the Bank on such terms and subject to such limitations as are from time to time provided by law and the rules, regulations and Bylaws of the Bank, but any deposit may be refused by the Bank for any legal reason. The Bank may require that each depositor sign a statement signifying assent to the rules, regulations and Bylaws of the Bank then in force or as thereafter added or amended. All rules, regulations and Bylaws of the Bank and all additions and amendments thereto from time to time in effect shall be binding on all depositors and on all other persons dealing with the Bank whether or not such statement is signed.

## ARTICLE 9. WITHDRAWALS

(A) Deposits may be withdrawn by the depositor or by any person legally authorized to act on the depositor's behalf. Withdrawals may be made by written order or by any other method permitted by the Bank, subject to such requirements as may be established from time to time by the Bank or by law. Withdrawals requesting payment to the depositor or to one or more persons may be honored by the Bank. Any payment made by the Bank to the depositor in person or pursuant to any such withdrawal shall discharge the liability of the Bank to all persons to the extent of such payment. No alleged agreement with a depositor or with any other person inconsistent with law, these Bylaws or with any of the rules or regulations of the Bank shall be valid or binding upon the Bank.

(B) Deposits standing in the name of a deceased depositor or a minor shall be paid in accordance with law.

## ARTICLE 10. INTEREST

The Bank may pay interest on deposits in accordance with law. The Bank may elect not to include fractional parts of a dollar in principal in computing interest. With respect to deposit accounts on which interest is payable, the Bank may elect not to pay interest on accounts that have a balance of less than ten dollars, or such other minimum amount as may be fixed or permitted by law, unless otherwise provided by law.

## ARTICLE 11. INDEMNIFICATION

### Section 11.1. Indemnification and Insurance.

(A) Each person who was or is made a party or is threatened to be made a party to or is otherwise involved (including, without limitation, as a witness) in any action, suit or proceeding, whether civil, derivative, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or a person of whom he is the legal representative is or was a director, officer, employee or agent of the Bank, or is or was serving at the request of the Bank as a director, officer, partner, trustee, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to any employee benefit plan (hereinafter an "indemnitee"), whether the basis of such proceeding is alleged action or inaction in an official capacity as a director, officer, partner, trustee, employee or agent or in any other capacity while serving as a director, officer, partner, trustee, employee or agent, shall be indemnified and held harmless by the Bank against all expense, liability and loss (including, without limitation, attorneys' fees and disbursements, judgments, fines, excise taxes or penalties under the Employee Retirement Income Security Act of 1974, as amended, and amounts paid or to be paid in settlement) reasonably incurred by such indemnitee in connection with such proceeding, provided that such indemnitee shall have acted in good faith in the reasonable belief that such action was in, or not opposed to, the best interests of the Bank or such corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, as the case may be; provided, however, that except as provided in paragraph (C) of this Section 11.1 with respect to proceedings seeking to enforce rights to indemnification, the Bank shall indemnify any such indemnitee seeking indemnification in connection with a proceeding (or part

thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors.

(B) The right to indemnification conferred in paragraph (A) of this Section 11.1 shall include the right to be paid by the Bank the expenses (including attorneys' fees and disbursements) incurred in defending any such proceeding in advance of its final disposition (hereinafter an "advancement of expenses"); provided, however, that, to the extent required by applicable law, an advancement of expenses incurred by an indemnitee in his/her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Bank of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this paragraph (B) or otherwise.

(C) If a claim under paragraphs (A) or (B) of this Section 11.1 is not paid in full by the Bank within thirty (30) days after a written claim has been received by the Bank, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty (20) days, the indemnitee may at any time thereafter bring suit against the Bank to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right of an advancement of expenses) it shall be a defense that, and (ii) in any suit brought by the Bank to recover an advancement of expenses pursuant to the terms of an undertaking, the Bank shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met any applicable standard for indemnification set forth under applicable law. Neither the failure of the Bank (including its Board of Directors, independent legal counsel or shareholders) to have made a determination before the commencement of such action that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth under applicable law, nor an actual determination by the Bank (including its Board of Directors, independent legal counsel or shareholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Bank to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under these Bylaws or otherwise shall be on the Bank.

(D) The right to indemnification and the advancement of expenses conferred in this Section 11.1 shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Charter, provision of these Bylaws, agreement, vote of shareholders or disinterested directors or otherwise.

(E) The Bank shall maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Bank or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Bank would have the power to indemnify such person against such expense, liability or loss under applicable law.

(F) The Bank may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification, and rights to the advancement of expenses, to any employee or agent of the Bank to the fullest extent of the provisions of these Bylaws with respect to the indemnification and advancement of expenses of directors and officers of the Bank.

(G) The rights to indemnification and to the advancement of expenses conferred in paragraphs (A) and (B) of these Bylaws shall be contract rights and such rights shall continue as to an indemnitee who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the indemnitee's heirs, executors and administrators.

(H) Notwithstanding any other provision set forth in this Section 11.1, in no event shall any payments made by the Bank pursuant to this Section 11.1 exceed the amount permissible under applicable federal or state law, including without limitation section 18(k) of the Federal Deposit Insurance Act and the regulations promulgated thereunder.

## ARTICLE 12. AMENDMENTS

**Section 12.1. Amendments.** The Board of Directors or the shareholders may adopt, alter, amend or repeal the Bylaws of the Bank. Pursuant to the corporate governance election in Section 1.2 of these Bylaws, Section 21 of Chapter 167J and Chapter 156D of the Massachusetts General Laws, such action by the Board of Directors shall require the affirmative vote of at least a majority of the directors then in office at a duly constituted meeting of the Board of Directors. Such action by the shareholders shall require the affirmative vote of at least two-thirds of the total votes eligible to be cast by shareholders at a duly constituted meeting of shareholders called expressly for such purpose.

## ARTICLE 13. SPECIAL CORPORATE ACTS

**Section 13.1. Execution of Negotiable Instruments.** All checks, drafts, notes, bonds, bills of exchange, and orders for the payment of money shall be signed by such officer or officers of the Bank as the Board of Directors shall determine from time to time. The Board of Directors may authorize the use of facsimile signatures of any officer or employee in lieu of manual signatures.

**Section 13.2. Execution of Deeds, Contracts, Etc.** Subject always to the specific directions of the Board of Directors or the Executive Committee, all deeds, mortgages, assignments, extensions, releases, partial releases, and discharges of mortgages made by the Bank and all other written contracts, agreements and undertakings to which the Bank shall be a party shall be executed in its name by the Chief Executive Officer, the President, any Executive Vice President, any Senior Vice President, any Vice President, or such other officer as may be designated by the Chair of the Board of Directors or the President, and, when requested, the

Secretary or an Assistant Secretary shall attest to such signatures and affix the corporate seal to the instruments.

**Section 13.3. Endorsement of Stock Certificates.** Subject always to the specific directions of the Board of Directors or the Executive Committee, any share or shares of stock issued by any corporation and owned by the Bank (including reacquired shares of stock of the Bank) may, for sale or transfer, be endorsed in the name of the Bank by the President or such other officer as may be designated by the Chair of the Board or the President, and his/her signature shall be attested to by the Secretary or an Assistant Secretary who shall affix the corporate seal.

**Section 13.4. Voting of Shares Owned by Bank.** Subject always to the specific directions of the Board of Directors, any share or shares of stock issued by any other corporation and owned or controlled by the Bank may be voted at any shareholders' meeting of the other corporation by the President of the Bank, or in his/her absence, by such other officer as may be designated by the Chair of the Board or the President. Whenever, in the judgment of the Chair of the Board or the President, or in his/her absence, of any such other officer as may be designated by the Chair of the Board or the President, it is desirable for the Bank to execute a proxy or give a shareholders' consent in respect to any share or shares of stock issued by any other corporation and owned or controlled by the Bank, the proxy or consent shall be executed in the name of the Bank by the President without necessity of any authorization by the Board of Directors. Any person or persons designated in the manner above stated as the proxy or proxies of the Bank shall have full right, power and authority to vote the share or shares of stock issued by the other corporation.

**Section 13.5. Foreclosure of Mortgage.** Subject always to the specific directions of the Board of Directors or the Executive Committee, in the event of a breach of condition of any mortgage held by the Bank, the President, any Vice Presidents, the Treasurer or any Assistant Treasurer are authorized and empowered severally in the name and on behalf of the Bank, wherever authorized by the Board of Directors or the Executive Committee, by general or specific vote, to make entry for the purpose of taking possession of the mortgaged property or of foreclosure of such mortgage and to perform any and all acts necessary or proper to consummate such foreclosure and effect the due execution of any power of sale contained in such mortgage, including the execution, acknowledgment and delivery of all deeds and instruments of conveyance to the purchaser and the execution of all affidavits and certificates required by law or deemed necessary by any of such officers.

## **ARTICLE 14. MISCELLANEOUS PROVISIONS**

**Section 14.1. Fiscal Year.** Except as otherwise determined by the Board of Directors, the fiscal year of the Bank shall be the twelve months ending April 30 or on such other date as may be required by law.

**Section 14.2. Seal.** The Board of Directors shall have power to adopt and alter the seal of the Bank.

**Section 14.3. Charter.** All references in these Bylaws to the Charter shall be deemed to refer to the Charter of the Bank, as amended and in effect from time to time.

**Section 14.4. Effective Date.** These Bylaws shall become effective on the date of the formation of the Bank as a Massachusetts-chartered stock cooperative bank.

**Section 14.5. Emergency.** In the event of an emergency declared by a proper governmental authority, State or Federal, and until declaration of the termination of such emergency, or in the event of a disaster, either of which renders ordinary operations of the Bank impossible, the power and duties of the Board of Directors may be exercised and performed by said available members with or without formal meetings and free from the usual notice and quorum requirements. The emergency powers herein granted shall cease upon declaration of the termination of the emergency or the overcoming of the same, as aforesaid.