

## OFFICE OF THRIFT SUPERVISION

### Approval of Charter and Bylaw Amendments

**Order No.** 2002-30  
**Date:** July 23, 2002  
**Docket Nos.:** 13316/H2584

Mascoma Savings Bank (Savings Bank), Lebanon, New Hampshire and Mascoma Mutual Holding Company (MHC), have filed, pursuant to 12 C.F.R. Sections 575.9, 552.4, and 552.5, an application with the Office of Thrift Supervision (OTS) to amend their charters. Specifically, the MHC proposes to amend its charter to:

1. increase the number of corporators from 50 to 75;
2. increase the percentage of directors that must approve a conversion, merger or consolidation from 50 to 67 percent;
3. provide that the charter provision requiring a director to resign after reaching the age of 70 is inapplicable in the case of employees of the MHC who, by virtue of their position with the MHC, are required to serve on the MHC's board;
4. require automatic resignation of a corporator who serves on the board of another financial institution;
5. provide for a range of directors from 7 to 15;
6. provide a standard for fiduciary duties of directors that reads as follows:

In the exercise of their duties, the Directors shall consider the interests of the members, the borrowers and other customers of any subsidiary bank or association owned by the Mutual Company, the general benefit and economic well-being of the communities served by any such subsidiary bank or association, and the safety, soundness, and general business needs of the Mutual Company and any such subsidiary bank or association; and

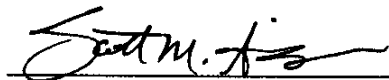
7. provide that the board of directors may deny any proposal by a person not acting on behalf of the board of directors to terminate the status of the MHC as a mutual organization, recommend conversion from mutual to stock form, alter a conversion plan approved by the board or sell shares in any subsidiary owned by the MHC to any entity other than the MHC.

The Savings Bank proposes to amend its charter to provide for a board of directors from 7 to 15 members, and to provide that the charter provision requiring a director to resign after reaching the age of 70 is inapplicable in the case of employees of the Savings Bank who, by virtue of their position with the Savings Bank, are required to serve on the Savings Bank's board.

In addition, MHC proposes minor changes to its bylaws that eliminate redundancies, require an annual audit, identify the fiscal period, and set forth procedures for corporators having access to company records.

OTS has considered the application under the applicable regulatory provisions and OTS policies. OTS has concluded that the proposed amendments are consistent with OTS regulations and policies, or, in the case of proposed amendments that are not addressed in OTS regulations, would be consistent with applicable law if adopted by a state-chartered association, consistent with safety and soundness principles, and otherwise consistent with OTS policies. Accordingly, OTS concludes that there is an adequate basis to approve the Application, and hereby approves the Application.

By order of the Director of the Office of Thrift Supervision, or his designee,  
effective *July 23, 2002*.



Scott M. Albinson  
Managing Director  
Office of Supervision