

**Dividend
Reinvestment
And Stock
Purchase
Plan**

*An
Opportunity
to Invest
Your Dividends*



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MAYFLOWER COOPERATIVE BANK DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN

This document describes the Dividend Reinvestment and Stock Purchase Plan (“Plan”) of Mayflower Cooperative Bank. American Stock Transfer & Trust Company will administer the Plan and act as agent for stockholders wishing to participate. The following is a summary of the Plan’s terms and conditions.

INTRODUCTION

1. What does the Plan provide?

The Plan provides an opportunity for all stockholders of Mayflower Cooperative Bank (“Mayflower”) Common Stock to have cash dividends paid thereon invested in additional shares of Common Stock to be purchased by American Stock Transfer & Trust Company, as agent, on the open market. Stockholders who elect to reinvest dividends may also make optional cash payments to the agent of not less than \$50 per payment and not more than \$2,500 per quarter for the same purpose. All dividends on shares held in participants’ accounts under the Plan will be reinvested in shares of Common Stock. Mayflower will pay any and all expenses incurred in connection with such purchases, including brokerage commissions.

PURPOSE AND ADVANTAGES

2. What is the purpose of the Plan?

The purpose of the Plan is to provide holders of Mayflower’s Common Stock with a simple and convenient method of investing cash dividends and optional cash payments in shares of Common Stock without payment of any brokerage commissions or service charges.

3. What is the advantage of the Plan?

- a. Participants may have all of their cash dividends automatically reinvested.
- b. Participants may invest in additional shares of Common Stock by making optional cash payments of not less than \$50 per payment or more than \$2,500 per calendar quarter.
- c. No fees or commissions are paid by participants for the reinvestment of dividends or purchase of shares of Common Stock with optional cash payments.
- d. Dividends are deposited directly with American Stock Transfer & Trust Company, the Plan’s Administrator (the “Agent”), resulting in the prompt reinvestment of such dividends in shares of Common Stock.
- e. Dividends on shares purchased with reinvested dividends may also be reinvested in shares of Common Stock, causing a participant’s investment to grow.
- f. Dividends are fully utilized since fractional shares are credited to accounts of participants.
- g. Personal record keeping is simplified, as participants receive detailed, periodic statements from the Agent providing them with a record of each transaction.

- h. Participants continue to vote shares held under the Plan.
- i. The Plan is entirely voluntary. Participants may join or withdraw from participation in the Plan at any time prior to a particular record date by giving written notice to the Agent.
- j. Certificates for shares acquired under the Plan will normally be held by the Agent, a procedure which helps protect against loss, theft, or destruction of stock certificates.
- k. Participants may deposit other Common Stock certificates of Mayflower registered in their names to protect against loss of certificates.

ADMINISTRATION

4. Who administers the Plan?

American Stock Transfer & Trust Company, Mayflower's transfer agent (the "Agent"), will administer the Plan and purchase shares of Common Stock as Agent for the Plan participants. The Agent will have, consistent with the Plan and applicable securities laws and regulations, absolute discretion to determine the volume, timing, and price of purchases of shares on the open market. If you decide to participate in the Plan, the Agent will keep a continuous record of your participation in the Plan and send you a statement of your account under the Plan after each investment affecting your account. The Agent will also hold and act as custodian of shares of Common Stock purchased under the Plan until otherwise directed by Plan participants. This will relieve you of the responsibility for the safekeeping of multiple certificates for shares purchased and protect you against loss, theft, or destruction of stock certificates.

PARTICIPATION

5. Who is eligible to participate in the Plan?

All record holders of common stock are eligible to participate in the Plan. If you hold your shares in your own name, you may participate in the Plan. If you are a beneficial owner whose shares are registered in any name other than your own (e.g., in a broker's "street name" or in the name of a bank nominee), you must either make appropriate arrangements for your broker or nominee to participate in the Plan on your behalf or you must become a stockholder of record by having those shares with respect to which you wish to participate transferred into your own name.

6. How does an eligible stockholder participate?

Eligible stockholders may become participants in the Plan by signing the Authorization Form provided by the Agent and returning it to American Stock Transfer & Trust Company, Attn: Dividend Reinvestment Department, 6201 15th Avenue, Brooklyn, NY 11219. When the shares are registered in more than one name (e.g. husband and wife, joint tenants, trustees, etc.) all registered holders must sign. An Authorization Form may be obtained at any time by written request to the Agent at the address specified above. Any correspondence addressed to the Agent concerning the Plan should refer specifically to the Mayflower Cooperative Bank Dividend Reinvestment and Stock Purchase Plan. Questions regarding the Plan can be answered by telephoning 1-800-278-4353.

An eligible beneficial owner whose shares of common stock are registered in the name of a broker or bank nominee must make arrangements to have such broker or bank nominee participate on his or her behalf.

7. When may an eligible stockholder become a participant in the Plan?

An eligible stockholder may join the Plan at any time by completing the Authorization Form and mailing it to the Agent. If you are a record holder of shares of Common Stock and your Authorization Form is received by the Agent prior to the record date for a dividend payment, the dividends paid on your shares of Common Stock on the dividend payment date on which such dividend payment is made and each subsequent dividend payment date will be used by the Agent to buy shares of Common Stock. If your Authorization Form is received after the record date for a dividend payment but prior to the dividend payment date on which such dividend payment is made, the dividend paid on your shares of Common stock on such dividend payment date will be paid to you in cash and your participation in the Plan will begin with the next dividend payment date. Dividend payment dates ordinarily are on or about the 10th day in the months of March, June, September and December and the corresponding record dates are ordinarily about one to two weeks prior to the payment dates in those months. As noted in the answer to Question 12, only optional cash payments received by the Agent not more than 30 days nor less than 48 hours prior to a dividend payment date will be invested by the Agent in shares of Common Stock concurrently with dividend payments. Payments received before or after that period will be returned by the Agent to the participant. No dividends will be earned on shares of Common Stock purchased under the Plan until the dividend payment date following the date of purchase of such shares and no interest will be earned on optional cash payments held by the Agent pending investment in shares of Common Stock.

COSTS

8. Are any fees or expenses incurred by participants in the Plan?

There are no brokerage fees or service charges to participants in connection with purchases of shares of Common Stock under the Plan. If the participant elects to have the Agent sell shares held within the Plan as described in the answer to Question 20, the participant would be subject to applicable brokerage fees and transfer taxes.

PURCHASES

9. How many shares of Common Stock will be purchased for a participant?

The number of shares to be purchased for each participant will depend on the amount of the participant's dividends and/or optional cash payments to be invested and the price per share of the shares of Common Stock to be purchased. Each participant's account will be credited with that number of shares, including fractions computed to three decimal places, equal to the total amount to be invested on behalf of that participant divided by the purchase price of a share of Common Stock. The purchase price is determined as provided in the answer to Question 11.

10. How and when will shares of Mayflower's Common Stock be purchased under the Plan?

On each dividend payment date Mayflower will pay to the Agent the total amount of dividends payable on the shares subject to dividend reinvestment under the Plan. The Agent will use that amount, along with all optional cash payments then held by the Agent under the Plan, to purchase shares of Common Stock for the accounts of

participants at the purchase price set forth in the answer to Question 11. The Agent will purchase shares of Common Stock from time to time on the open market promptly beginning on the payment date, and in no event later than 30 days after the dividend payment date (as market conditions allow), except where suspension of purchases is necessary to comply with applicable law or in the event of unusual market conditions. In purchasing shares on the open market, the Agent will have, consistent with such limitations and with other applicable securities laws and regulations, absolute discretion to determine the volume, timing, and price of such purchases.

11. What will be the price of shares of Common Stock purchased under the Plan?

The price per share of the shares of Common Stock purchased for allocation to the accounts of the Plan participants will be the weighted average of the total price paid by the Agent for all open market shares purchased for that quarter's purchases.

OPTIONAL CASH PAYMENTS

12. How does the cash payment option work?

Optional cash payments received from the participant will be invested by the Agent in shares of Common Stock only if received by the Agent not more than 30 days nor less than 48 hours prior to a dividend payment date. Payments received by the Agent during such period will be applied by the Agent to the purchase of shares of Common Stock at the time determined as provided in the answer to Question 10 and the price determined as provided in the answer to Question 11. Any payments received before or after such period will be returned by the Agent to the participant. All dividends payable on shares purchased with optional cash payments and retained in the participant's Plan account will be reinvested automatically in additional shares of Common Stock at the time determined as provided in the answer to Question 10 and the price determined as provided in the answer to Question 11.

13. How are optional cash payments made under the Plan?

The option to make cash payments is available to each participant each quarter. Optional cash payments by a participant cannot be less than \$50 per payment or more than a total of \$2,500 per quarter. All cash payments will be acknowledged by the Agent shortly after receipt and also in the regular statements of account prepared by the Agent. Any payments received by the Agent that cause the accumulated payments to exceed the \$2,500 maximum quarterly total will be returned to the participant. Any optional cash payment may be made by a participant when enrolling by enclosing a check made payable to "American Stock Transfer & Trust Company, MFLR DRP" with the Authorization Form. Thereafter optional cash payments may be made through the use of cash payment forms sent to participants by the Agent. The same amount of money need not be sent each quarter, and there is no obligation to make an optional cash payment each quarter. Delivery of a check to any address (including to Mayflower Cooperative Bank) other than the one contained in the answer to Question 6, will not constitute valid delivery.

14. Will interest be paid by Mayflower or the Agent on any optional cash payments made under the Plan?

No. Interest will not be paid by Mayflower or the Agent on any optional cash payments under the Plan. Therefore, it is suggested that any optional cash payment a participant wishes to make be sent so as to reach the Agent, after ordinary and extraordinary postal delays, as close as possible to, although no later than, 48 hours before the next dividend payment date.

REPORTS TO PARTICIPANTS

15. What kind of reports will be sent to participants in the Plan?

Each participant in the Plan will receive a statement of his account after each investment affecting his account showing the amounts invested, purchase prices, shares purchased, and other relevant information. These statements are a participant's continuing record of purchases and should be retained for income tax purposes. As a stockholder of record of Mayflower, each participant in the Plan will receive copies of the annual Report to Stockholders, quarterly reports to stockholders, proxy solicitation materials and dividend information required by the Internal Revenue Service to be furnished by the Bank and the Agent.

DIVIDENDS

16. Will participants be credited with dividends on shares credited to their accounts?

Yes. A participant's account will be credited with dividends on shares held in his account, including fractional shares. The Agent will reinvest these dividends in additional shares of Common Stock.

CERTIFICATES OF STOCK

17. Will certificates be issued for shares of Common Stock purchased?

Shares of Common Stock purchased under the Plan will be registered in the name of the Agent (or its nominee), as Agent for participants in the Plan, and certificates for such shares will not be issued to participants except upon written request. The number of shares credited to a participant's account under the Plan will be shown on the participant's statement of account. This procedure protects against loss, theft, or destruction of stock certificates. Certificates for any number of whole shares credited to an account under the Plan will be issued to a participant as soon as practicable after receipt of a written request for issuance thereof. When certificates are issued to the participant, dividends on the shares represented by such certificates will continue to be reinvested under the Plan unless the participant withdraws from the Plan in accordance with the answers to Questions 20 and 21. Any remaining full shares and fractional interest in a share will continue to be credited to the participant's account. Certificates for fractions of shares will not be issued under any circumstances. Shares credited to the account of a participant under the Plan may not be pledged to collateralize a loan. A participant who wishes to pledge such shares must request that certificates for such shares be issued in the participant's name.

18. In whose name will certificates be registered when issued?

Accounts under the Plan are maintained in the names in which the certificates of participants were registered at the time they enrolled in the Plan. Consequently, certificates for whole shares will be similarly registered when issued.

19. May a participant deposit additional certificates into the Plan for protecting against the risk of loss of the certificates?

Participants who wish to do so may deposit Mayflower Common Stock certificates now or hereafter registered in their names for credit under the Plan with the Agent. There is no charge for such deposit and by making such deposit the participant will be relieved of the responsibility for loss, theft or destruction of the certificate.

Because you bear the risk of loss in sending Common Stock certificates to the Agent, it is recommended that certificates be sent to the Agent by registered mail, return receipt requested, and properly insured. Certificates should not be endorsed, but must be accompanied by written instructions directing the Agent to hold the certificates for the participant. Whenever certificates are issued to a participant, either upon request or upon termination of participation, differently numbered certificates will be used.

WITHDRAWAL

20. How does a participant, or his personal representative, withdraw from the Plan?

In order to withdraw from the Plan, a participant, or his personal representative, must notify the Agent in writing, in the name and to the address specified in the answer to Question 6, that the participant wishes to withdraw. Upon withdrawal from the Plan, certificates for whole shares credited to the participant's account under the Plan will be issued, and a cash payment will be made for any fractional interest in a share credited to his account. (See the answer to Question 23.) Any optional cash payments held for the account of the participant which are not invested in shares of Common Stock because of a timely filed withdrawal request will be returned to the participant as soon as practicable. Neither Mayflower nor the Agent will pay any interest on such cash payments. Upon withdrawal from the Plan, the participant, or his personal representative, may if he desires, also request that all of the shares, both whole and fractional, credited to his account be sold by the Agent. All requests for sales of shares must be signed by the participant. If such sale is requested, the Agent will place a sale order as promptly as practicable after the processing of the request for withdrawal (subject to market conditions), for the account of the participant through a brokerage firm designated by the Agent. The participant will receive from the Agent a check for the proceeds of the sale, less any brokerage commission payable on the sale, and less any transfer taxes payable on the sale. No check will be mailed prior to settlement of funds from the brokerage firm. Settlement is three business days after the sale of shares.

SELLING PARTICIPANTS SHOULD BE AWARE THAT COMMON STOCK PRICES MAY FALL DURING THE PERIOD BETWEEN A REQUEST FOR SALE, ITS RECEIPT BY THE AGENT, AND THE ULTIMATE SALE IN THE OPEN MARKET. THIS RISK SHOULD BE EVALUATED BY THE PARTICIPANT AND IS A RISK TO BE BORNE SOLELY BY THE PARTICIPANT. NEITHER THE AGENT NOR MAYFLOWER BANK WILL BE LIABLE FOR ANY CHANGES IN THE PRICE OF THE COMMON STOCK DURING THIS PERIOD OR FOR OTHER CHANGES IN MARKET CONDITIONS.

21. When may a participant, or his personal representative, withdraw from the Plan?

A participant, or his personal representative, may withdraw in whole or in part from the Plan at any time, except that the processing of any request for withdrawal received between the record date for the next dividend payment and the dividend payment date will be deferred until as soon as practicable after that dividend payment date. A participant, or his personal representative, may prevent reinvestment of a dividend payment if such instructions are received by the Agent no later than the record date for such dividend payment. A participant or his personal representative, may prevent reinvestment of any optional cash payment if such instructions are received at least 48 hours prior to the dividend payment date with respect to which such optional cash payment would otherwise be invested. All requests must be in writing.

22. May a participant reenter the Plan after withdrawal?

Yes. A stockholder may rejoin at any time, but must submit a new Authorization Form.

23. What happens to a fractional share interest when a participant withdraws from the Plan?

When a participant withdraws from the Plan, proceeds representing any fractional share interest in the participant's account will be mailed directly to the participant. The Agent will sell shares to make such payment. The cash payment to such participant will be based upon the net price (that is, after deducting brokerage commissions and transfer taxes, if any) realized by the Agent when it sells such fraction as Agent for the participant. In order to effect the sale of such fractional interest, it will be necessary for the Agent to combine the sales of fractional share interests to which other withdrawing participants are entitled so as to be able to effect the sale of whole shares. This will be done by the Agent as soon as practicable and subject to market conditions.

FEDERAL INCOME TAX CONSEQUENCES

24. What are the federal income tax consequences of participation in the Plan?

In the case of reinvested dividends, a participant must include in gross income a dividend equal to the fair market value of the Common Stock purchased. The fair market value is determined using the weighted average of the total price paid by the Agent for all open market purchases by the Agent with respect to the dividend payment date, as described in Question 11. The participant's basis in that Common Stock will also equal such weighted average. In the case of Common Stock purchased with optional cash payments, the participant must include in gross income, as a dividend, an amount equal to the excess of the fair market value of the Common Stock purchased, determined using the weighted average method, described above, over the actual optional cash payment. The participant's basis in the Common Stock acquired with optional cash payments will be the optional cash payment plus the excess of the weighted average of the Common Stock purchased over the optional cash payment. In addition, general rulings by the Internal Revenue Service indicate that a participant's share of brokerage commissions for purchases of open market shares will be taxable as dividend income to the participant. A participant's adjusted basis in the shares of Common Stock acquired on the participant's behalf under the Plan will include the brokerage commissions allocated to such purchases. Participants will not realize any taxable income when they receive certificates for whole shares of Common Stock credited to their account, either upon their request for such certificates or upon withdrawal from or termination of the Plan. Most participants will, however, realize long-term capital gain or loss when whole shares of Common Stock acquired under the Plan, which have a holding period by the participants of more than 12 months are sold or exchanged by participants after withdrawal from or termination of the Plan, and short-term capital gain or loss if such holding period is not met. Most participants will also realize capital gain or loss when they receive cash payments for fractional shares credited to their accounts upon withdrawal from or termination of the Plan (see the answers to Question 20), which will be long-term or short-term depending on the holding period for the fractional shares. The amount of any such capital gain or loss will be the difference between the amount realized by a participant for whole or fractional shares and the adjusted basis of the shares.

THE TAX INFORMATION IN THIS ANSWER TO QUESTION 25 IS PROVIDED SOLELY AS A GUIDE TO PARTICIPANTS AND MAY BE SUBJECT TO CHANGE BY FUTURE LEGISLATION OR IMPACTED BY A PARTICIPANT'S INDIVIDUAL TAX SITUATION. PARTICIPANTS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE FEDERAL AND STATE INCOME TAX EFFECTS OF PARTICIPATION IN THE PLAN.

25. What provision is made for foreign and domestic stockholders whose dividends are subject to federal income tax withholding?

If the participant is not subject to “backup” withholding of federal income tax, the full amount of dividends received will be used to purchase shares under the Plan. However, if the participant is subject to “backup” withholding the amount of federal income tax withheld will reduce the amount available to purchase shares. A participant is subject to “backup” withholding if the participant fails to furnish his social security number to the Agent, if then Internal Revenue Service notifies Mayflower that an incorrect number was furnished, if the participant is notified that he is subject to “backup” withholding under 3406(A)(1)(C) of the Internal Revenue Code, or if the participant fails to certify under penalties of perjury to the Agent his social security number and that he is not subject to “backup” withholding. Each participant who has not already furnished such Form to the Agent will be required to furnish Form W-9 to the Agent which contains the required certifications in order to have dividends on shares enrolled in the Plan reinvested without withholding. In the case of foreign stockholders whose taxable income under the Plan is subject to federal income tax withholding, the Agent will make reinvestments net of the amount of tax required to be withheld. Regular statements of account confirming purchases made for foreign participants will indicate the amount of tax withheld. Foreign stockholders who elect to make optional cash payments under the Plan must make such payments in United States dollars and drawn on a United States bank.

OTHER INFORMATION

26. If Mayflower has a stock dividend or a stock split, how will the shares of Common Stock held under the Plan be affected?

Any shares of Mayflower’s common stock distributable by Mayflower as a stock dividend or a stock split on shares held by the Agent under the Plan will be credited to a participant’s account under the plan. Any shares of Mayflower’s common stock distributable by Mayflower as a stock dividend or a stock split on shares held in certificate form will be issued in stock certificate form with any fractional interest paid by check.

27. If Mayflower has a rights offering, how will the rights on shares of Common Stock held under the Plan be handled?

In a rights offering, the entitlement of each participant will include any shares of Common Stock credited to the participant’s account under the Plan as of the record date for such rights offering. Rights applicable to the shares of Common Stock credited to a participant’s account under the Plan as of such record date will be sold by the Agent as soon as practicable. The Agent will treat the proceeds from such sale as an optional cash payment of the participant under the Plan. A participant who wishes to exercise such rights instead of having the Agent sell them and invest the proceeds in additional Common Stock must withdraw his certificates prior to the record date for distribution of such rights.

28. What happens when a stockholder sells or transfers all of the shares of Common Stock registered in his own name?

If a participant disposes of all of the shares of Common Stock registered in his own name, the Agent will continue to reinvest the cash dividends on the shares of Common Stock credited to the participant’s account under the Plan until the participant notifies the Agent in writing that he wishes to withdraw from the Plan. Optional cash payments may continue to be made by such participant as long as there is at least one whole share of Common Stock credited to his account under the Plan. If a participant holds less than one full share in the Plan at the time he sells or transfers all of the shares of Mayflower’s Common Stock registered

in his own name, cash for the fractional share will be mailed to the participant, as provided in the answer to Question 23.

29. What are the responsibilities of Mayflower and the Agent under the Plan?

Mayflower and the Agent, in administering the Plan, will not be liable for any act done in good faith, or for any good faith omission to act, including, without limitation, any claim for liability arising out of failure to terminate a participant's account upon such participant's death or judicially declared incompetence prior to the receipt by the Agent of notice in writing of such participant's death or judicially declared incompetence prior to the receipt by the Agent of notice in writing of such death or incompetency.

THE PARTICIPANT SHOULD RECOGNIZE THAT MAYFLOWER CANNOT ASSURE THE PARTICIPANT A PROFIT OR PROTECT THE PARTICIPANT AGAINST A LOSS ON THE SHARES OF MAYFLOWER'S COMMON STOCK PURCHASED BY THE PARTICIPANT UNDER THE PLAN.

All transactions in connection with the Plan, including optional cash payments are governed by the laws of the State of New York.

30. How will a participant's shares be voted at meetings of stockholders?

For each meeting of stockholders, a participant in the Plan will receive a proxy which will enable the participant to vote shares registered in his name and, in addition, to direct the Agent to vote both whole and fractional shares credited to his account under the Plan in accordance with the participant's instructions.

31. May the Plan be changed or discontinued?

While Mayflower hopes to continue the Plan indefinitely, Mayflower reserves the right to suspend, terminate or modify the Plan at any time. Participants will be notified of any such suspension, termination or modification. Upon termination of the Plan, any uninvested optional cash payments will be returned, certificates for whole shares credited to a participant's account under the Plan will be issued and a cash payment will be made for any fractional share credited to a participant's account. In the event Mayflower hereafter terminates the Plan and at the same time establishes another dividend reinvestment plan, each participant in the Plan will be automatically enrolled in such other dividend reinvestment plan and shares credited to his account under the Plan will be automatically credited to such other dividend reinvestment plan, unless notice is received to the contrary.

**For More Dividend Reinvestment
Information Contact**

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