



RIVER RUN

BANCORP, MHC

What is a Corporator?

Introduction

Mutual Holding Company Corporators occupy an unusual position in the business world. This information is designed to give current and prospective Corporators an overview of the position in terms of the role they are expected to play in helping to ensure the success of River Run Bancorp, MHC and its subsidiary banks.

What is A Corporator?

These are among the key points:

- Any person who meets all residency and citizenship requirements imposed by law is eligible to become a Corporator, but it is preferable that they live in a community River Run Bancorp, MHC and its affiliates serve.
- Corporators are elected for a period of 10 years. If at the expiration of a 10-year term a Corporator has reached age 75, he or she is ineligible for re-election. However, if a Corporator turns 75 during a 10-year term, he or she may finish out the term.
- Per Massachusetts law, Corporators must be depositors of a subsidiary bank of River Run Bancorp, MHC, either at the time of their election or within 30 days thereafter.
- No Corporator of River Run shall serve as corporator, trustee, or officer of any other mutual holding company, or any bank or thrift institution which is not a subsidiary of River Run.
- Corporators are expected to attend the River Run Bancorp, MHC Annual Meeting, and any special meetings throughout the year as needed. Membership may be subject to forfeiture if two successive Annual Meetings are missed.
- Corporators are responsible for electing the MHC's Trustees from the body of Corporators, and for annually electing Bank Presidents and Clerks of the Corporation. They also are responsible for approving changes to the MHC's bylaws and, in most circumstances, changes in corporate structure, such as those concerning stock conversion or merger.
- Finally, Corporators are considered ambassadors of River Run Bancorp, MHC and its affiliates. As ambassadors, Corporators support subsidiary bank brands by serving as key connections between the Banks and the communities they serve.

Qualifications

- As noted, it is highly desirable that Corporators be residents of the communities the enterprise serves. As community bankers, we are proud of our local roots; having local customers as Corporators helps maintain that valuable heritage.
- An evident requirement for Corporatorship is an active interest in the MHC's Banks and market area. While a Corporator need not be an expert in banking, he or she should advocate for the Banks and possess an awareness of the local social and business environment and of financial affairs on a broad basis, and an ability to identify capable individuals to serve as Trustees.
- The process of selecting new Corporators is taken very seriously by the existing corporate body. Those nominated must be successful in their occupations, be respected in their various communities, and show integrity and good judgment. Corporator accounts must be and remain in good standing.
- To be effective, a body of Corporators ought to represent a range of talents and backgrounds.

Corporator Education

To learn more about their institution and thus make the most responsible election decisions, Corporators should educate themselves about relevant banking issues.

Sources of information include:

- The Annual Meeting of the Corporators of Rive Run Bancorp, MHC. This provides an opportunity for Corporators to get to know one another and to discuss the progress of the member Banks, both formally and informally, with management.
- The MHC sometimes holds additional meetings for Corporators, either as general information sessions or to discuss specific industry developments. In certain circumstances, special meetings also may be called upon the written request of not less than 10 Corporators.
- Corporators are encouraged to keep up with news about the financial industry through reputable general circulation newspapers, magazines, and online media, and to set aside time to review trade journals.

- Finally, Corporators are expected to visit branch locations, either individually or in small groups, to talk with management and become acquainted with staff members and bank operations. Above all, management encourages Corporators to ask questions. This is the best way to keep adequately informed.

Supporting River Run Bancorp, MHC and its Subsidiary Banks

- First, Corporators are chosen as community representatives. They can help keep member Banks on track with serving community needs. At the same time, they can be eyes and ears in the community, reporting on any problems that may come to their attention or on bank services and activities that may be especially appreciated.
- Second, as depositors Corporators can relay their firsthand impressions of the quality of bank services and personnel performance to senior management, once again noting problem areas or citing people and services deserving special praise.
- Third, Corporators can also assist River Run, its member Banks, and the banking industry by keeping themselves informed of current legislative and regulatory matters, both at the state and federal levels.
- Fourth, Corporators can and should act as an informal marketing and public relations team for River Run and its member Banks. Corporators have many opportunities to promote the use of bank services to people with whom they come into contact. This role should not be underestimated.
- Finally, as influential residents Corporators' endorsements carry weight. The more actively a Corporator promotes River Run and its member Banks, the greater the commitment to making sure the Banks live up to their reputation as an outstanding community resource. Corporators should actively refer potential customers to the MHC's member Banks.

Summary

Corporators have a unique role. They are the historic local foundation of mutual banking. Furthermore, they act as a key link between a mutual bank and the community or communities it serves and can present an important competitive edge as promoters of a bank's services and its public image.