



February 12, 2025

**BY ELECTRONIC DELIVERY**

Board of Directors  
Winchester Savings Bank  
661 Main Street  
Winchester, Massachusetts 01890  
Email:

RE: Notice of Intent to Convert, Depositor Vote Waiver Request, Waiver to Offer Stock to All Eligible Account Holders, Stock Center Request, and Interagency Bank Merger Application

Dear Mr. Quint:

The Federal Deposit Insurance Corporation (FDIC) reviewed the Notice of Intent to Convert from Mutual to Stock Ownership (Notice), filed on behalf of Winchester Savings Bank, Winchester, Massachusetts (Bank), pursuant to the FDIC's regulations at 12 C.F.R. §§ 303.160 – 303.163 and 333.4, and other pertinent regulations. The Notice was filed in connection with the Bank's Plan of Conversion (Plan), whereby the Bank proposes to convert from a Massachusetts-chartered mutual savings bank to a Massachusetts-chartered stock savings bank (Conversion). After consummation of the Conversion, the Bank will be a wholly owned subsidiary of Winchester Bancorp, Inc. (Bancorp), a Maryland corporation, which will be the majority owned subsidiary of Winchester Bancorp, MHC (Mutual Holding Company or MHC), a Massachusetts-chartered mutual holding company.

Concurrently with the Conversion, the Bancorp intends to issue and offer for sale common stock on a priority basis to (i) eligible account holders (depositors who had accounts at the Bank with aggregate balances of at least \$50 on November 30, 2023); (ii) the Bank's tax-qualified employee benefit plans (including the employee stock ownership plan); (iii) employees, officers, directors, trustees, and corporators; (iv) the general public through a community or syndicated offering. The Bancorp also intends to establish Winchester Savings Charitable Foundation, Inc., and contribute \$400,000 in cash and two percent of Bancorp common stock sold in the offering.

The FDIC has relied on information provided in the Bank's Notice, the accompanying materials, and subsequent responses to information requests in reaching its decision. Based on the information provided and representations made, the FDIC poses no objection to the Notice, subject to the following conditions (certain of which must be met on an ongoing basis):

1. The Bank shall provide written evidence to the New York Regional Director that all necessary final approvals regarding the proposed transactions have been obtained from the appropriate Federal and state authorities prior to consummating the proposed transaction.

2. The Bank shall submit copies of all final disclosure materials to the FDIC's New York Regional Office mailroom at NYMailRoom@fdic.gov.
3. Any change in the Bank's proposed senior executive officers or board of directors prior to the consummation of the proposed transactions will render this approval null and void, unless the Bank submits prior written notice to, and receives written non-objection from, the New York Regional Director prior to consummation of the proposed transaction.
4. During the one-year period after the close of the conversion offering, the Bank shall submit to the New York Regional Director copies of any employment, change in control, or similar compensation arrangements entered into pursuant to the proposed transactions within 60 days of execution.
5. During the three-year period after the close of the proposed transaction, the Bank shall operate within the parameters set forth in the Business Plan submitted with the Notice and must provide at least 60 days' prior written notice to, and receive written non-objection from, the New York Regional Director prior to implementing any proposed material deviation or material change from the Business Plan (including, but not limited to, any merger, acquisition, or business combination) involving the Bank.
6. During the one-year period after the close of the conversion offering, the stock bank shall provide at least 30 days prior written notice to, and obtain written non-objection from, the New York Regional Director prior to implementing any policy or executing any agreement relating to the allocation and sharing of costs with any stock bank affiliate.
7. The Bank shall advise the New York Regional Director of the results of the conversion offering (and the community offering and syndicated offering, as applicable), and deliver an updated appraisal that takes the results of the conversion offering into account, discusses any material events or changes during the subscription period, and explains any securities purchase orders that have been rejected (including the reasons for rejection).
8. Except for the issuance of the Bank's stock to the MHC and the contribution of that stock to the Bancorp, no shares of the Bank's stock shall be sold, transferred, or otherwise disposed of, to any person (including an Employee Stock Ownership Plan or Foundation) unless 30 days prior written notice is provided to, and written non-objection is received from the FDIC New York Regional Director.
9. During the one-year period after the close of the conversion offering, the Bank shall provide at least 60 days' prior written notice to the New York Regional Director of any repurchase of shares and include copies of all documents filed with other regulators.
10. During the one-year period after the close of the conversion offering, shares issued to directors and executive officers (insiders) in the conversion offering are restricted from resale without the prior written approval of the New York Regional Director, except for the following, which shall not require such prior approval: (1) in the event of the death of an

insider, the successor in interest may sell the shares; (2) if the insider is no longer employed by or is no longer a trustee or director of either the Bank or Bancorp, he or she may sell the shares; and (3) the insider may transfer the shares to a spouse or lineal descendant(s), or into a trust or retirement vehicle for the benefit of the insider or such spouse or descendants.

11. During the one-year period after the close of the conversion offering, the Bank shall provide at least 60 days' prior written notice to, and receive written non-objection from, the New York Regional Director prior to implementation of a stock-based benefit plan, except for the tax qualified employee stock ownership plan.
12. The Bank's conversion into a stock bank shall only be consummated on the same date as the consummation of all other steps in the Plan, as proposed in the Notice and Interim Merger Application submitted to the FDIC.
13. Winchester Savings Charitable Foundation's (Foundation) Board of Directors shall commit to the following:
  - a. Bancorp stock held by the Foundation shall be voted in the same ratio as the shares voted on each proposal considered by the shareholders.
  - b. The Foundation shall be subject to examination by the FDIC.
  - c. The Foundation shall comply with all supervisory directives imposed by the FDIC.
  - d. The Foundation shall operate in accordance with written policies adopted by its Board of Directors, including the adoption of a conflict of interest policy acceptable to the FDIC.
  - e. The Foundation shall not engage in self-dealing, and must comply with all laws necessary to maintain its tax-exempt status under the Internal Revenue Code.
  - f. The Foundation shall provide to the New York Regional Director a proposed operating plan prior to completion of the conversion offering, and within six months following the completion of the offering, a three-year operating plan that contains pro forma financial statements, including a balance sheet and income statement.
14. The Bank shall notify the New York Regional Director as soon as it becomes aware of any material change in the facts and circumstances prior to the consummation of the proposed transactions.
15. Until the proposed transaction is consummated, the FDIC shall have the right to alter, suspend, or withdraw its approval should any interim development be deemed to warrant such action.
16. The proposed transaction may not be consummated later than six months after the date of this Order unless such period is extended in writing by the New York Regional Director.

#### Request for Waiver of Depositor Vote

As part of the Notice, the Bank requested, in accordance with 12 C.F.R. § 303.162(a)(2), waiver of certain provisions of the FDIC's regulations pertaining to mutual-to-stock conversions,

specifically, the depositor vote requirements of 12 C.F.R. § 333.4(c)(2). The FDIC has reviewed the Bank's request and determined that the applicable Massachusetts law requiring the Plan to be approved by a majority of the Bank's independent incorporators satisfies the process of voting on the Plan by parties that are not insiders and do not have potential conflicts of interest in reviewing the proposed reorganization. Therefore, the Bank's request for a waiver of the depositor vote is approved.

#### Request for Waiver to Offer Stock to All Eligible Account Holders

As part of the Notice, the Bank requested a waiver of the provisions of 12 C.F.R. § 192.335(a), 192.355 and 192.365 of the OCC regulations, as applied to the Bank's holding company reorganization through 12 C.F.R. 303.163(b). The Bank has account holders in foreign jurisdictions; however, does not intend to offer its stock for sale in any foreign jurisdiction due to the burdensome and expensive cost and the fact that the Bank and Bancorp do not directly conduct business in any foreign jurisdiction. Having considered all relevant information, including the fact that the volume of deposits in foreign jurisdictions account for less than 0.2 percent of total deposits and the cost to offer stock would be burdensome and expensive, the waiver is approved.

#### Request to Establish a Stock Center

As part of the Notice, the Bank submitted a request for the FDIC's non-objection to the establishment of a "stock center." The Bank's Notice describes a "stock center" as an area for orders to be accepted and interested customers to ask questions in a non-teller area of the Bank's main office. The FDIC does not object to the establishment of a "stock center," subject to the conditions detailed below.

1. No commissions, bonuses, or comparable payments are made to any employee of the Bank other than to registered broker dealers.
2. No sales or offers are made by tellers or at the teller counter, or by comparable employees at comparable locations.
3. Sales activity must be conducted in a segregated or separately identifiable area of the Bank apart from the area accessible to the general public for the purpose of making or withdrawing deposits.
4. Investment advice and assistance in completing stock order forms will only be provided by full-time employees of Raymond James, a registered broker-dealer.
5. Customers sign a "one page, unambiguous" certification, in the prescribed form, that the customer recognizes that the security is not a deposit, not FDIC insured or guaranteed, and that the customer has received an offering circular.

6. The prescribed legend appears on the security and offering materials that it is not insured or guaranteed and is not a deposit or account with the Bank.
7. The Bank will be in current compliance with its capital requirements after the conclusion of the offering.
8. Sales literature must comply with 12 C.F.R. § 390.419 of the FDIC's regulations regarding unsafe and unsound practices.

#### Interagency Bank Merger Application

The Bank filed an Interagency Bank Merger Application (Application) regarding the interim merger of the Bank with and into Winchester Interim Stock Bank. Based on the information provided, the FDIC approves the Application subject to the conditions detailed in the enclosed Order and Basis (Order). Assuming all conditions of the Order are met, the Federal deposit insurance held by the Bank prior to the reorganization will continue by operation of law to insure the deposits held by the resulting bank upon consummation of the merger transaction.

Please provide documentation to support satisfaction of the conditions to the New York Regional Office at \_\_\_\_\_ and notify the Regional Office in writing when the proposed transactions have consummated. If you have any questions, please contact Case Manager Felicia Francis at \_\_\_\_\_ or \_\_\_\_\_

Sincerely,

/s/

Patricia A. Colohan  
Associate Director

Enclosure

cc: Ned Quint, Esp  
Luse Gorman, PC  
Email: ;

Robert Fitzpatrick, Risk Manager  
Federal Reserve Bank of Boston  
Email:

Honorable Mary L. Gallagher, Commissioner  
Massachusetts Division of Banks  
Email: ;

**FEDERAL DEPOSIT INSURANCE CORPORATION**

Re: Winchester Savings Bank  
Winchester, Massachusetts

Application for Consent to Merge

**ORDER AND BASIS OF APPROVAL**

Pursuant to Section 18(c) of the Federal Deposit Insurance (FDI) Act, Winchester Savings Bank (Bank), Winchester, Massachusetts, a state nonmember mutual savings bank with total assets of \$895 million and total deposits of \$663 million as of December 31, 2024, has filed an application for the Federal Deposit Insurance Corporation's (FDIC) consent to merge with and into Interim Stock Bank (Interim), Winchester, Massachusetts, a proposed new state-chartered stock savings bank. The merger is intended to facilitate the reorganization of the Bank into a mutual holding company structure, with a Massachusetts chartered, subsidiary stock savings bank as the Resulting Bank. Upon consummation of the proposed transactions, the deposits of Resulting Bank will continue to be insured by the FDIC Deposit Insurance Fund by operation of Section 4(d) of the FDI Act. The Resulting Bank will utilize the same branch offices and provide the same services as the Bank and continue to be governed by the current management team. Prior to consummation of the merger, the Interim will exist solely for the purpose of the corporate reorganization and will not operate independently.

In connection with the Application, the FDIC has taken into consideration the financial and managerial resources, the future earnings prospects of the Bank and the Resulting Bank, the convenience and needs of the community to be served, and the effect of the proposed transaction on competition. The FDIC has also taken into consideration the Bank's effectiveness in combating money-laundering activities and the risk posed by the proposed transaction to the stability of the U.S. banking or financial system. Having found favorably on these statutory factors, it is the FDIC's judgment that the application for consent to merge should be and is hereby approved subject to the following conditions:

- The proposed transaction may not be consummated later than six months after the date of this Order unless such period is extended in writing by the New York Regional Director.
- Until the proposed transaction is consummated, the FDIC shall have the right to alter, suspend, or withdraw its approval should any interim development be deemed to warrant such action.
- The applicant has obtained all necessary and final approvals from the appropriate federal, state, and other appropriate authorities.
- The Bank shall notify the New York Regional Director as soon as it becomes aware of any material change in the facts and circumstances prior to the consummation of the proposed transactions.

- Any change in the Bank's proposed senior executive officers or board of directors prior to the consummation of the proposed transactions will render this approval null and void, unless the Bank submits prior written notice to, and receives written non-objection from, the New York Regional Director prior to consummation of the proposed transaction.

Dated at Washington, D.C. this 12<sup>th</sup> day of February 2025.

Patricia A. Colohan  
Associate Director