



**AN IMPORTANT MESSAGE FROM
A MAJORITY OF YOUR BOARD**

HINGHAM INSTITUTION FOR SAVINGS

**NOTICE OF
ANNUAL MEETING OF STOCKHOLDERS
AND
PROXY STATEMENT**

DATE

Thursday, April 29, 1993

TIME

4:00 P.M. E.S.T.

PLACE

**South Shore Country Club
274 South Street
Hingham, MA 02043**

AN IMPORTANT MESSAGE FROM A MAJORITY OF YOUR BOARD OF DIRECTORS

March 29, 1993

Dear Stockholder:

You are cordially invited to the 1993 Annual Meeting of Stockholders of Hingham Institution for Savings to be held on Thursday, April 29, 1993, at 4:00 p.m. local time, at the Southshore Country Club, 274 South Street, Hingham, Massachusetts 02043.

At the Annual Meeting you will be asked to consider and vote upon: (1) the election of a class of six (6) Directors of the Bank to serve for a three-year term; and (2) the election of a Clerk of the Bank.

It is important that your shares be represented, whether or not you are able to attend the Annual Meeting. You are urged to read the enclosed Proxy Statement and the accompanying materials. Please sign and return the enclosed WHITE Proxy card in the postage-paid envelope provided at your earliest convenience regardless of the number of shares you own. If you attend the Annual Meeting and wish to vote in person by ballot, you may withdraw the Proxy upon oral request. We look forward to seeing as many of you as can attend this Annual Meeting.

Sincerely,

A handwritten signature in cursive script that reads "Paul E. Bulman".

Paul E. Bulman
President and
Chief Executive Officer

HINGHAM INSTITUTION FOR SAVINGS
55 Main Street
Hingham, Massachusetts 02043
(617) 749-2200

NOTICE OF 1993 ANNUAL MEETING OF STOCKHOLDERS

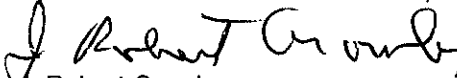
To the Holders of Common Stock
of Hingham Institution for Savings

NOTICE IS HEREBY GIVEN that the 1993 Annual Meeting of Stockholders of Hingham Institution for Savings (the "Bank") will be held at the South Shore Country Club, 274 South Street, Hingham, Massachusetts 02043, on Thursday, April 29, 1993 at 4:00 p.m. local time (the "Meeting") for the following purposes, all as set forth in the attached Proxy Statement:

1. To elect a class of six Directors of the Bank, each to hold office until the 1996 annual meeting of stockholders of the Bank or special meeting of stockholders in lieu thereof, and until each of his or her successor is duly elected and qualified;
2. To elect a Clerk of the Bank, to hold office until the next annual meeting of stockholders or special meeting of stockholders in lieu thereof, and until his or her successor is duly elected and qualified; and
3. To transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

The Board of Directors has fixed the close of business on March 12, 1993, as the record date for the determination of stockholders entitled to receive notice of, and to vote at, the Meeting and any adjournments or postponements thereof.

Your attention is called to the accompanying Proxy Statement.

By Order of the Board of Directors,

J. Robert Crowley
Clerk

Hingham, Massachusetts
March 29, 1993

IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AT THE MEETING REGARDLESS OF THE NUMBER OF SHARES YOU MAY HOLD. PLEASE FILL IN, SIGN AND DATE THE ENCLOSED WHITE PROXY CARD AND RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE WHICH REQUIRES NO POSTAGE IF MAILED WITHIN THE UNITED STATES. IT IS IMPORTANT THAT PROXIES BE MAILED PROMPTLY. IF YOU ATTEND THE MEETING, YOU MAY WITHDRAW ANY PROXY GIVEN BY YOU AND VOTE YOUR SHARES IN PERSON.

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**AN IMPORTANT MESSAGE FROM
A MAJORITY OF YOUR BOARD OF DIRECTORS**

HINGHAM INSTITUTION FOR SAVINGS
55 Main Street
Hingham, Massachusetts 02043
(617) 749-2200

**SUMMARY OF PROXY STATEMENT
FOR THE
ANNUAL MEETING OF STOCKHOLDERS**

The following summary is not intended to be a complete statement of all material features of the matters being voted on by the stockholders of Hingham Institution for Savings (the "Bank") and is qualified in its entirety by the more complete information set forth elsewhere herein.

Date, Time and Place of Annual Meeting

The 1993 Annual Meeting of Stockholders (the "Meeting") will be held at the South Shore Country Club, 274 South Street, Hingham, Massachusetts 02043, on Thursday, April 29, 1993 at 4:00 p.m., local time.

Purpose of the Annual Meeting

The purpose of the Meeting is: (1) to elect a class of six Directors of the Bank to serve for a three-year term; (2) to elect a Clerk of the Bank; and (3) to transact such other business as may properly come before the Meeting and any adjournment or postponement thereof.

Record Date and Required Stockholder Vote

The Board of Directors has fixed the close of business on March 12, 1993, as the record date (the "Record Date") for the determination of stockholders entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof. Only holders of record of the Bank's common stock at the close of business on the Record Date will be entitled to notice of, and to vote at, the Meeting or any adjournments or postponements thereof. At the close of business on the Record Date, there were 1,266,840 shares of the Bank's common stock issued and outstanding, and each such outstanding share is entitled to one vote. As of such date, there were approximately 630 holders of record of the Bank's common stock, which number does not reflect the number of persons or entities who hold shares in nominee or "street" name through various brokerage firms.

The presence, in person or by proxy, of at least a majority of the total number of outstanding shares of common stock of the Bank is necessary to constitute a quorum for the transaction of business at the Meeting. A quorum being present, the affirmative vote of a majority of the shares present and voting, in person or by proxy, is necessary to approve the election of the class of Directors to be elected and the election of a Clerk of the Bank. On March 12, 1993, the participants in this solicitation who are named in the Appendix attached hereto, beneficially owned in the aggregate 7.34 percent of the issued and outstanding shares of the Bank's common stock which may be voted at the Meeting.

**PROPOSAL ONE
ELECTION OF CLASS OF DIRECTORS**

The Bank's Amended and Restated Charter and By-laws provide that the Board of Directors shall be divided into three classes, with the Directors in each class serving for a term of three years. As the term of one class expires, a successor class is elected at each annual meeting of stockholders.

At the Meeting, stockholders of the Bank are being asked to elect six Directors of the Bank to serve until the 1996 annual meeting of stockholders or special meeting of stockholders in lieu thereof and until their successors are duly elected and qualified. A majority of the Board of Directors of the Bank has nominated Alfred F. Lyons, Richard A. Manley, Vito A. Nardo, Gerard W. Pyne, Russell G. Sears and Roberta E. Smith for election as Directors. See "ELECTION OF DIRECTORS (Notice Item 1)."

The Board of Directors of the Bank (by a 9-7 vote with one abstention) has recommended that the stockholders vote FOR the election of the six nominees as Directors of the Bank.

**PROPOSAL TWO
ELECTION OF CLERK**

Under Massachusetts law, the Clerk of the Bank is to be elected by the stockholders at an annual meeting or special meeting duly called for that purpose. At the Meeting, the stockholders of the Bank are being asked to reelect J. Robert Crowley, the nominee proposed by a majority of the Board of Directors, as Clerk of the Bank to serve until the 1994 annual meeting of stockholders, or special meeting in lieu thereof, and until his successor is duly elected and qualified. See "ELECTION OF CLERK (Notice Item 2)."

The Board of Directors of the Bank (by a 9-7 vote with one abstention) has recommended that the stockholders vote FOR the election of J. Robert Crowley as Clerk of the Bank.

**PROXY STATEMENT
FOR THE
ANNUAL MEETING OF STOCKHOLDERS**

Accompanying this Proxy Statement is a Notice of the 1993 Annual Meeting of Stockholders (the "Meeting") of Hingham Institution for Savings (the "Bank") to be held at the South Shore Country Club, 274 South Street, Hingham, Massachusetts, 02043, on Thursday, April 29, 1993, at 4:00 p.m. local time. Also enclosed is a WHITE proxy card for the Meeting (and any adjournment or postponement thereof). This Proxy Statement and the enclosed WHITE proxy card are furnished in connection with the solicitation of proxies by the Board of Directors of the Bank and are first being sent to stockholders on or about March 29, 1993. The enclosed WHITE proxy card is for the use of holders of the Bank's common stock, \$1.00 par value per share (the "Common Stock"), of record at the close of business on March 12, 1993. Shares of Common Stock cannot be voted at the Meeting unless the owner of record is present to vote or is represented by proxy.

VOTING PROCEDURE

If you sign, date and return the enclosed WHITE proxy card in time for the Meeting, your shares will be voted (unless you otherwise instruct) on all matters that may properly come before it. The WHITE proxy card contains spaces in which you may insert instructions as to how your shares are to be voted with regard to electing a class of six Directors and the Clerk. If you specify instructions with respect to any of the proposals, your shares will be voted in accordance with your instructions. If no instructions are specified, your shares will be voted FOR the election as Directors of the nominees named herein, FOR the election as Clerk of the nominee named herein and with respect to any other matters as properly come before the Meeting in accordance with the best judgment of the holder(s) of said proxy.

If you execute a proxy card you may revoke it at any time prior to the Annual Meeting by notifying the Clerk of the Bank at the Bank's main office at 55 Main Street, Hingham, Massachusetts 02043. You may also revoke your proxy orally at the Annual Meeting at any time prior to the counting of such proxy by stating your intention to do so to the Clerk of the Bank and presenting proper identification at the Annual Meeting.

At the close of business on March 12, 1993, 1,266,840 shares of Common Stock were entitled to vote on all properly presented matters. Only stockholders whose names appeared of record at the close of business on March 12, 1993 will be entitled to vote at the Meeting. The By-Laws of the Bank require that the holders of a majority in interest of all stock issued, outstanding and entitled to vote on matters at the Meeting be present in person or be represented by proxy at the Meeting in order to constitute a quorum for the transaction of business. Each share of Common Stock is entitled to one vote per share. The affirmative vote of the holders of a majority of the Common Stock constituting the quorum is required to elect the Directors and Clerk as set forth in Notice Items 1 and 2. Holders of the Common Stock do not have the right to cumulate their votes for the election of Directors or the Clerk.

ELECTION OF DIRECTORS

(Notice Item 1)

The Board of Directors of the Bank currently consists of seventeen members, sixteen of which have been elected by the stockholders of the Bank and one of which has been elected by the Board of Directors of the Bank. In compliance with the By-Laws, as amended, which state that the Directors of the Bank are divided into three classes as equivalent in size as possible, with each such class of Directors being elected every third year at the annual or special meeting of stockholders held that year, the composition of the Board of Directors is as follows: (1) six first Class Directors with terms expiring at the 1995 annual meeting of stockholders or special meeting of stockholders in lieu thereof ("Class I Directors"); (2) six second Class Directors with terms expiring at the 1996 annual meeting of stockholders or special meeting in lieu thereof ("Class II Directors"); and (3) five third Class Directors with terms expiring at the 1994 annual meeting of stockholders or special meeting in lieu thereof ("Class III Directors"). Each Director of the class elected at such meeting will hold office until the annual meeting three years subsequent thereto, and until his or her successor is duly elected and qualified, or until his or her earlier resignation, death or removal. At last year's annual meeting, six persons were elected as Class I Directors.

At the Meeting, six persons will be elected as Class II Directors to hold office until the annual meeting of the stockholders of the Bank held during the calendar year 1996, or special meeting of stockholders in lieu thereof, and until each of his or her successor is duly elected and qualified, or until each of his or her earlier resignation, death or removal.

Robert H. Gaughen, a Class I Director, has informed the Bank in writing that he intends to oppose the nominees for Class II Directors set forth in this Proxy Statement and present his own slate of director nominees for election. A majority of your Board of Directors recommends that you do not sign any proxy card distributed by Mr. Gaughen.

The names of the nominees of the Board of Directors for Class II Directors and certain information received from them are set forth below. Three of the six nominees are currently Directors and each of the nominees has consented to serve if elected. If any nominee shall become unavailable for any reason, the shares represented by the enclosed WHITE Proxy card will be voted in favor of such other person as the Board of Directors of the Bank may at the time recommend. The following table lists the name of each nominee, his or her age, period of service as a Director of the Bank (or as a Trustee of the Bank prior to December 20, 1988, the date on which it converted from a mutual form to a stock form organization), positions with the Bank, principal occupation and other directorships held. Each nominee has been engaged in his or her principal occupation for at least five years, unless otherwise indicated.

**Nominees For Election at the Meeting
with Terms Expiring at the 1996 Annual Meeting
"Class II Directors"**

<u>Nominee's Name and Age</u>	<u>Positions With Bank</u>	<u>Director or Trustee of Bank Since</u>	<u>Principal Occupation</u>
Alfred F. Lyons Age - 56	—	—	Retired; former Manager of E.T. Wright Shoe Co.
Richard A. Manley Age - 60	—	—	Retired; past President of Mass. Taxpayers Foundation; currently a Visiting Fellow at University of Massachusetts and Associated with Joyce & Joyce, a lobbying firm.
Vito A. Nardo Age - 59	Director	1983	President, BLT Spirits Inc., retail liquor store
Gerard W. Pyne Age - 61	Marketing Manager and Chairman of Board of Directors	1965	Marketing Manager of the Bank (1)
Russell G. Sears Age - 48	Director	1981	President and C.E.O., Developmental Expeditions, Inc., firm specializing in courses for self development (2)
Roberta E. Smith Age - 57	—	—	Partner of CSMM of Hingham, a bookkeeping firm

(1) Mr. Pyne became Marketing Manager of the Bank in May, 1989. Prior to that, he was an accountant at John J. Pyne, CPA, P.C. Mr. Pyne and David L. Wightman, also a Director of the Bank, are brothers-in-law.

(2) Since February of 1990, Mr. Sears has also been employed as an emergency medical technician by Norfolk-Bristol Ambulance Service and prior to that by Commonwealth Ambulance Service, Inc., and from 1985 through 1989, by Bay State Ambulance & Hospital Rental Service, Inc.

ADDITIONAL INFORMATION ABOUT NOMINEES

Alfred F. Lyons - Mr. Lyons retired in 1988 from the management of E.T. Wright & Company, a men's shoe manufacturer in Rockland (a town adjacent to the Town of Hingham), following thirty years of service. During his employment with E.T. Wright, Mr. Lyons was active in the Rockland Chamber of Commerce and Rotary Club. Mr. Lyons has lived in the Town of Hingham and has been a customer of the Bank for over 35 years.

Richard A. Manley - Mr. Manley recently retired as President of the Massachusetts Taxpayers Foundation, a taxpayer advocacy group, a position that he had held for nearly 30 years. Mr. Manley is currently a Visiting Fellow with the McCormick Institute of Public Affairs at the University of Massachusetts, is associated with Joyce & Joyce, a lobbying firm headquartered on Beacon Hill in Boston, and is a contributing writer for the *Boston Business Journal*. Mr. Manley has, in the past, served as a member of the Town of Hingham's Advisory Committee and served, for two years, as its Chairman. He is currently a member of Hingham's Government Study Committee. A resident of Hingham for nearly 30 years, Mr. Manley continues to be active in the community.

Vito A. Nardo - Mr. Nardo is President and owner of BLT Spirits, Inc., a retail liquor store located in the Town of Hingham and has been a Director or Trustee of the Bank since 1983. He has been a lifelong resident of Hingham and has spent his entire working career in Hingham. Mr. Nardo has been affiliated with local youth programs in Hingham for the past 15 years and is a member of Hingham's American Legion Post. Mr. Nardo has been a customer of the Bank since 1955.

Gerard W. Pyne - Mr. Pyne has been associated with the Bank for over 30 years serving, at various times, as a Corporator, Trustee, Director or Marketing Manager and has been Chairman of the Board of Directors or Trustees since 1985. Mr. Pyne is a lifelong resident of Hingham and has spent virtually his entire working career in Hingham. Prior to becoming Marketing Manager of the Bank, Mr. Pyne worked as an accountant for a local certified public accounting firm for 8 years and owned his own local business, the Pyne Funeral Home, for over 20 years. Mr. Pyne is a member and a past President of the Hingham Rotary Club and is active in the Town of Hingham. Mr. Pyne is a lifelong customer of the Bank.

Roberta E. Smith - Ms. Smith is a Founder of and Partner in CSMM, a bookkeeping firm located in Hingham. Ms. Smith also performs bookkeeping services for The Whiton House, a local restaurant. Ms. Smith served as Treasurer of the Hingham Visiting Nurse Association for more than 10 years and as a member of its Board of Managers. Ms. Smith recently completed a five-year appointment to the Town of Hingham's Advisory Committee. Ms. Smith has lived in Hingham, and has been a customer of the Bank, for over 25 years.

Russell G. Sears - Mr. Sears is President and Chief Executive Officer of Developmental Expeditions, Inc., a company located in Hingham that specializes in courses for self-development and has been a Director or Trustee of the Bank since 1981. Mr. Sears is also an Emergency Medical Technician Paramedic with an ambulance service that serves various communities surrounding Hingham. Mr. Sears also owned and operated a local business, Walsh & Packard Hardware Store, for over 10 years. Mr. Sears is a lifelong resident of Hingham and is an active member of the community, including volunteering his time to the Boy Scouts of America for the past 15 years and serving as an appointed member of the Town Water Supply Committee. Mr. Sears has been a lifelong customer of the Bank, for both personal and business matters.

DIRECTORS NOT STANDING FOR ELECTION

The tables set forth below provide certain information with respect to those Directors who have been elected as Class I Directors and Class III Directors.

The tables list the name of each Director, his or her age, period of service with the Bank, positions with the Bank, principal occupation and other directorships held. Each individual has been engaged in his or her principal occupation for at least five years, except as otherwise indicated.

Directors Whose Terms Will Expire at the 1995 Annual Meeting "Class I Directors"

<u>Director's Name and Age</u>	<u>Positions With Bank</u>	<u>Director or Trustee of Bank Since</u>	<u>Principal Occupation</u>
Paul E. Bulman Age - 54	President, Chief Executive Officer and Director(1)	1988	President and Chief Executive Officer of the Bank
J. Robert Crowley Age - 69	Clerk and Director	1971	Retired; former Marketing Manager of the Bank
Marion J. Fahey Age - 68	Director	1992	Retired; former Superintendent of Boston Public Schools
Robert H. Gaughen Age - 78	Director	1992	Of Counsel to the law firm of Gaughen, Gaughen & Gaughen(2)
Richard B. Lane Age - 59	Director	1980	Partner, law firm of Lane, Lane and Kelley
John R. Lombardo Age - 59	Director	1982	Consultant, Process Systems International, Inc.(3)

(1) Mr. Bulman joined the Bank in June, 1988, as Executive Vice President. On February 15, 1989, he became President and Chief Executive Officer of the Bank. Before joining the Bank, Mr. Bulman was a Senior Vice President of the New Bedford Institution for Savings. From 1983 to 1987, Mr. Bulman was the Commissioner of Banks for the Commonwealth of Massachusetts.

(2) Until 1988, Mr. Gaughen was Chairman of the Board of East Weymouth Savings Bank. Mr. Gaughen and Robert H. Gaughen, Jr., a Director of the Bank, are father and son.

(3) Prior to becoming a consultant, Mr. Lombardo held the office of President, Chief Executive Officer and owner of High Vacuum Equipment Corp.

**Directors Whose Terms Will Expire at the
1994 Annual Meeting
"Class III Directors"**

<u>Director's Name and Age</u>	<u>Positions With Bank</u>	<u>Director or Trustee of Bank Since</u>	<u>Principal Occupation</u>
James V. Consentino Age - 72	Director	1991	Retired; founder of J.V. Consentino Plastering & Construction Company
Robert H. Gaughen, Jr. Age - 44	Director	1991	Partner, law firm of Gaughen, Gaughen, & Gaughen (1)
Herbert E. Soini Age - 67	Director	1978	Retired; former Senior Mechanical Engineer, Thermo Electron Corp.; firm which designs, develops and manufactures environmental instruments and co-generation plants
David L. Wightman Age - 55	Director	1985	Vice President and Director, Alewife Boston, Ltd., Real Estate Management; Vice President and Director of Alewife Land Corp., a Real Estate Development Corp.; Vice President Administration, Construction Products Division W. R. Grace & Co. (2)
Thomas H. Youngworth Age - 56	Director	1991	President and Chief Executive Officer, Bay State Metal Products, Inc., manufacturer of diversified metal products; President and Chief Executive Officer, Hi-Tech Filter Corp. of America

(1) Until 1988, Mr. Robert H. Gaughen, Jr. was the President of East Weymouth Savings Bank. Mr. Robert H. Gaughen and Mr. Robert H. Gaughen, Jr. are father and son.

(2) Mr. Wightman and Gerard W. Pyne, Chairman of the Board of Directors, are brothers-in-law.

RESULTS OF 1992 ANNUAL MEETING

At the 1992 Annual Meeting of Stockholders of the Bank which was held on April 30, 1992, 1,105,159 shares, or 88.41% of the shares eligible to vote as of the record date for such meeting, were present at the meeting in person or by proxy and voted or withheld authority to vote for the election of Class I Directors.

The tables set forth below list the name of each nominee for Class I Director, the percentage of the total number of shares eligible to vote as of the record date for the meeting which voted for the nominee, and the percentage of the total number of shares eligible to vote as of the record date for the meeting which withheld authority to vote for the nominee.

NOMINEES FOR DIRECTOR AT THE 1992 ANNUAL MEETING

<u>Nominee's Name</u>	<u>Percentage Voted for Nominee</u>	<u>Percentage Withheld Authority to Vote for Nominee</u>
Paul E. Bulman	76.32%	12.09%
J. Robert Crowley	58.48%	29.93%
Marion J. Fahey	87.58%	0.83%
Robert H. Gaughen	87.52%	0.89%
Richard B. Lane	51.90%	36.51%
John R. Lombardo	51.81%	36.60%

MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors, which met thirteen times in 1992, has five principal committees: the Executive Committee, the Nominating Committee, the Audit Committee, the Personnel Committee and the Stock Option Committee.

The Executive Committee, composed of six principal Director members and one additional director member chosen from a monthly rotating member schedule, oversees the management policies and affairs of the Bank. This committee met twelve times in 1992. The current members of the Executive Committee are Paul E. Bulman, J. Robert Crowley, Gerard W. Pyne, Herbert E. Soini, David L. Wightman and Thomas H. Youngworth.

The Nominating Committee, composed of six Director members, makes nominations for Directors (with the approval of the full Board of Directors) to be elected at each annual meeting of stockholders and considers stockholder proposals for such nominations. For information regarding procedures for submitting stockholder proposals, see "STOCKHOLDER PROPOSALS." This com-

mittee met one time prior to the Meeting. The current members of the Nominating Committee are Paul E. Bulman, J. Robert Crowley, Robert H. Gaughen, Richard B. Lane, Vito A. Nardo and Gerard W. Pyne.

The Audit Committee, composed of six Director members, approves the Bank's annual audit and presents the audit report to the Board of Directors. This committee met ten times in 1992. The current members of the Audit Committee are James V. Consentino, Marion J. Fahey, John J. Flatley, John P. Lombardo, Stacey M. Page and Russell G. Sears. Mr. Flatley and Mrs. Page are not nominees of the Board of Directors for re-election as Class II Directors and it is expected that they will not serve on the Audit Committee following the Meeting.

The Personnel Committee, composed of six Director members, reviews existing compensation and makes recommendations on executive compensation to the Board of Directors in order to ensure that the Bank is able to recruit and retain highly qualified personnel. This committee met five times in 1992. The current members of the Personnel Committee are Robert H. Gaughen, Jr., Richard B. Lane, John R. Lombardo, Vito A. Nardo, Warren B. Noble, and David L. Wightman. Mr. Noble is not a nominee of the Board of Directors for re-election as a Class II Director and it is expected that he will not serve on the Personnel Committee following the Meeting.

The Stock Option Committee, composed of six Director members, meets as appropriate to review and administer the Bank's Stock Option Plan pursuant to its terms. This committee did not meet in 1992. The current members are J. Robert Crowley, John J. Flatley, Richard B. Lane, Vito A. Nardo, Russell G. Sears, and Herbert E. Soini. See "EMPLOYEE BENEFITS PLAN-Stock Option Plan." Mr. Flatley is not a nominee for re-election as a Class II Director and it is expected that he will not serve on the Stock Option Committee following the Meeting.

In 1992, none of the present Directors of the Bank attended fewer than 75% of the aggregate of (i) the total number of meetings of the Board of Directors and (ii) the total number of meetings held by committees thereof on which any such Director served (for such period of the year as he or she served).

EXECUTIVE COMPENSATION

The following table sets forth information as to the cash compensation of the three most highly compensated principal officers of the Bank whose total cash compensation exceeded \$60,000, and all principal officers as a group, for the year ended December 31, 1992.

Cash Compensation Table

<u>Name of Individual or Number of Persons in Group</u>	<u>Capacities in Which Served(1)</u>	<u>Cash Compensation</u>
Paul E. Bulman	President, Chief Executive Officer and Director (Executive Vice President)	\$131,445
Robert F. Cass	Vice President and Treasurer (Director)	\$ 85,668
Michael Donahue	Vice President - Retail Lending	\$ 69,488
All principal officers as a group (4 persons)		\$342,787

(1) Present positions are indicated and former capacities appear in parentheses.

Directors' Fees

Directors of the Bank receive \$150 for each Board of Directors meeting they attend. No such fees were paid to members of the Board of Directors who are also full-time employees of the Bank. The Clerk of the Bank receives an annual fee of \$300.

Each member of the Executive Committee of the Board of Directors receives an annual fee of \$3,000. Each member of the Audit Committee of the Board of Directors receives \$50 for each committee meeting attended, except for the committee chairman, who receives \$62.50 for each meeting attended. Each member of the Personnel Committee and the Stock Option Committee receives \$37.50 for each meeting attended, and the respective chairman of each committee receives \$50 for each committee meeting attended. None of these fees applies to any Director who is also an employee of the Bank. Each of the fees listed above which were paid to Directors represents 50% of the normal fee for attendance at meetings paid in prior years.

Employment Agreements and Special Termination Agreements

Effective upon the date on which the Bank converted from mutual to stock form (the "Conversion") and the Board of Directors' later ratification, the Bank entered into an employment agreement (collectively, the "Employment Agreements") and a special termination agreement (collectively, the "Special Termination Agreements") with each of Paul E. Bulman, Robert F. Cass and Michael Donahue. Mr. Bulman entered into a new Employment Agreement and Special Termination Agreement on February 15, 1989 to reflect his change in position to President and Chief Executive Officer. Mr. Bulman's agreements were effective as of such date. The Employment Agreements provide Messrs. Bulman, Cass and Donahue with benefits and a "Base Salary" of \$100,000, \$66,000 and \$51,000 respectively with adjustments made each year on April 1 by the Personnel Committee in accordance with the Bank's general policies as currently in effect and pursuant to the discretion of the Personnel Committee. Mr. Bulman's Employment Agreement is for a three-year term and the Employment Agreements for Mr. Cass and Mr. Donahue are for one-year terms, and all are extended automatically for successive one-year periods unless the Bank or the officer elects not to so extend before the expiration of the initial term and of each renewal term thereafter. The Bank is able to terminate the officer's employment without further liability for "cause," which includes, generally, deliberate dishonesty by the officer with respect to the Bank, conviction of the officer of any crime involving moral turpitude, or the gross and willful failure of the officer to perform a substantial portion of his duties and responsibilities. The Bank may also terminate such officer's employment without cause upon a two-third's vote of its Directors. In the event of termination of employment by the officer where there has been a breach of the Employment Agreement by the Bank, or termination by the Bank without cause (to the extent permitted by law), the officer would be entitled to receive his full salary for the duration of what would otherwise have been the term of his employment under the Employment Agreement. In addition, the officer would continue to be treated as an employee for purposes of the Bank's benefit plans (excluding cash bonus plans) for such period, or, if the officer is not treated as an employee for the purposes of any such plan, the Bank shall directly provide such benefits to the officer.

The Special Termination Agreements entered into with Messrs. Bulman, Cass and Donahue provide for severance payments if the officer's employment with the Bank is terminated following a change in control of the Bank (as defined in each of the Special Termination Agreements) under certain circumstances, including termination of the officer by the Bank or resignation by the officer following a reduction in compensation, a significant change in the officer's authority or responsibility, or a determination by the officer that the officer is unable to exercise his prior authority or responsibility as a result of such change in control. In such event, Messrs. Bulman, Cass and Donahue would each receive an amount equal to approximately three times his average annual compensation over the five years prior to the change in control. Under the Special Termination Agreement the officer would be entitled to collect benefits under either his Employment Agreement or the Special Termination Agreement, but not under both agreements.

EMPLOYEE BENEFIT PLANS

Benefits

Insurance and Medical Plans. The Bank's full-time officers and employees, without contribution by or expense to them (except for medical insurance, which requires a portion of the premiums to be paid by the officer or employee), are provided with master medical, life, travel accident, and salary continuation insurance under group plans which are available generally and on the same basis to all qualified full-time employees. Medical insurance for spouses and certain dependents is also provided. The Bank also maintains and funds a short-term and long-term sick leave plan.

The following table sets forth expenses under all insurance and medical plans for the individuals and the group named in the Cash Compensation Table entitled to such benefits.

<u>Name of Individual</u>	<u>Annual Expenses For Year Ended December 31, 1992</u>
Paul E. Bulman	\$ 2,196
Robert F. Cass	\$ 5,684
Michael Donahue	\$ 5,436
All principal officers as a group (4 persons)	\$16,812

Pension Plan. The Bank provides a retirement plan (the "Plan") for all eligible employees ("Participants") through the Savings Banks Employees Retirement Association ("SBERA"), an unincorporated association of savings banks operating within Massachusetts and other organizations providing services to or for savings banks. SBERA's sole purpose is to enable the participating employers to provide pensions and other benefits for their employees.

The following table sets forth the estimated accrual under the plan for the individuals named in the Cash Compensation Table who are entitled to such benefits, as if any such person would have retired at the end of the year indicated and then began collecting benefits at age 65.

<u>Name of Individual</u>	<u>Annual Expenses For Year Ended December 31, 1992</u>
Paul E. Bulman	\$13,281
Robert F. Cass	\$ 5,189
Michael Donahue	\$ 6,160

Eligible Employees

Each employee reaching the age of 21 and having completed at least 1,000 hours of service per twelve-month period beginning with such employee's date of employment becomes a Participant of the Plan. All Participants become fully vested after three (3) years of service or age 62, if earlier.

The Plan is a qualified defined benefit plan which does not require the employee to make any contribution to become a Participant or to earn benefits under the Plan. The retirement benefit provided by the Bank is designed to supplement a participant's Social Security Benefit. The retirement benefit at age 65 is based on the average of the highest three consecutive years of compensation (the "Average Compensation") in the Participant's years of employment with the Bank. Participants who were actively employed on November 1, 1989 and who were Participants in the Plan prior to November 1, 1989, will receive the greater of the benefit earned by them as of October 31, 1989 or the benefit earned by applying the benefit formula described below to all years of service with the Bank. The benefit formula adopted by the Bank provides for a benefit at age 65 equal to 1.25% Average Compensation for each year of service up to 25 years of service plus .6% of the excess of Average Compensation over "covered compensation" for the participant's age for each year of service up to 25 years. "Covered compensation" refers to the amount of wages taken into account for Social Security Benefit calculation purposes. Normal retirement age under the plan is 65; a reduced early retirement benefit is payable from age 50 to age 65 under certain conditions. At October 31, 1992, the latest date for which information is available, the present value of accumulated benefits exceeded the market value of the related available assets by approximately \$386,000.

The following table illustrates annual pension benefits for retirement at age 65 under the most advantageous Plan provisions available for various levels of compensation and years of service. The figures in this table are based upon the assumption that the Plan continues in its present form and upon certain other assumptions regarding social security benefits and compensation trends.

Average Compensation (1)	Annual Pension Benefit (2) Based on Years of Service			
	10 Years	15 Years	20 Years	25 Years
\$ 20,000	\$ 2,500	\$ 3,750	\$ 5,000	\$ 6,250
40,000	6,128	9,193	12,256	15,321
60,000	9,828	14,743	19,657	24,571
80,000	13,528	20,293	27,057	33,821
100,000	17,228	25,843	34,457	43,071
120,000	20,928	31,393	41,857	52,321
140,000	24,628	36,943	49,257	61,571
150,000	26,478	39,718	52,957	66,196
160,000	28,328	42,493	56,657	70,821
170,000	30,178	45,268	60,357	75,446
200,000	35,728	53,593	71,457	89,321
228,860	40,528	61,601	82,135	102,669

(1) Average compensation for purposes of this table is based on the three years immediately preceding retirement.

(2) Benefits computed on the basis of a straight-life annuity and on age 65 retirement in 1992.

(3) Federal law does not permit defined benefit pension plans to recognize Compensation in excess of \$228,860 for Plan years beginning in 1992 (11/1/92 for SBERA).

In addition to the pension benefit described above, which is funded entirely by contributions from the Bank, each Participant in the Plan may make contributions to the Plan on a purely voluntary basis.

The following table sets forth estimated retirement benefits under the Plan at normal retirement dates for certain officers of the Bank who are eligible for participation in the Plan, based upon assumptions comparable to those referred to above.

<u>Name of Individual</u>	<u>Years of Credited Service at Age 65</u>	<u>Estimated Annual Pension Benefit at Age 65</u>
Paul E. Bulman	15	\$30,238
Robert F. Cass	24	\$29,818
Michael Donahue	36	\$23,390

Stock Option Plan

Before the Conversion, the Board of Trustees of the Bank had adopted the 1988 Stock Option Plan (the "Stock Option Plan") for the benefit of the Bank's officers, other employees and "Eligible Directors" (defined as Directors who are also full-time employees of the Bank). The purpose of the Stock Option Plan is to provide a performance incentive to officers and employees and Eligible Directors by facilitating their purchase of a stock interest in the Bank. Under the Stock Option Plan, 125,000 shares of Common Stock have been reserved for possible issuance pursuant to options granted thereunder. The Board of Directors ratified the Stock Option Plan on February 15, 1989. The Stock Option Plan was then ratified at the 1989 Annual Meeting of Stockholders, and approved by the Commissioner of Banks of the Commonwealth of Massachusetts on May 8, 1989, at which time it became effective.

The Stock Option Plan provides for the grant of options that are intended to qualify as "incentive options" under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), as well as non-qualified stock options. The market value of all stock available for purchase for the first time in any year under all incentive stock options granted to any person under the Plan is limited to \$100,000. For this purpose, the value of the stock is determined at the date of grant of each such option. The Stock Option Plan is administered by the Stock Option Committee comprised of not less than three disinterested administrators who cannot receive options granted by the Stock Option Committee. Members of the Stock Option Committee are chosen upon recommendation by the Bank's President to the Executive Committee, with final approval by the Board of Directors. The Stock Option Committee has authority to select the Eligible Directors, officers and other employees to whom options may be granted, whether such options will be incentive options, the number of shares of Common Stock subject to such options and their terms.

For federal income tax purposes, no gain or loss will be recognized by the Bank or the optionee as a result of the grant or exercise of an incentive stock option, and any gain realized by an optionee at the time of sale of the shares acquired upon exercise of an incentive stock option will be treated as a capital gain, provided that such shares are held by the optionee for at least one year after the date of exercise and two years after the date of grant. However, the amount by which the fair market value of the stock at the time of the exercise exceeds the exercise price under the option may be subject to the alternative minimum tax, if otherwise applicable to the optionee. Only in the event that an optionee disposes of these shares prior to the close of the holding periods will the Bank be entitled to claim a tax deductible expense, in an amount equal to the difference between the fair market value of the shares on the date of exercise and the exercise price.

In the case of non-qualified stock options, an optionee will be deemed to receive income taxable at ordinary income rates upon exercise of a non-qualified stock option in an amount equal to the difference between the exercise price and the fair market value of the stock on the date of exercise. The amount of such taxable income will be a deductible expense to the Bank.

The Stock Option Committee of the Bank may grant options under the Plan up until the tenth anniversary of February 15, 1989. Options granted under the Plan may be exercised only by the Optionee, are not generally transferable and may be exercised during the life of the Optionee only by the Optionee. Any options granted under the Plan shall be proportionately adjusted with respect to price and number of shares in the event of a stock split, combination or dividend paid in stock. The Board of Directors may, at any time, terminate the Plan. In addition, subject to regulatory approval, the Board of Directors may amend the Plan; provided, however, that stockholder approval would be required where changes in amounts, prices, eligibility, terms or benefits of options are affected, and no termination or amendment may adversely affect the rights of an Optionee without such Optionee's prior consent.

All options granted under the Stock Option Plan are required to have an exercise price per share equal to at least the fair market value of a share of stock on the date the option is granted. No option granted under the Plan is exercisable after the tenth anniversary of the date on which the option was granted or, if earlier, the termination of the Optionee's employment for cause, one year following the termination of the Optionee's employment on account of death or disability and 90 days following the termination of the Optionee's employment for any other reason. Payment for shares purchased pursuant to an option may be made in cash or check. To facilitate the exercise of options, the Stock Option Committee may establish a loan program on such terms and conditions as it deems appropriate, which loans may not use as collateral any stock issued or issuable pursuant to options granted under the Plan.

Subject to the foregoing, any options will be exercisable at such time or times as the Stock Option Committee determines at the grant of the option. However, all options will become exercisable in the event of a "Change in Control" (as defined in the Plan). Because all outstanding options will be exercisable upon a Change in Control, it may be more expensive for companies or persons to acquire control of the Bank. This could result in deterrence of offers to the stockholders which might be viewed by such stockholders to be in their best interest and which might be at prices in excess of the then market value of the Bank's stock.

As of December 31, 1992, options for 87,500 shares of Common Stock, 3,000 of which were exercised during such fiscal period at an option price of \$4.00 per share, had been granted to 11 persons pursuant to the Plan. No options were granted by the Bank during the fiscal year ending December 31, 1992.

Employees of the Bank

As of December 31, 1992, the Bank had 41 full-time and 9 part-time employees. The Bank considers its employee relationships to be excellent.

CERTAIN TRANSACTIONS WITH MANAGEMENT AND ASSOCIATES

Indebtedness of Management and Associates

The Bank makes loans and extends credit to Directors and officers of the Bank, and their associates, subject to the limitations of Massachusetts General Laws, Chapter 168, Section 19, the administrative guidelines issued thereunder and subject to the provisions of Federal Deposit Insurance Corporation regulations.

All such loans, as well as all loans to other employees of the Bank, are made in the ordinary course of business and on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with unaffiliated persons and do not involve more than the normal risk of collectability or present other unfavorable features to the Bank.

Other Transactions

In addition to banking and financial transactions, the Bank may engage in additional transactions with, or use products or services of, Directors, nominees for Director, principal officers, principal shareholders or various organizations in which such persons may have interests or of which such persons may be directors, nominees for Director, officers, partners or principal stockholders. With respect to the year ended December 31, 1992, any amounts so involved have in no case been material in relation to the business of the Bank, and it is believed that other than as described below, the amount involved in any such transaction or series of transactions did not exceed \$60,000 and was not otherwise material in relation to the business of any such person or other organization.

Since January 1, 1992, the Bank has paid legal fees in the amount of approximately \$92,507.00 to the law firm of Gaughen, Gaughen & Gaughen of which Robert H. Gaughen, Jr., a Director of the Bank, is a partner, and Robert H. Gaughen, a Director of the Bank, is of counsel. During the fiscal year ending December 31, 1992, the fees paid to Gaughen, Gaughen & Gaughen exceeded 5% of the law firm's gross revenues for that fiscal year. Such fees have been paid in connection with routine real estate matters on behalf of the Bank and have been reasonable in relation to the services provided. On May 20, 1992 the Board of Directors voted to preclude any law firm associated with any Director from serving as conveyancing attorneys on any future Bank loans. Consequently, while it is expected that the Bank will continue to use the services of Gaughen, Gaughen & Gaughen to conclude arrangements with respect to existing loans, it will not use their services for future loans.

It is expected that any future transactions between the Bank and its Directors, officers, holders of 5% or more of the shares of any class of its voting stock or any affiliates thereof would be on terms no less favorable to the Bank than could be obtained by the Bank in arm's-length negotiation with unaffiliated third parties.

**PRINCIPAL STOCKHOLDERS;
SECURITIES OWNERSHIP OF MANAGEMENT**

The following table sets forth information with respect to ownership of the Common Stock, the Bank's only voting security, by the Bank's Directors and nominees for Director as of March 12, 1993. Information presented as to the Common Stock includes the number of shares beneficially owned by such person and the percentage of such number of shares to the total amount of Common Stock outstanding.

Amount and Nature of Beneficial Ownership of Common Stock

<u>Name</u>	<u>Number of Shares and Nature of Ownership(1)</u>	<u>Percent of Class</u>
Paul E. Bulman	31,629 (2)	2.47
James V. Consentino	98,300 (3)	7.76
J. Robert Crowley	2,985 (4)	0.24
Marion J. Fahey	6,500	0.51
John J. Flatley	550 (5)	0.04
Robert H. Gaughen	106,850	8.43
Robert H. Gaughen, Jr.	72,364 (6)	5.71
Richard B. Lane	5,882 (7)	0.46
John R. Lombardo	1,892	0.15
Alfred F. Lyons	400 (8)	0.03
Richard A. Manley	0 (9)	0.00
Vito A. Nardo	3,997 (10)	0.32
Warren B. Noble	9,677 (11)	0.76
Stacey M. Page	1,000	0.08
Gerard W. Pyne	11,266 (12)	0.89
Russell G. Sears	546 (13)	0.04
Roberta E. Smith	0 (14)	0.00
Herbert E. Soini	2,000 (15)	0.16
David L. Wightman	5,566 (16)	0.44
Thomas H. Youngworth	123,750	9.77
Directors, nominees for Director and officers as a group (32 persons)	<u>535,267</u> (17)	<u>41.06</u>

(1) Sole voting and investment power unless otherwise noted. Where so noted, such shares have been included in the number of shares beneficially owned by such Director or Nominee for Director.

(2) Includes option to purchase 16,000 shares of Common Stock which is currently exercisable. Mr. Bulman and his wife own 14,226 shares as joint tenants. Mr. Bulman's wife owns 513 shares as a tenant in common with another member of the household. In addition, 770 shares are held in trust for members of Mr. Bulman's immediate family.

- (3) Includes 23,500 shares which Mr. Consentino owns jointly with his spouse.
- (4) Includes 2,600 shares which Mr. Crowley owns jointly with his spouse. Includes 264 shares that Mr. Crowley's wife holds in trust for members of Mr. Crowley's family.
- (5) Includes 300 shares that Mr. Flatley owns jointly with the Thomas J. Flatley Trust.
- (6) Includes 6,764 shares that Mr. Gaughen, Jr. owns jointly with his spouse.
- (7) Includes 3,382 shares owned by Mr. Lane's wife.
- (8) Includes 400 shares that Mr. Lyons owns jointly with his spouse. Mr. Lyons has agreed to purchase Director qualifying shares, if he is elected, prior to the date he becomes a Director of the Bank.
- (9) Mr. Manley has agreed to purchase Director qualifying shares, if he is elected, prior to the date he becomes a Director of the Bank.
- (10) Includes 3,869 shares that Mr. Nardo owns jointly with his spouse.
- (11) Includes 2,000 shares that Mr. Noble owns jointly with his spouse.
- (12) Includes 11,121 shares that Mr. Pyne owns jointly with his daughter.
- (13) Includes 290 shares owned by Mr. Sears' wife.
- (14) Ms. Smith has agreed to purchase Director qualifying shares, if she is elected, prior to the date she becomes a Director of the Bank.
- (15) Includes 1,000 shares owned by Mr. Soini's wife.
- (16) Includes 2,366 shares owned by Mr. Wightman's wife.
- (17) Includes options to purchase 23,640 shares of Common Stock which are currently exercisable by non-Director officers, but does not include options to purchase 16,000 shares of Common Stock which are currently exercisable by Directors.

**PRINCIPAL STOCKHOLDERS;
PERSONS OWNING MORE THAN FIVE PERCENT OF COMMON STOCK**

The following table sets forth information with respect to the ownership of the Common Stock by persons (including any "group" as that term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended) who are known to be the beneficial owners of more than five percent (5%) of the Common Stock of the Bank as of March 5, 1993. Information presented as to the Common Stock includes the number of shares beneficially owned by such person and the percentage of such number of shares to the total amount of Common Stock outstanding. The persons named in the following table have stated that they do not collectively constitute a "group." The Bank has reason to believe that these persons have acted in concert in connection with the beneficial ownership of their shares and do constitute a "group" for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended. See "MATERIAL LITIGATION."

Amount and Nature of Beneficial Ownership of Common Stock

<u>Name and Address</u>	<u>Number of Shares and Nature of Ownership(1)</u>	<u>Percent of Class</u>
James V. Consentino 252 Neck Street North Weymouth, MA 02191	98,300	7.76
Robert H. Gaughen 132 Mt. Vernon Road West East Weymouth, MA 02189	106,850	8.43
Robert H. Gaughen, Jr. 351 Forest Avenue Cohasset, MA 02025	72,364	5.71
Thomas H. Youngworth 80 Myrtle Street North Quincy, MA 02171	123,750	9.77

(1) Sole voting and investment power, except as noted in footnotes to management stockholder table. See "PRINCIPAL STOCKHOLDERS; SECURITIES OWNERSHIP OF MANAGEMENT."

The Bank has received on file a copy of an Ownership Statement on Form F-11, dated October 26, 1989, for Peter F. and William S. O'Connell (the "Form F-11"). The Form F-11 reports that as of October 26, 1989, Peter O'Connell and William O'Connell are the beneficial owners of 31,750 and 31,250 shares, respectively, of the Bank's Common Stock, or 2.54% and 2.50%, respectively, of the outstanding shares of Common Stock. The Form F-11 states that neither Peter nor William O'Connell concede that they possess any intention to act in concert in connection with their beneficial ownership of shares in the Common Stock.

**NONCOMPLIANCE WITH SECTION 16(a) OF
THE SECURITIES EXCHANGE ACT OF 1934**

The Federal Deposit Insurance Corporation has promulgated regulations requiring that Directors file a statement on Form F-8 upon any change in the amount of that Director's beneficial ownership of Common Stock. During the fiscal year ended December 31, 1992, Robert H. Gaughen, a Class I Director of the Bank, failed to file on a timely basis three Form F-8's reflecting acquisitions by Mr. Gaughen of 3,000, 3,000 and 2,500 shares of Common Stock on July 29, 1992, August 21, 1992 and October 28, 1992, respectively. In addition, during the fiscal year ended December 31, 1992, Mr. Gaughen's son, Robert H. Gaughen, Jr., who is a Class III Director of the Bank, failed to file on a timely basis two Form F-8's reflecting Mr. Gaughen, Jr.'s acquisition of 2,000 shares on March 18, 1992 and 3,000 shares on August 11, 1992.

ELECTION OF CLERK

(Notice Item 2)

At the Meeting, the Clerk is to be elected to hold office until the next annual meeting and until his or her successor is duly elected and qualified. It is the responsibility of the Clerk to maintain a complete and accurate record of all votes and proceedings of the stockholders and of the Board of Directors at their respective meetings, as well as to perform such additional duties as the Board of Directors may from time to time determine.

A majority of your Board of Directors recommends that J. Robert Crowley be elected as Clerk of the Bank, to serve until the next annual meeting and until his successor is duly elected and qualified or until his earlier resignation, death or removal.

Mr. Crowley has served as Clerk since being elected by the Bank's former Board of Trustees on September 1, 1988. On May 1, 1989, Mr. Crowley retired after serving as the Bank's Marketing Manager for six years. Mr. Crowley was a member of the Board of Trustees from 1971 until the conversion of the bank to stock form in 1988, and is currently a member of the Board of Directors.

Unless contrary instructions are given, shares represented by proxies solicited by a majority of your Board of Directors will be voted FOR the election of J. Robert Crowley as Clerk of the Bank to serve until the next annual meeting or special meeting of stockholders in lieu thereof and until his successor is duly elected and qualified or until his earlier resignation, death or removal. The affirmative vote of the holders of a majority of shares constituting the quorum at the Meeting is required to elect the Clerk of the Bank.

MATERIAL LITIGATION

On March 5, 1993, the Bank instituted litigation in the United States District Court in Boston, Massachusetts against four directors of the Bank and the son of one of those directors. That action is captioned Hingham Institution for Savings v. Gaughen, et al., Civil Action No. 93-10497H (the "Action"). The director defendants are Robert H. Gaughen, Robert H. Gaughen, Jr., James Consentino and Thomas Youngworth. The complaint alleges that defendants have violated, and continue to violate, both federal and state banking and securities laws in connection with efforts to

acquire control of the Bank. The complaint further alleges that those violations include the concealment of defendants' concerted activity as a "group" in the purchase, ownership and voting of Bank common stock and their concealment of the purpose of their purchases of Bank common stock to acquire control of the Bank. The complaint also alleges defendants' violation of the provision in the Bank's charter prohibiting through December 20, 1993 the ownership of in excess of 10% of the outstanding common stock by any individual or group. In its complaint, the Bank seeks injunctive relief, a declaration of its rights, money damages and certain other remedies. Robert H. Gaughen, one of the defendants in the Action, brought a Third-Party Complaint, in the form of a shareholder's derivative action, against all Directors who voted in favor of the Bank's institution of the Action, principally alleging that the Action is without merit and is a waste of corporate assets. Mr. Gaughen also alleges that these Directors have taken improper actions in the past.

INDEPENDENT AUDITORS

The Board of Directors has selected the firm of KPMG Peat Marwick ("Peat Marwick"), independent certified public accountants, to be the independent auditors of the financial statements and records of the Bank for the fiscal year ending December 31, 1993. Peat Marwick has no direct or indirect financial interest in the Bank nor has it had any connection with the Bank in the capacity of promoter, voting trustee, director, officer or employee. A representative of Peat Marwick is expected to be present at the Meeting to respond to appropriate questions and will have the opportunity to make a statement if he or she so desires.

Peat Marwick has served as independent auditors of the Bank since the fiscal year ending December 31, 1990. The consolidated financial statements of the Bank as of December 31, 1992, 1991 and 1990 and for the years then ended have been audited by Peat Marwick and are included in the Bank's 1992 Annual Report which accompanies this Proxy Statement.

OTHER MATTERS

(Notice Item 3)

The Board of Directors knows of no business which will be presented for consideration at the Meeting other than that set forth in this Proxy Statement. The enclosed form of proxy confers upon each proxy holder discretionary authority to vote the shares represented by such proxy in accordance with his or her best judgment with respect to any other matter which may be properly presented for action at the Meeting.

STOCKHOLDER PROPOSALS

No person who intends to present a proposal for action at the 1994 Annual Meeting of the Stockholders of the Bank may seek to have the proposal included in the Proxy Statement or form of proxy for the meeting unless that person (a) is a record or beneficial owner of shares of Common Stock at the time the proposal is submitted and such person shall continue to own such shares through the date on which the meeting is held, (b) notifies the Bank in writing of his intention to appear personally or by appropriate representative at that meeting to present his proposal for action, and (c) submits his proposal so that it is received at the Bank's principal executive office on or before February 1, 1994 for inclusion in the appropriate proxy statement and form of proxy relating to such meeting. The Bank's By-Laws provide that any director nominations and new business submitted by

stockholders must be filed with the Clerk of the Bank at least 60 days, but not more than 150 days, prior to the date of the meeting, and that no other nominations or proposals by stockholders shall be acted upon at the meeting. Any such proposal should be mailed to: Clerk, Hingham Institution for Savings, 55 Main Street, Hingham, MA 02043.

Even if the foregoing requirements are satisfied, a person may only submit a maximum of two proposals of not more than 300 words each for inclusion in the proxy materials and, under certain circumstances enumerated in the rules of the Federal Deposit Insurance Corporation relating to the solicitation of proxies, the Bank may be entitled to omit the proposal and any statement in support thereof from its proxy statement and form of proxy.

EXPENSES OF SOLICITATION

The Bank will bear the cost of preparing, assembling and mailing the Notice, Proxy Statement and form of proxy for the Meeting. Solicitation of proxies will be primarily through the use of mails, but regular employees of the Bank may solicit proxies by personal interview, by telephone or by telegraph without additional remuneration therefor. The Bank will also provide persons, firms, banks and corporations holding shares in their names, or in the names of their nominees, which in either case are beneficially owned by others, with proxy material for transmittal to such beneficial owners and will reimburse such record holders for their reasonable expenses in so doing. The Bank has retained Morrow & Co., Inc., a proxy soliciting firm ("Morrow"), to assist in the solicitation of proxies using the means referred to above at a fee of \$30,000, plus reimbursement of reasonable out-of-pocket expenses. It is anticipated that Morrow will use approximately 30 employees in its solicitation efforts on behalf of the Bank. The Bank estimates it will spend approximately \$125,000 in furtherance of this solicitation and that it has spent approximately \$30,000 as of March 24, 1993. These estimates include fees for attorneys, accountants, public relations or financial advisors, proxy solicitors, advertising, printing, transportation, litigation and other costs incidental to the solicitation, but do not include costs of salaries of officers and other employees of the Bank.

The Board of Directors would like to have you attend the Meeting in person. However, whether or not you expect to attend the Meeting, it is very important that your shares be represented. Therefore, it would be helpful if you would sign and date the enclosed form of proxy and promptly return it. If you attend the Meeting, you may, if you wish, withdraw any proxy previously given and vote your shares in person.

ADJOURNMENT

If sufficient votes in favor of the election as Directors of the nominees set forth in this Proxy Statement are not received by the time scheduled for the Meeting, the persons named as proxies may propose one or more adjournments of the Meeting for a period or periods of up to 30 days in the aggregate to permit further solicitation of proxies. The persons named as proxies will vote in favor of such adjournment those proxies which they are entitled to vote in favor of the election of such nominees. They will vote against any such adjournment for those proxies required to be withheld from the election of such nominees. Any such adjournment will require the affirmative vote of a majority of the votes cast on the question in person or by proxy at the session of the Meeting to be adjourned. The cost of any such additional solicitation and of any adjournments will be borne by the Bank.

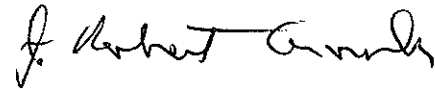
ANNUAL DISCLOSURE STATEMENTS

At the main office and at each branch office of the Bank there are annual disclosure statements of the Bank available to the public pursuant to regulations of the Federal Deposit Insurance Corporation. Such statements may be obtained without charge, by any stockholder of the Bank upon written request addressed to the President, Hingham Institution for Savings, 55 Main Street, Hingham, Massachusetts 02043. These annual disclosure statements contain financial and other information as filed with the Federal Deposit Insurance Corporation for the fiscal years ended December 31, 1990, December 31, 1991, and December 31, 1992.

STOCKHOLDERS' ANNUAL REPORT; FORM F-2

The Bank's Annual Report to Stockholders for the fiscal year ended December 31, 1992 accompanies this Proxy Statement. In addition, a copy of the Bank's annual report on Form F-2 for the fiscal year ended December 31, 1992, as filed with the Federal Deposit Insurance Corporation, may be obtained without charge by any stockholder of the Bank upon written request addressed to Paul E. Bulman, President, Hingham Institution for Savings, 55 Main Street, Hingham, MA 02043.

By Order of the Board of Directors,



J. Robert Crowley
Clerk

Dated: March 29, 1993

APPENDIX

The following table sets forth certain information regarding the participants, which includes certain of the present Directors, all of the Director-Nominees and certain principal officers of Hingham Institution for Savings (the "Bank") and such other employees of the Bank as may be deemed "Participants" in the solicitation of proxies by the Bank under the rules of the Federal Deposit Insurance Corporation. Each of the individuals listed below have filed a Form F-6 with the FDIC. Unless otherwise indicated, each of the following transactions was a purchase or sale of the Bank's Common Stock effected on the open market.

<u>Name and Business Address</u>	<u>Shares Owned</u>	<u>Transactions in Past Two Years</u>	
		<u>Trade Date</u>	<u>No. of Shares Bought (1)</u>
Paul E. Bulman c/o Hingham Institution for Savings 55 Main Street Hingham, MA 02043	31,629 (2)	02/19/93	4,000 (3)
Robert F. Cass c/o Hingham Institution for Savings 55 Main Street Hingham, MA 02043	17,465 (4)	03/11/93	1,920 (5)
Michael Donahue c/o Hingham Institution for Savings 55 Main Street Hingham, MA 02043	11,972 (6)	03/01/93	1,920 (7)
Gerard W. Pyne c/o Hingham Institution for Savings 55 Main Street Hingham, MA 02043	11,266 (8)	02/19/93	4,000 (9)
J. Robert Crowley 4 Rice Road Hingham, MA 02043	2,985 (10)	—	—

<u>Name and Business Address</u>	<u>Shares Owned</u>	<u>Transactions in Past Two Years</u>	
		<u>Trade Date</u>	<u>No. of Shares Bought (1)</u>
Richard B. Lane c/o Lane, Lane and Kelley 836 Washington Street Braintree, MA 02184	5,882 (11)	—	—
John R. Lombardo c/o Process Systems International, Inc. 20 Walk Up Drive Westborough, MA 01581	1,892	—	—
Alfred F. Lyons 7 Eastgate Lane Hingham, MA 02043	400 (12)	—	—
Richard A. Manley 49 Middle Street Hingham, MA 02043	* (13)	—	—
Vito A. Nardo BLT Spirits, Inc. 9 Central Street Hingham, MA 02043	3,997 (14)	02/04/93 08/26/92	1,000 1,000
Russell G. Sears c/o Developmental Expeditions, Inc. 480 Main Street Hingham, MA 02043	546 (15)	—	—
Roberta E. Smith c/o CSMM 20 Colonial Road Hingham, MA 02043	* (16)	—	—
Herbert E. Soini 21 Farm Hills Lane Hingham, MA 02043	2,000 (17)	—	—
David L. Wightman c/o W. R. Grace & Co. 62 Whittemore Avenue Cambridge, MA 02140	5,566 (18)	—	—
Martin R. Daley (19) c/o Hingham Institution for Savings 55 Main Street Hingham, MA 02043	0	—	—

- (1) Except as noted as to an individual purchase, no part of the purchase price of the shares bought is comprised of funds borrowed or otherwise obtained for the purpose of buying or holding such shares.
- (2) Includes 14,226 shares which Mr. Bulman owns jointly with his spouse, 770 shares which are held in custody for his children, 513 shares which are held by Mr. Bulman's spouse as tenant in common with another member of the household and 16,000 shares as to which Mr. Bulman holds currently exercisable options.
- (3) Mr. Bulman exercised fully vested stock options to acquire these shares.
- (4) Includes 10,560 shares as to which Mr. Cass holds currently exercisable options.
- (5) Mr. Cass exercised fully vested stock options to acquire these shares. In connection with the exercise of these stock options, Mr. Cass drew approximately \$5,000, representing a portion of the exercise price, under an existing credit line for the purpose of acquiring these shares.
- (6) Includes 8,160 shares as to which Mr. Donahue holds currently exercisable options.
- (7) Mr. Donahue exercised fully vested stock options to acquire these shares.
- (8) Includes 11,121 shares which Mr. Pyne owns jointly with his daughter.
- (9) Mr. Pyne exercised fully vested stock options to acquire these shares.
- (10) Includes 2,600 shares which Mr. Crowley holds jointly with his spouse. Mr. Crowley's spouse holds 264 shares in trust for members of Mr. Crowley's family.
- (11) Includes 3,382 shares owned by Mr. Lane's spouse.
- (12) Includes 400 shares which Mr. Lyons owns jointly with his spouse. Mr. Lyons has agreed to purchase director qualifying shares, if he is elected, prior to the date he becomes a director of the Bank.
- (13) Mr. Manley has agreed to purchase director qualifying shares, if he is elected, prior to date he becomes a director of the Bank.
- (14) Includes 3,869 shares which Mr. Nardo owns jointly with his spouse.
- (15) Includes 290 shares owned by Mr. Sears' spouse.
- (16) Ms. Smith has agreed to purchase director qualifying shares, if she is elected, prior to the date she becomes a director of the Bank.
- (17) Includes 1,000 shares owned by Mr. Soini's spouse.
- (18) Includes 2,366 shares owned by Mr. Wightman's spouse.
- (19) Mr. Daley is a Vice President of the Bank.