

FREQUENTLY ASKED QUESTIONS (“FAQ”) CONCERNING THE ADOPTION OF THE SHAREHOLDER RIGHTS PLAN

1. **What is a shareholder rights plan?** A shareholder rights plan (also known as a “poison pill”) is a commonly used anti-takeover device used to protect a corporation and its shareholders against unwelcome takeovers. Such plans often provide for the issuance of additional shares to the corporation’s shareholders in order to dilute the ownership of the hostile third party.

2. **Does M&F not already have a shareholder rights plan?** M&F adopted a shareholder rights plan in 2014. It had a ten year term and expired in 2024.

3. **Why has M&F adopted a new shareholder rights plan?** Your management and Board believe that your stock is undervalued, and the Board has adopted a new rights plan in order to continue to protect shareholders from potential coercive action by third parties who may seek to acquire control of your corporation without negotiating directly with the Board and paying a fair price, including, where appropriate, a control premium.

4. **Why is a shareholder rights plan sometimes referred to as a “poison pill”?** It is sometimes referred to as “poison pill” because once an acquiring shareholder acquires more than a specified percentage of the corporation’s stock (in the case of M&F’s rights plan, more than 10%), the corporation may, through a variety of mechanisms, dilute the ownership (and economic value) of such large shareholders in order to protect the corporation and its shareholders.

5. **Is a third party trying to acquire control of M&F?** No. Neither the Board nor management is aware of any current attempts by a third party to acquire control of your corporation.

6. **Will the adoption of the new rights plan stop any third party from acquiring control of M&F?** No. The purpose of the rights plan is not to stop the legitimate sale of the corporation, if it is in the best interests of the corporation and its shareholders. Instead, the purpose of the plan is to insure that in the event a third party seeks to purchase the corporation, it negotiates directly with the Board, which has a fiduciary responsibility to act in the best interest of all shareholders of the corporation.

7. **What advice did the Board receive before adopting the new rights plan?** The Board obtained advice from its independent financial advisors and legal counsel.

8. **Can I sell my preferred stock purchase rights?** No, until a “distribution event” occurs, these rights cannot be separated from your shares of common stock.

9. **Will the adoption of the new rights plan affect the value of my shares of common stock?** Your Board adopted the new rights plan in order to continue to protect the long-term value of your shares of common stock. We do not expect the adoption of the plan to adversely affect the value of your common stock; however, as you know, M&F’s shares are very thinly traded, with the result that the prices quoted on the NASDAQ OTC BB fluctuate significantly, often for reasons outside the control of M&F.