

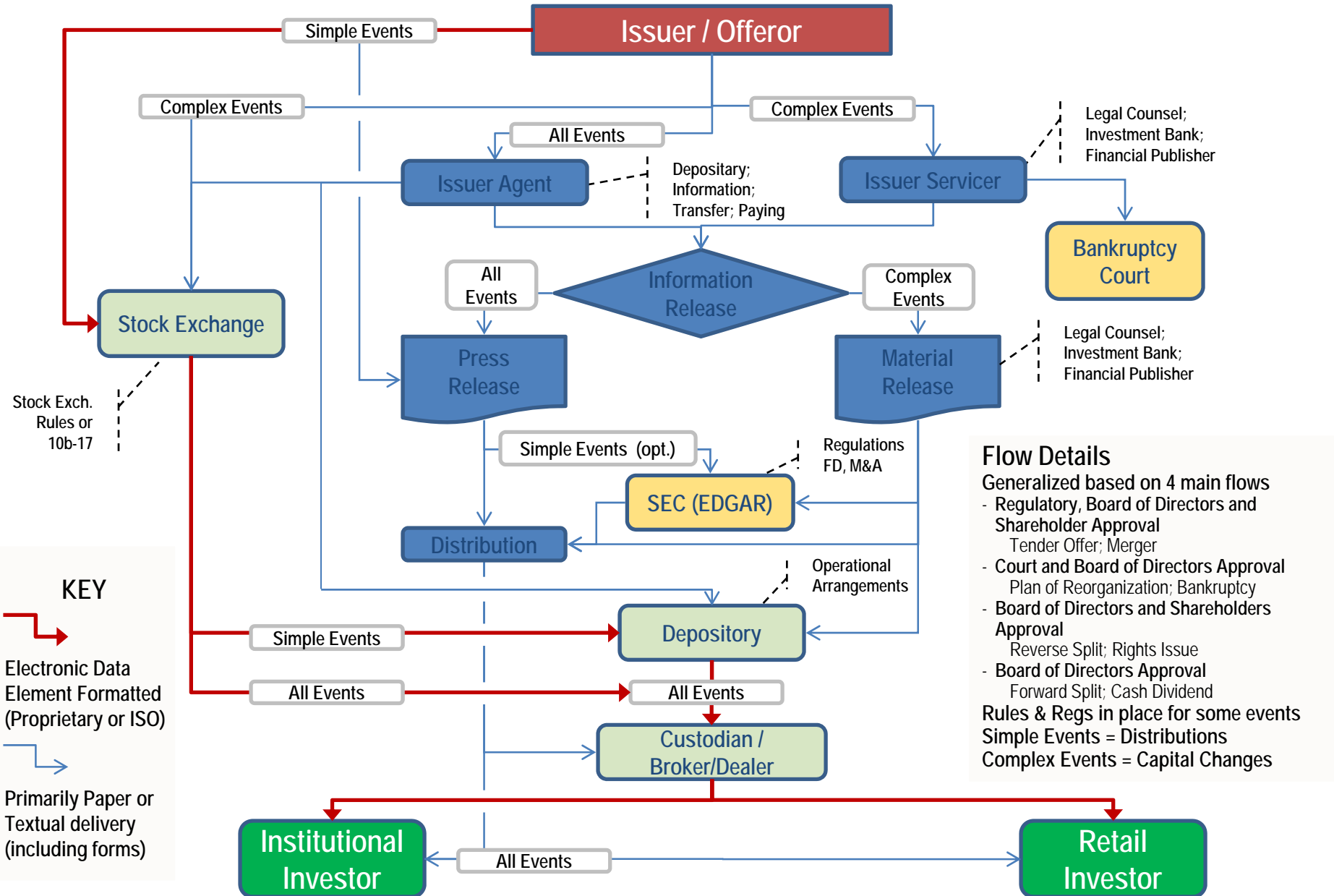
Corporate Actions 2009: Improving Issuer-Investor Communications

Case Study Panel

Presentation Outline

- **US Corporate Actions Announcements Flow**
- **Today – announcements mostly in text**
 - Issuers and their community
 - Investors and their community
 - Q&A - discussion
- **Transition to XBRL**
- **Tomorrow – announcements with XBRL tagged data**
 - Issuers and their community
 - Investors and their community
 - Q&A - discussion

U.S. Corporate Actions Announcement Flow



Flow Details
 Generalized based on 4 main flows

- Regulatory, Board of Directors and Shareholder Approval
 Tender Offer; Merger
- Court and Board of Directors Approval
 Plan of Reorganization; Bankruptcy
- Board of Directors and Shareholders Approval
 Reverse Split; Rights Issue
- Board of Directors Approval
 Forward Split; Cash Dividend

Rules & Regs in place for some events
 Simple Events = Distributions
 Complex Events = Capital Changes

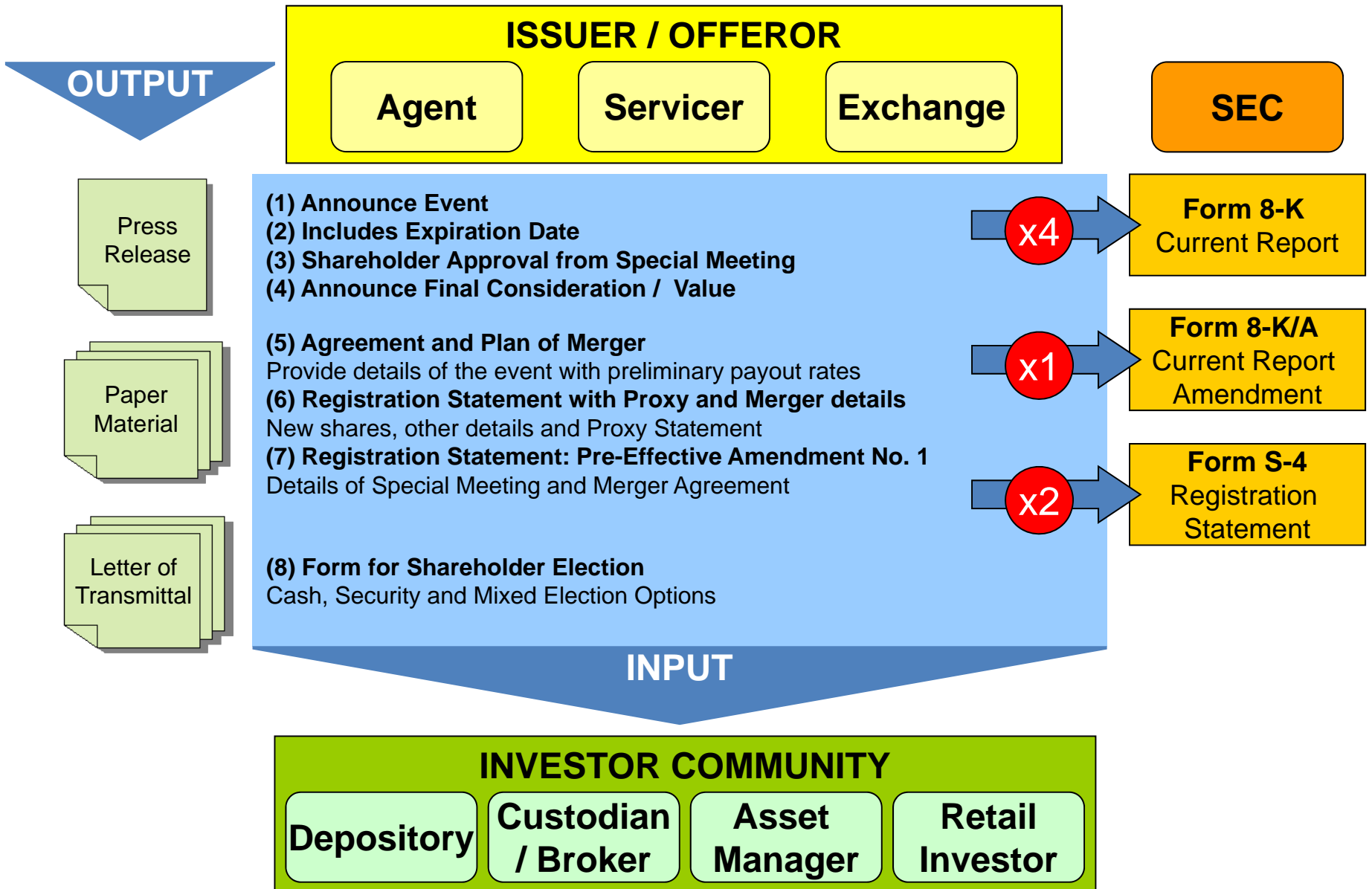
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Electronic Data Element Formatted (Proprietary or ISO)

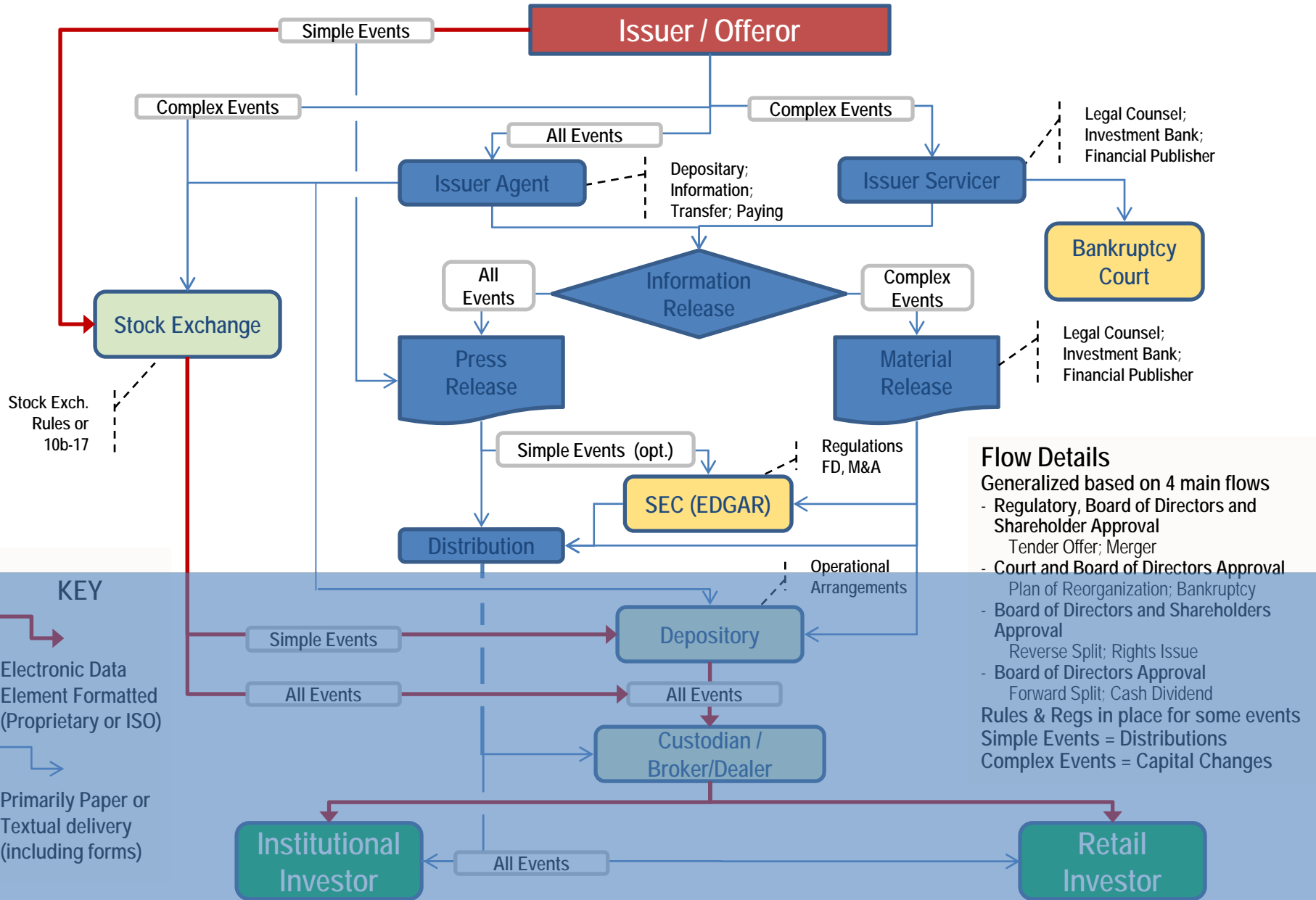
Primarily Paper or Textual delivery (including forms)

Issuers and their Community

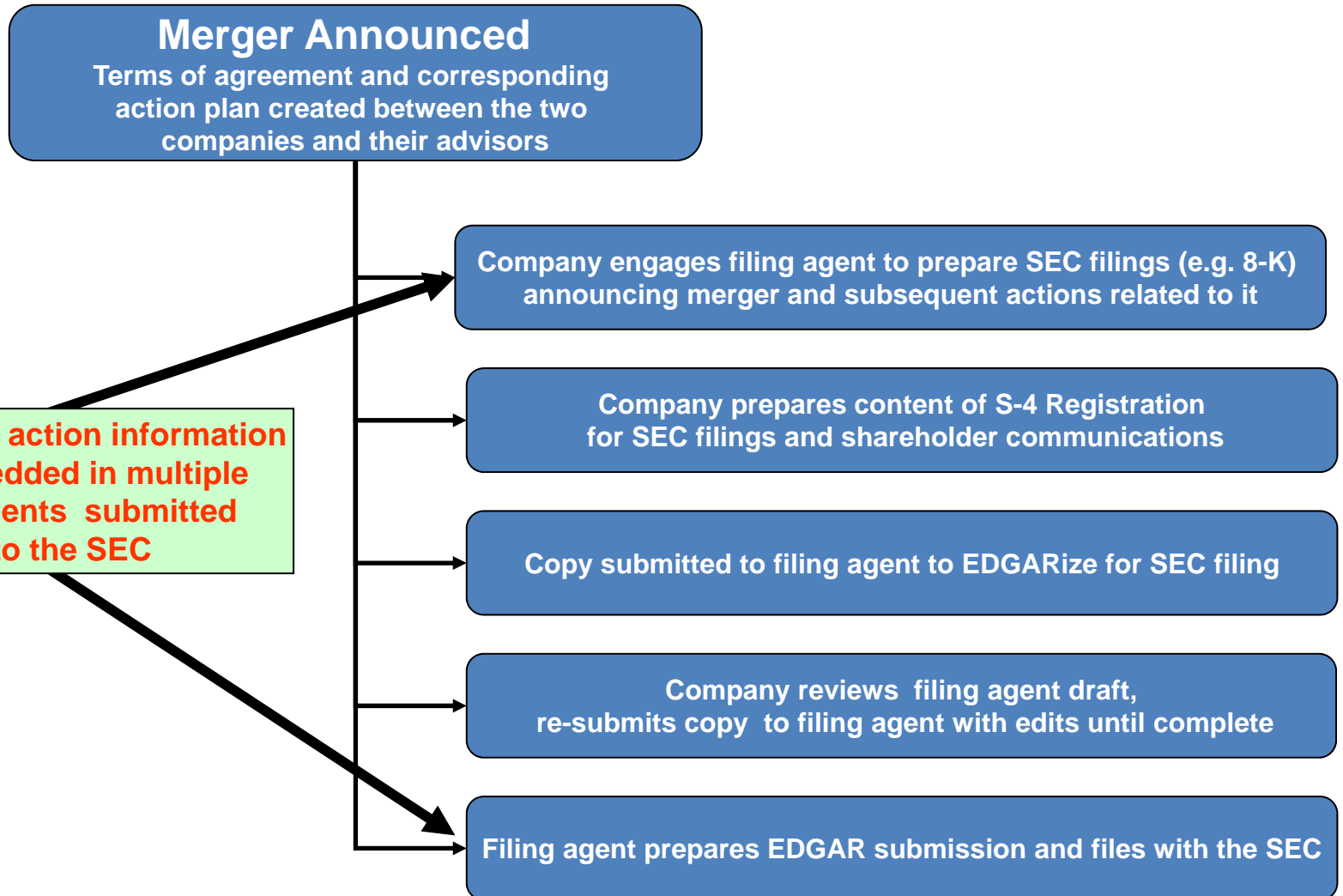
An example where 8 communications were made, 7 filed within EDGAR



U.S. CA Announcement Flow – Issuers & their Community



SEC Filings



Example:

Issuer required SEC disclosure: S-4 Registration

- [QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE MERGER SUMMARY](#)
 - The Shareholders Meeting
 - The Merger
- [FORWARD-LOOKING STATEMENTS THE OLD FORGE SPECIAL MEETING](#)
 - Matters to Be Considered
 - Proxies - Solicitation of Proxies
 - Record Date
 - Voting Rights and Vote Required
 - Recommendation of the Old Forge Board of Directors Attending the Meeting
- [THE MERGER](#)
 - Background and Negotiation of the Merger.....
 - Opinion of Old Forge's Financial Advisor
- [THE MERGER AGREEMENT](#)
 - Terms of the Merger
 - Closing and Effective Time of the Merger
 - Consideration To Be Received in the Merger
 - Conversion of Shares; Exchange of Certificates; Elections as to Form of Consideration Dissenters Rights Representations and Warranties Covenants and Agreements Reasonable Best Efforts of Old Forge to Obtain the Required Shareholder Vote

Example:

Registration Statement: Pre-Effective Amendment No. 1 (pg. 1 special proxy)

PRELIMINARY—SUBJECT TO COMPLETION—DATED FEBRUARY 10, 2009

General instructions

PROPOSED MERGER—YOUR VOTE IS VERY IMPORTANT

Share or Cash calculations

Dear Shareholder:

On December 5, 2008, the board of directors of Old Forge Bank approved an agreement and plan of merger to merge Old Forge with and into Penn Security Bank and Trust Company, a direct wholly-owned subsidiary of Pensco Financial Services Corporation. We are sending you this proxy statement/prospectus to invite you to attend a special meeting of Old Forge shareholders being held to vote on the merger and to ask you to vote at the special meeting in favor of the merger.

Subject to the election procedures and adjustments provided for in the merger agreement, in exchange for the shares of Old Forge common stock you hold at the time of the merger, you will be entitled to receive the merger consideration in either cash or shares of Pensco common stock, or any combination thereof. The per share amount of the merger consideration will be determined and valued at the Pensco closing price. The "Pensco closing price" means the average of the closing price of Pensco common stock for the twenty trading days ending on the "determination date," which will be the third calendar day before the date of completion of the merger, or if such calendar day is not a trading day on the OTC Bulletin Board, then the trading day immediately preceding such calendar day. You may receive cash in respect of some shares you hold and stock in respect of others.

The per share amount will be calculated from the cash consideration and the value of the stock consideration based on the Pensco closing price. The per share amount will equal the sum of \$31.127 plus the product of the share ratio multiplied by the Pensco closing price. The share ratio will equal \$72.631 divided by the Pensco closing price, subject to a minimum of 1.8261 and a maximum of 2.0183. The per share amount will be approximately \$103.76, provided that the Pensco closing price is between \$35.99 and \$39.77 and, as a result, the share ratio is not effected by the minimum or maximum.

Example:

Registration Statement: Pre-Effective Amendment No. 1 (pg. 2 special proxy)

OLD FORGE BANK
150 North Washington Avenue
Scranton, Pennsylvania 18503

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

Old Forge Bank will hold a special meeting of shareholders at the Arcaro & Genell Restaurant & Banquet Facility, 443 South Main Street, Old Forge, Pennsylvania 18518, at 10:00 AM, local time, on Thursday, March 19, 2009 to consider and vote upon the following proposals:

- to approve and adopt the ~~Agreement and Plan of Merger, dated as of December 5, 2008, by and between~~ Penseco Financial Services Corporation, Penn Security Bank and Trust Company and Old Forge Bank, which provides for, among other things, the merger of Old Forge Bank with and into Penn Security Bank and Trust Company, in a two-step transaction; and
- to approve the adjournment of the special meeting, if necessary, to solicit additional proxies, in the event that there are not sufficient votes at the time of the ~~special meeting to approve the plan of merger.~~

The Old Forge board of directors has fixed the close of business on February 9, 2009 as the record date for the special meeting. Only Old Forge shareholders as of the record date are entitled to notice of, and to vote at, the special meeting, or any adjournment or postponement of the special meeting.

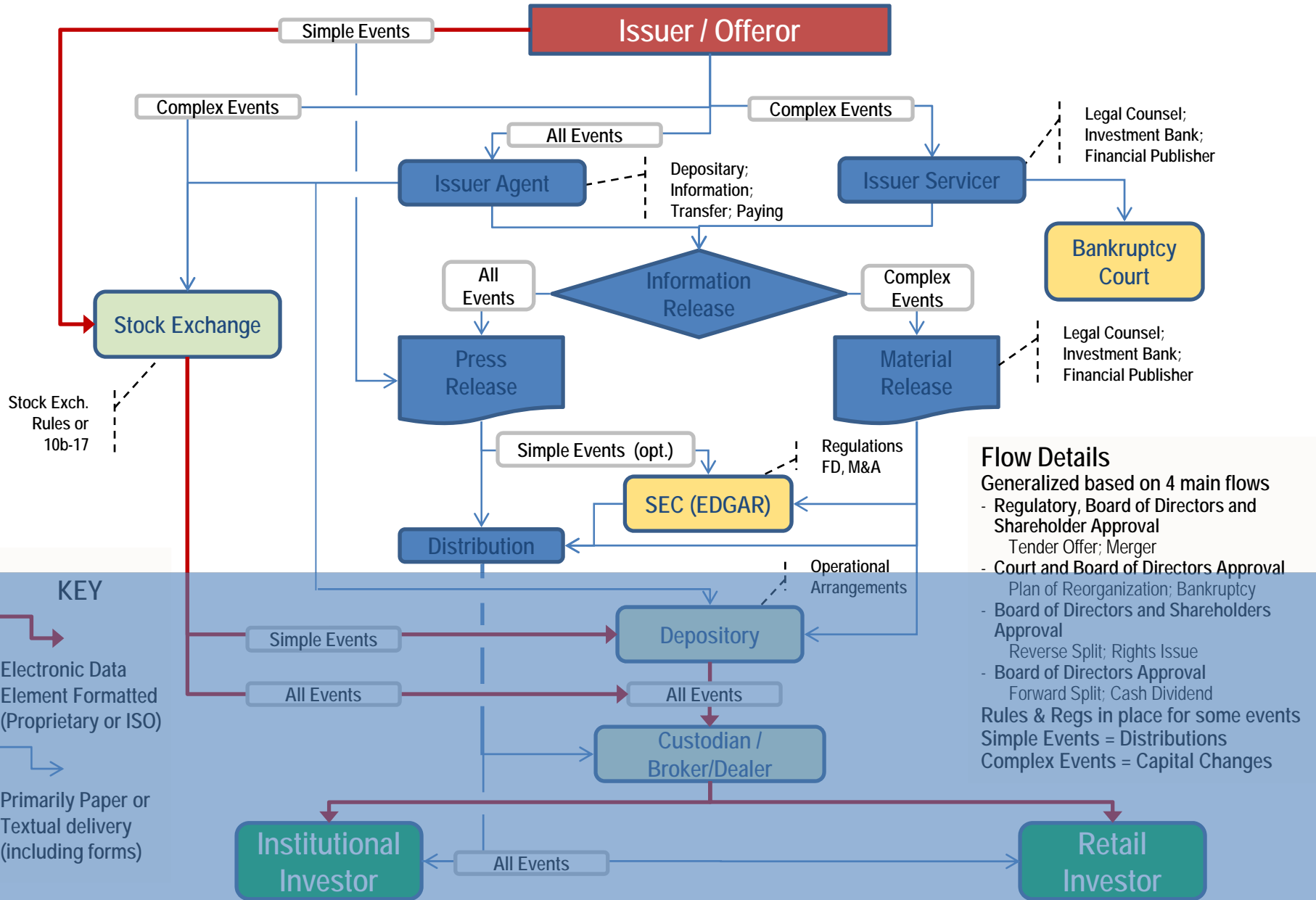
Approval and adoption of the merger agreement by Old Forge requires the affirmative vote of at least two-thirds of the votes which all Old Forge shareholders are entitled to cast.

Meeting information

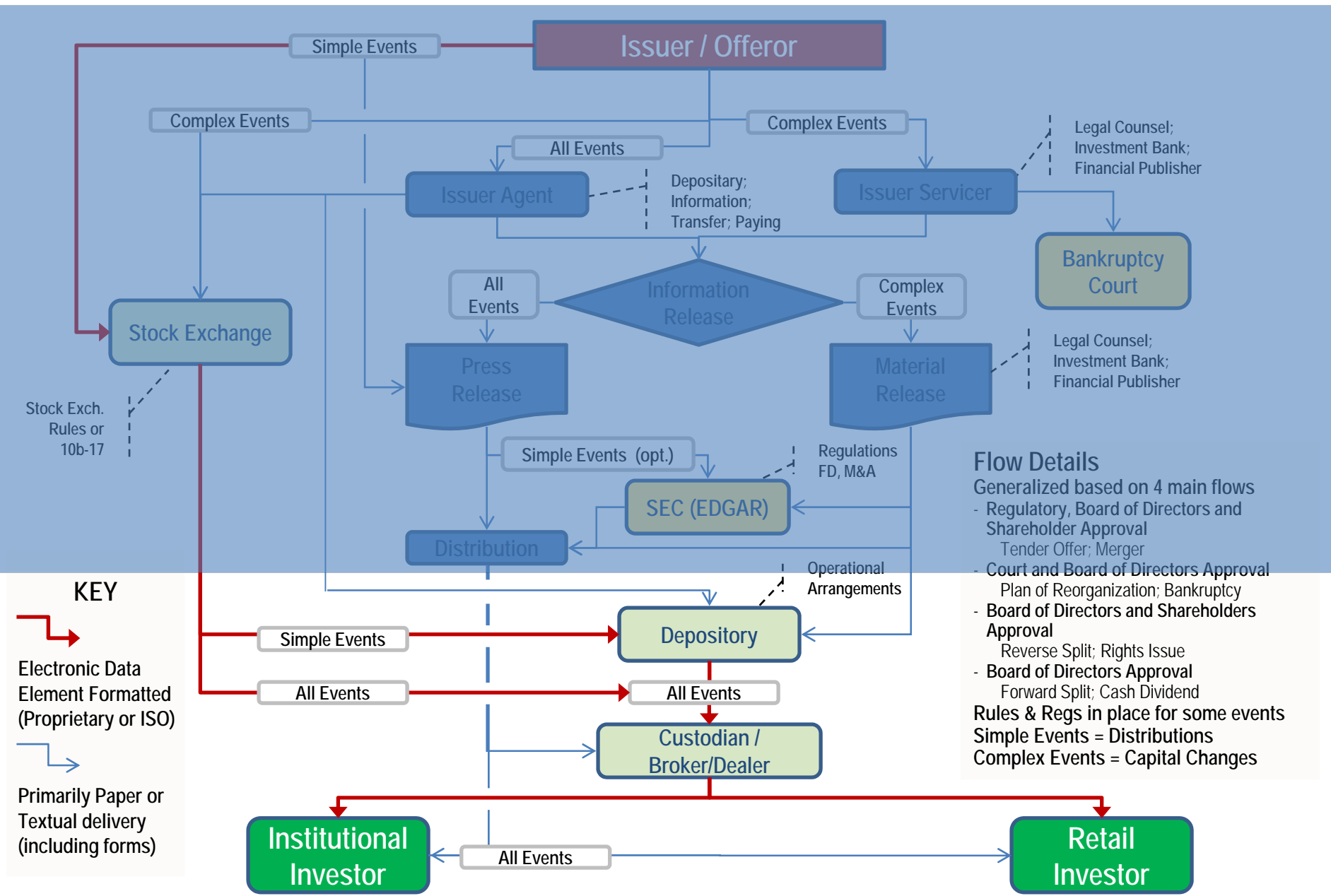
Required vote needed

Record date

U.S. CA Announcement Flow – Issuers & their Community

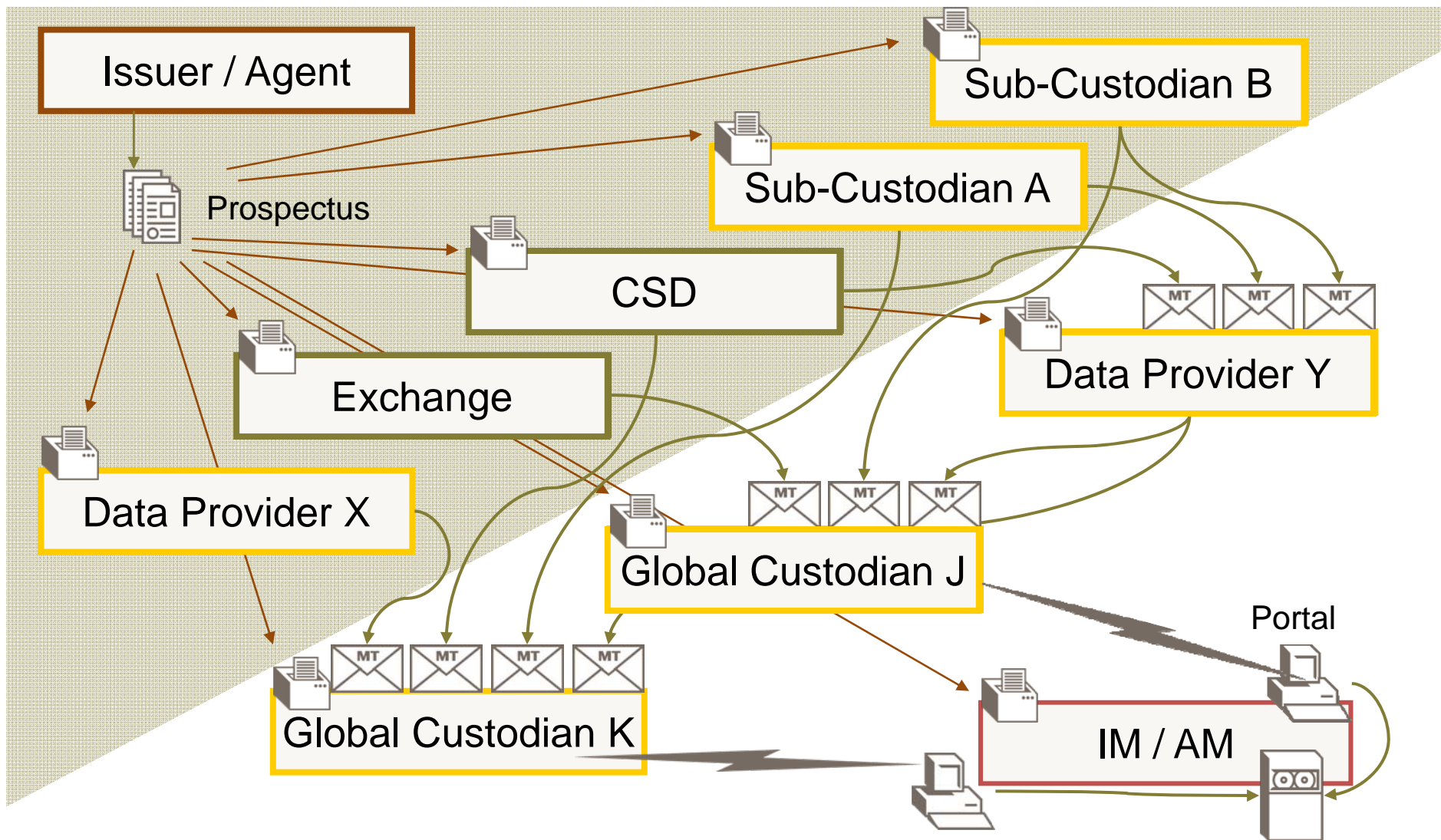


U.S. CA Announcement Flow: Investors and their Community



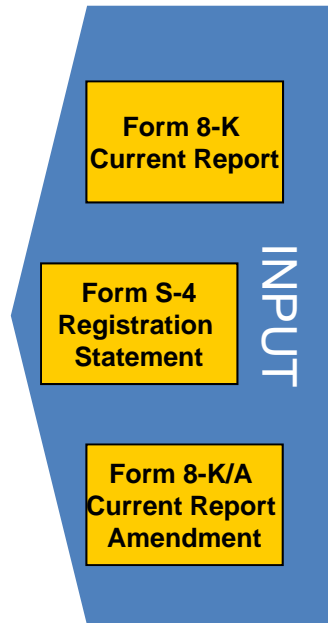
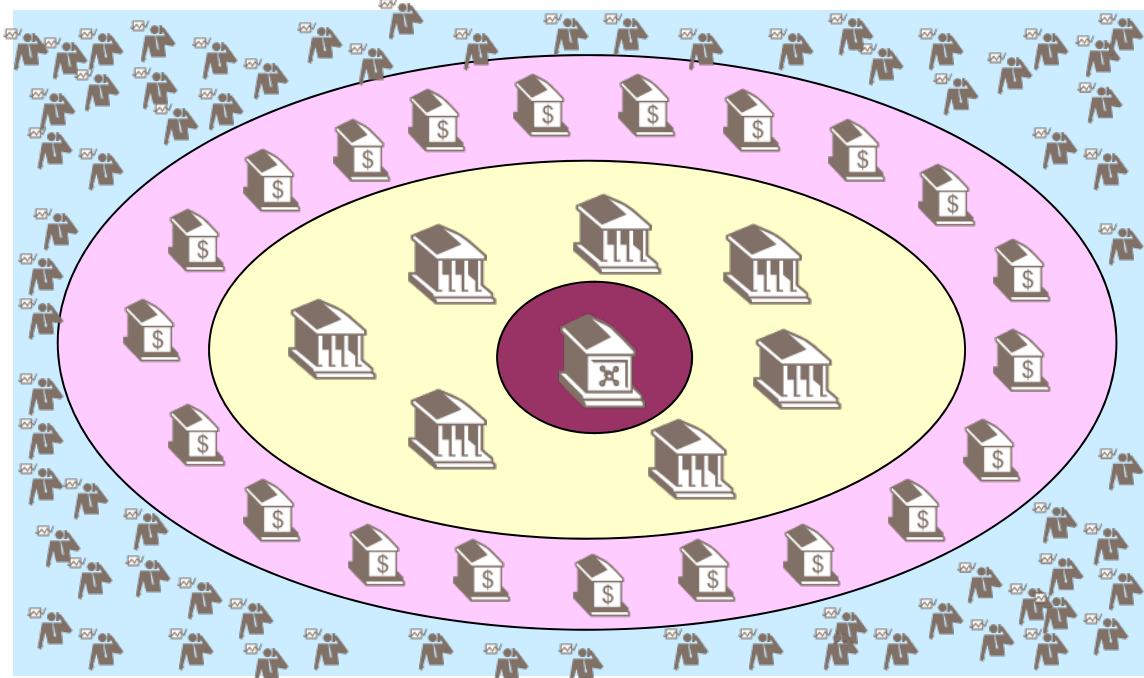
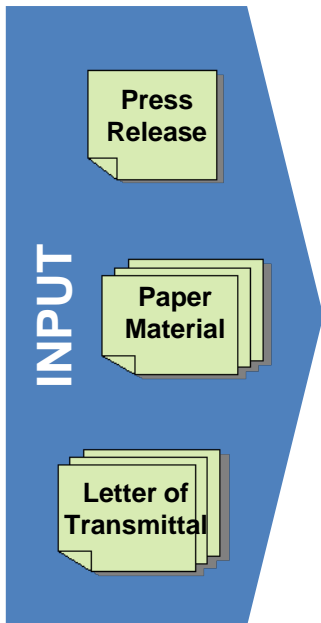
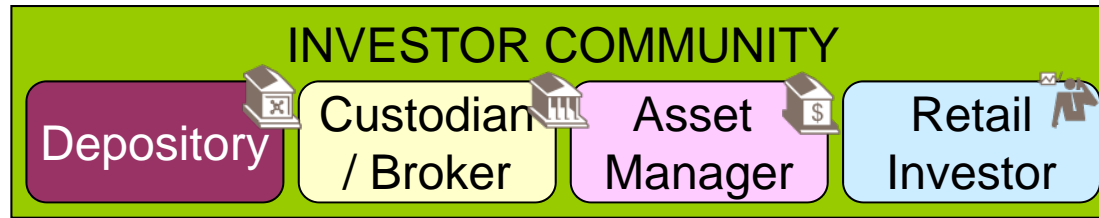
The “spaghetti” of corporate actions servicing today

- cross-border servicing adds complications



Investors and their Community

Small number of inputs are multiplied due to many-to-many relationships



8 Paper Documents \times Many Custodians / Brokers \times Many Asset Managers / Retail Investors $=$ Millions of Electronic Announcements

Example:

Global Custody Notification for Beneficial Owners of the company

ACTION INFORMATION

Corporate Actions ID	Security ID	Security Description	Action Type
322094097	US12345678690	ABC COMPANY	Merger with Elections

GENERAL INFORMATION

Effective Date
04/01/2009
Offer Period Begin Date
02/18/2009
Offer Period End Date
03/19/2009
Default Option #
Option 2

OPTION DETAILS

Option	Currency of Option	Deadline Date	Expiration Date
1. Exchange for Cash	USD	03/17/2009 – 03:00PM	03/18/2009 – 05:00PM
2. Exchange for Shares		03/17/2009 – 03:00PM	03/18/2009 – 05:00PM

ACCOUNT INFORMATION

Account Number	Account Name	Eligible Position	Settled Position
9876523120944	Shareholders	400,000	400,000

PROJECTED ENTITLEMENT

Option	Eligible Position	Projected Cash Proceeds	Projected Security Proceeds
1. Exchange for Cash	400,000	USD 245,169.95	1,153,525
2. Exchange for Shares	400,000		1,160,480

EVENT TERMS

OPTION 1 : EXCHANGE FOR CASH

RESPONSE DEADLINE DATE / TIME: 03/17/2009 - 03:00PM
 EXPIRATION DATE / TIME: 03/18/2009 - 05:00PM
 PRORATION ACCEPTANCE: 0.5991595%
 PRORATION INDICATOR: YES
 WITHDRAWAL DATE: UNKNOWN

DETAILS OF CASH CREDIT

CASH RATE / CURRENCY: USD 102.282
 PAYMENT DATE: 04/03/2009

DETAILS OF SHARE DEBIT

SHARE DEBIT DATE: 04/03/2009
 DEBIT SECURITY ID: US12345678690
 DEBIT SECURITY DESCRIPTION: ABC COMPANY

OPTION 2 : EXCHANGE FOR SHARES

RESPONSE DEADLINE DATE / TIME: 03/17/2009 - 03:00PM
 EXPIRATION DATE / TIME: 03/18/2009 - 05:00PM
 PRORATION INDICATOR: UNKNOWN
 WITHDRAWAL DATE: UNKNOWN

DETAILS OF SHARE CREDIT

NEW SHARES: 2.9012
 OLD SHARES: 1.00
 NEW SECURITY ID: US12345678690
 NEW SECURITY DESCRIPTION: DEF COMPANY
 FRACTIONS: CASH
 FRACTIONAL RATE / CURRENCY: USD 35.255
 DESPATCH DATE: 04/03/2009

DETAILS OF SHARE DEBIT

SHARE DEBIT DATE: 04/03/2009
 DEBIT SECURITY ID: US12345678690
 DEBIT SECURITY DESCRIPTION: ABC COMPANY

ADDITIONAL TERMS:

UNDER TERMS OF THE MERGER AGREEMENT, DEF COMPANY SHAREHOLDERS WILL BE ENTITLED TO ELECT TO RECEIVE CASH AND/OR SHARES OF ABC COMPANY COMMON STOCK IN EXCHANGE FOR THEIR SHARES OF DEF COMPANY, SUBJECT TO THE ALLOCATION AND PRORATION PROCEDURES SET FORTH IN THE MERGER AGREEMENT WHICH ARE INTENDED TO ENSURE THAT, IN THE AGGREGATE, NO MORE THAN 30 PERCENT OF THE MERGER CONSIDERATION IS IN CASH.

THE PER SHARE AMOUNT WILL BE CALCULATED FROM THE CASH CONSIDERATION AND THE VALUE OF THE STOCK CONSIDERATION BASED ON THE ABC COMPANY CLOSING PRICE.

THE TRANSACTION IS EXPECTED TO BE COMPLETED ON OR AROUND 04/01/2009.

Example:

Investment Manager Event Representation

Event Summary

[Entity Id: VAN]

Depot Id :	VANGUARD	Event Type :	Tender/Acquisition/Takeover
Event Group :	Voluntary Reorgs	Confirmed :	YES
Completed :	YES	Event Classification :	Voluntary
Event Name :	TEND - 645671	SWIFT Reporting Qualifier :	TEND
Entry Date :	Feb 2, 2009	Start Date :	Jan 29, 2009
End Date :	Feb 12, 2009	Status :	Authorized
Sub Account Name :	SUPER BP	Locked :	NO
Event Id at Depot :	AC11441	Late Event :	NO
Reinvestable :	NO	Rolling :	NO
Ongo :	NO	Critical Date :	Apr 11, 2009

Voting List

Event Options [Option Sequence No: 1]

Type : Cash
 Status : Authorized
 Response Deadline Date Time : Apr 8, 2009
 Withdrawal Date Time : Feb 9, 2009
 SWIFT Reporting Qualifier : Cash
 Withdrawal Allowed : YES

Corporate Action Details

Event Id : 2009012221 DTCH - Y93691106
 Ex Date : Record date :
 Preferred Security Id : Symbol : Total Unstructured : 22,000
 Event Terms : Event Type : Dutch Auction Depot Id : BK000002

Available Options

Option	Option Desc	Payouts	Default Option	Reply by Date	Depot Deadline	Market Deadline	Pay Date	Min Exercisable Qty	Max Exercisable Qty	Min Exercisable Multiple Qty	
1	Cash		<input type="checkbox"/>	07/30/2009 14:30:00	07/31/2009 15:00:00		08/02/2009 1000			1000	OPTION DESCRIPTION:TENDER-COMPETITI
2	Cash		<input type="checkbox"/>	07/30/2009 14:30:00	07/31/2009 15:00:00		08/02/2009 1000			1000	OPTION DESCRIPTION:TENDER-NON-COMP
3	No Action		<input checked="" type="checkbox"/>	07/30/2009 14:30:00	07/31/2009 15:00:00						OPTION DESCRIPTION:TAKE NO A

Event Options [Option Sequence No: 2]

Type : No Action
 Status : Authorized
 Depot Deadline Date Time : Feb 9, 2009
 SWIFT Reporting Qualifier : Take No Action

Portfolio :

Search Clear

Currency : EUR Min Price : 1050.25 Max Price : 1075 Step Factor : 0.25

OK Cancel

Cash Payout [Sub Option Sequence No: 1]

Base Security Id : 645671
 Base Security Qty : 1
 Status : To Be Paid
 Realization Currency : ILS
 Fees Exempt : YES

Voting List

Page : 1

	Portfolio	Portfolio Name	Elg Qty	Unstructured Qty	SI Ind	SI Desc	Instructd Qty	Instd Qty in percent	Over Subs Qty	Conditional Qty	Tender Price Type	Tender Price	Rema
<input type="checkbox"/>							<input type="checkbox"/>				Select		
<input type="checkbox"/>			58,000	1,000							Select		Rema
<input type="checkbox"/>			36,000	16,000							Select		Rema
<input type="checkbox"/>			17,000	5,000							Select		Rema

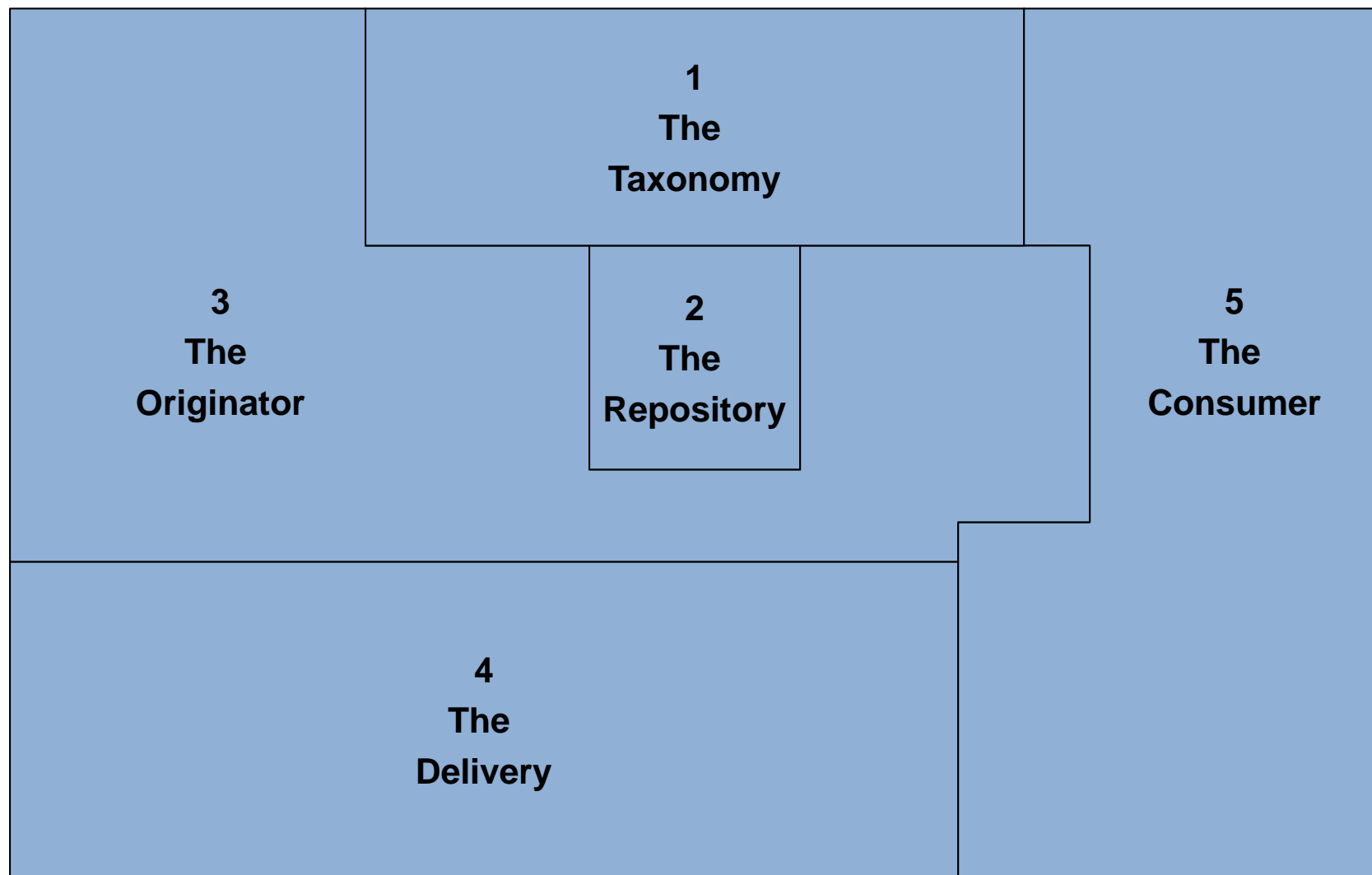
Security Payo

Base Security Id :	645671	Base Security Short Name :	
Base Security Qty :	1	Disbursed Security Id :	
Disbursed \$:		Disbursed Security Qty :	1
Debit/Credit :	Debit	Status :	To Be Paid
Disbursement Type :	Ratio To Base Quantity Of Holdings	Payout Type :	Security
Fraction Elimination :	No	Fee Exempt :	NO

Tomorrow – a transition to XBRL

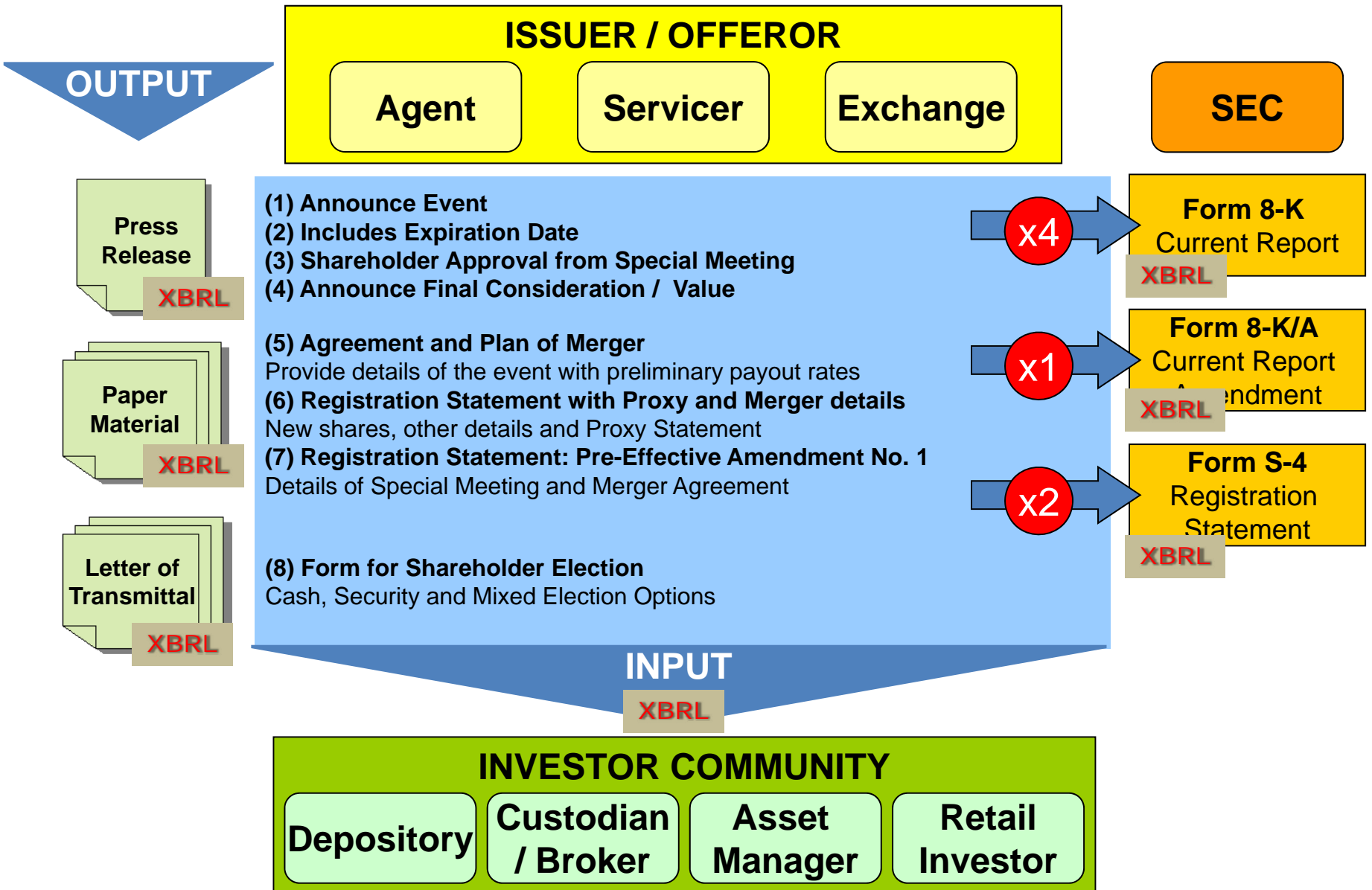
Announcements with tagged data

Proposed process flow for electronic tagging of a U.S. Corporate Action with a XBRL Taxonomy that is based upon ISO Standards and additional market data



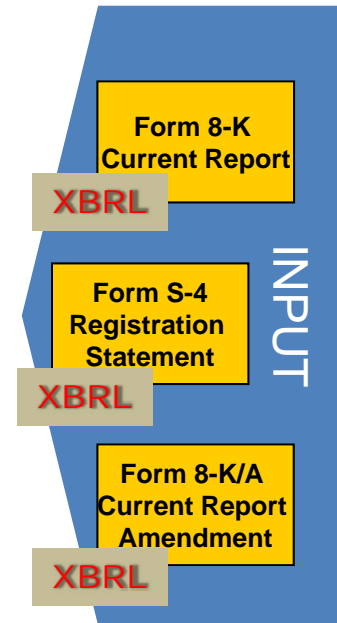
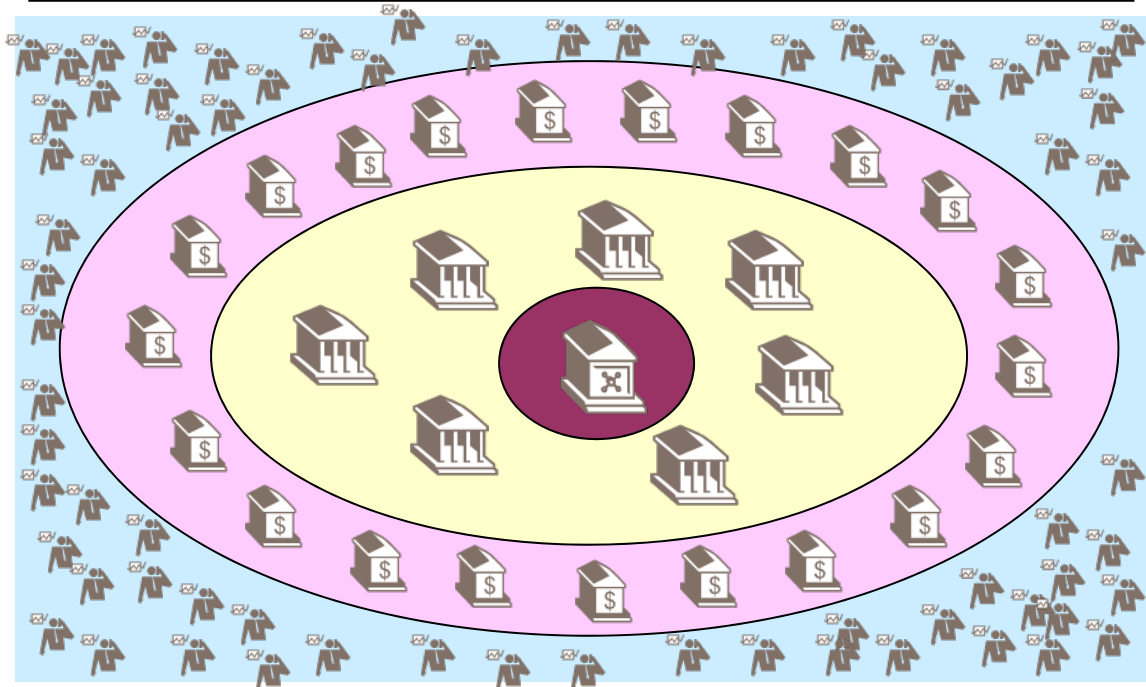
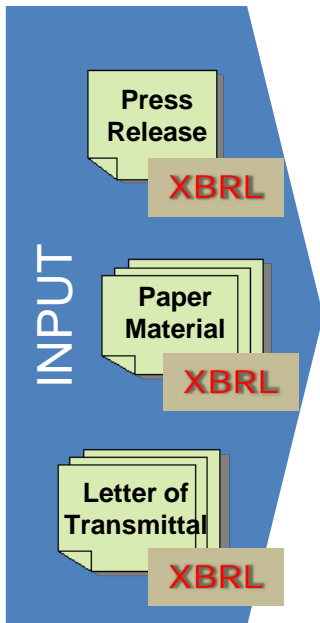
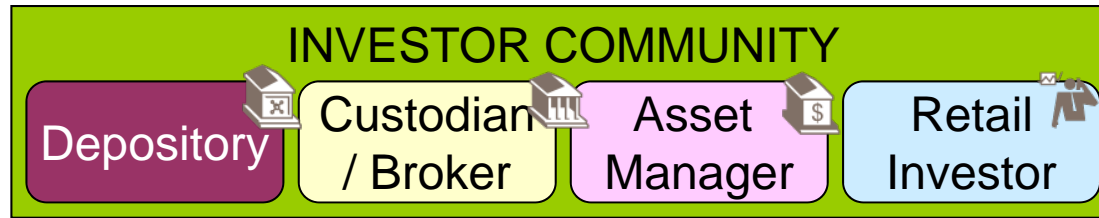
Issuers and their Community

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Investors and their Community

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Q & A - discussion

Thank you!