

SAUCON MUTUAL INSURANCE COMPANY
74 W. Broad Street
Suite 300
Bethlehem, PA 18018

NOTICE OF SPECIAL MEETING OF ~~POLICYHOLDERS~~MEMBERS

To be held on [~~November 25~~DATE], ~~2014~~ 2015

To the ~~Policyholders~~Members of Saucon Mutual Insurance Company:

NOTICE IS HEREBY GIVEN that a special meeting of members (the "Special Meeting") of Saucon Mutual Insurance Company, a Pennsylvania mutual insurance company ("Saucon Mutual"), will be held on [~~November 25~~DATE], ~~2014~~ 2015, at _____ beginning at _____, for the following purposes:

1. To consider and vote upon a proposal to adopt the Amended and Restated Plan of Conversion, approved by the Board of Directors of Saucon Mutual on ~~August 27~~February 4, 2014 2015 (the "Plan of Conversion").
2. To consider and vote upon amendments to Saucon Mutual's articles of incorporation required to convert the company from a mutual insurance company to a stock insurance company.
3. To transact such other business, if any, as may properly come before the Special Meeting or any adjournments, postponements, rescheduling or continuations thereof.

A copy of the Plan of Conversion is enclosed with the ~~policyholder~~member information statement accompanying this notice.

Saucon Mutual's Board of Directors has approved and adopted the Plan of Conversion and recommends that you vote:

"FOR" the adoption of the Plan of Conversion; and

"FOR" the related amendment of Saucon Mutual's articles of incorporation.

All members of Saucon Mutual are cordially invited to attend the Special Meeting. To ensure your representation at the Special Meeting, however, you are urged to sign, date and complete the enclosed proxy card and mail it in the accompanying envelope, whether or not you expect to attend the Special Meeting. No postage is required if mailed in the United States. A Saucon Mutual ~~policyholder~~member may vote in person, even if such ~~policyholder~~member has returned a proxy card, by revoking his, her or its proxy at or before the meeting.

If you have any questions about the Special Meeting, please contact Stephen Bajan, the Chief Executive Officer of Saucon Mutual, at 74 West Broad Street, Suite 300, Bethlehem PA 18018, telephone (610) 868-1832. You can vote (1) by attending the Special Meeting

and voting in person or (2) by completing and returning the enclosed proxy card to our attention. Please see the attached voting instruction sheet for more information.

By Order of the Board of Directors,

~~Philip~~ Phillip Bell
Corporate Secretary
Bethlehem, PA

**YOUR VOTE IS IMPORTANT. TO VOTE, PLEASE SIGN, DATE AND COMPLETE
THE ENCLOSED PROXY CARD AND MAIL IT PROMPTLY IN THE ENCLOSED
ENVELOPE.**

Saucon Mutual Insurance Company
Special Meeting of ~~Policyholders~~Members
Voting Instructions

Special Meeting: Date, Time and Place

The Special Meeting of ~~policyholders~~members of Saucon Mutual Insurance Company will be held on [~~November 25~~DATE], ~~2014~~ 2015, at _____, at _____.

Ways to Vote:

- **In Person** - Attend the Special Meeting and cast your vote(s).
- **By Mail** - You can vote by mail by filling out the enclosed proxy card(s) and returning it (or them if you have multiple proxy cards) in the envelope provided.

Who is Eligible to Vote?

- Saucon Mutual Insurance Company ~~policyholders~~members as of the close of business on the Record Date, which is August 27, 2014, are eligible to vote. If you received a proxy statement, you are entitled to vote.
- Each ~~member has one (1) vote for each one (1)~~ policyholder with a policy of insurance that was in effect on the record date. You will receive one proxy card for each vote you have. Please vote all of the proxy cards you receive. Record Date is a member of Saucon Mutual Insurance Company and has one (1) vote.

What is the Vote Required?

- The Plan of Conversion will be adopted if the proposal receives approval from at least two-thirds of votes cast at the Special Meeting through voting in person, by proxy, (return by mail), by telephone or by Internet.
- The articles of incorporation will be amended if the proposed amendment receives approval from at least two-thirds of votes cast at the Special Meeting through voting in person or by proxy (return by mail).

Revoking Your Vote:

- You can change or revoke your vote by mailing a notice of revocation or a later dated proxy to Saucon Mutual, which must be received by Saucon Mutual prior to 11:59 p.m., Eastern Standard Time on [~~November 24~~DATE], ~~2014~~ 2015, or by attending the Special Meeting and voting in person.

Receipt of Proxy Statement

Certain members of Saucon Mutual who share the same address ~~or who have multiple policies of insurance~~ may receive only one copy of the proxy statement, but this will not impact the number of votes you are entitled to cast. This practice, known as “householding,” is designed to reduce printing and postage costs. If you would like additional copies of the proxy statement, please

contact Stephen Bajan, the Chief Executive Officer of Saucon Mutual, at 74 West Broad Street, Suite 300, Bethlehem PA 18018, telephone (610) 868-1832.