

[Orrstown Financial Service, Inc. Stationery]

Prospectus Supplement No. 2
(to Prospectus dated December 10, 1999)

TO: Participants in the Stockholder Dividend Reinvestment and Stock Purchase Plan

Pursuant to authority provided in the Plan, the Board of Directors has taken action to reinstate the *Voluntary Cash Contribution* investment option under the Company's Stockholder Dividend Reinvestment and Stock Purchase Plan, effective September 1, 2009. Beginning September 1, 2009, Plan participants will again be permitted to make voluntary cash contributions for the purchase of additional stock in accordance with the terms of the Plan, as described in the Prospectus dated December 10, 1999. Additionally, the *Full* and *Partial Dividend Reinvestment* options will continue as currently in effect.

As more particularly described on page 11 of the Prospectus under the heading "Voluntary Cash Contributions", shareholders who have elected to have dividends reinvested in accordance with the Plan may also elect to make voluntary cash contributions to be applied to the purchase of shares of Orrstown common stock on a quarterly basis. Such contributions may not be less than \$100 or more than \$2,500 per quarter.

If you have any questions, please do not hesitate to contact the Plan Administrator at the address and telephone number shown below. In order to participate, please complete the enclosed Authorization and Enrollment Form and return it to the Plan Administrator in the provided return envelope. Thank you for your continued interest in Orrstown Financial Services, Inc.

This Prospectus Supplement No. 2 should be read in conjunction with our Prospectus dated December 10, 1999 relating to the Orrstown Financial Services, Inc. Dividend Reinvestment and Stock Purchase Plan. A copy of the Prospectus may be obtained from the Plan Administrator. This Prospectus Supplement supercedes Prospectus Supplement No. 1 dated January 24, 2002 in its entirety.

Plan Administrator:
Registrar and Transfer Company
10 Commerce Drive
Cranford, NJ 07016
Attn: Dividend Reinvestment Department
1-800-368-5948

The date of this Prospectus Supplement No. 2 is August __, 2009



ORRSTOWN
FINANCIAL SERVICES, INC.
A Tradition of Excellence

PROSPECTUS

**STOCKHOLDER DIVIDEND REINVESTMENT
AND STOCK PURCHASE PLAN**

Orrstown Financial Services, Inc. ("Orrstown") hereby offers participation in its Stockholder Dividend Reinvestment and Stock Purchase Plan (the "Plan") which is effective as of January 1, 2000. The Plan constitutes an amendment of and successor to the current Dividend Reinvestment Plan of Orrstown which was instituted in 1998 (the "1998 Plan") and which remains in effect until December 31, 1999. Each Participant in the 1998 Plan will automatically be enrolled in the Plan. The Plan provides Participants with an opportunity to purchase Orrstown's Common Stock (the "Shares") by reinvesting all or a portion of the cash dividends paid on their Shares in additional Shares. The Plan also provides Participants with a convenient and economical way to voluntarily purchase additional shares through voluntary cash payments of not less than \$100 per payment nor more than \$2,500 per quarter. Some of the significant features of the Plan are:

- Participants may purchase Shares through the automatic reinvestment of quarterly cash dividends on their Shares.
- Participants may make voluntary cash contributions to be applied to the purchase of additional Shares.
- Participants must either be a registered owner or beneficial owner of Shares to be eligible to participate. Participants may participate with respect to all or a specified fixed number of their Shares.
- Brokerage commissions and other service charges will not be charged for purchases made under the Plan.
- Participants may deposit Share certificates held by them and registered in their names into the Plan and thereby avoid the need for safekeeping of certificates.
- To fulfill requirements for the Plan, Shares will be purchased in the open market as available or directly from Orrstown.
- A beneficial owner of Shares held through a broker or other nominee name may participate in the Plan either by making an appropriate arrangement with the nominee or by having the Shares transferred and registered in the beneficial owner's name.

Participation in the Plan is voluntary. Participants may terminate their participation at any time. Shareholders who do not choose to participate in the Plan will continue to receive cash dividends, as declared, in the usual manner.

You should rely only on the information incorporated by reference or provided in this Prospectus or any Prospectus Supplement. We have not authorized anyone else to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information in this Prospectus or any Prospectus Supplement is accurate as of any date other than the date on the front of those documents.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the Common Stock or determined if this Prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

It is suggested that this Prospectus be retained for future use.

The date of this Prospectus is December 10, 1999.

WHERE YOU CAN FIND MORE INFORMATION

Orrstown files annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission. You may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. To obtain information on the operation of the Public Reference Room, call the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site at <http://www.sec.gov> where you can electronically access copies of our SEC filings.

The SEC allows us to "incorporate by reference" into this Prospectus information about Orrstown which is contained in the reports we file with the SEC. This means that we can disclose this information to you by referring to our SEC reports. The information incorporated by reference is deemed to be part of this Prospectus. The following is a list of the reports which are incorporated by reference in this Prospectus:

- Our latest Annual Report on Form 10-K. At the date of this Prospectus, our latest Form 10-K Annual Report was our report for the year ended December 31, 1998.
- Our latest Quarterly Report on Form 10-Q and any amendments on Form 10-Q/A. At the date of this Prospectus, our latest 10-Q Quarterly Report was our report for the period ended September 30, 1999.
- Any Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and proxy statements that we file after the date of our latest Annual Report on Form 10-K. At the date of this Prospectus, we had not filed any of these reports since the date of our latest Form 10-Q filing.

Copies of the documents incorporated by reference in the Prospectus are available at the SEC's Public Reference Room and at its Internet site at the addresses given in the first paragraph under this caption. You can also obtain copies of any or all of the documents, without charge, by written or oral request to Orrstown Financial Services, Inc., 77 East King Street, Shippensburg, PA 17257, (717) 532-6114.

THE COMPANY

Orrstown Financial Services, Inc. ("Orrstown") is a one-bank holding company incorporated under the laws of the Commonwealth of Pennsylvania. Orrstown's principal subsidiary, Orrstown Bank (the "Bank"), is a state-chartered bank and trust company having its administrative offices in Shippensburg, Pennsylvania. The Bank has seven branch offices located in Cumberland and Franklin Counties, and engages in commercial banking and trust services. This involves accepting demand, time and savings deposits and granting consumer, commercial, real estate and business loans to individuals, corporations, partnerships, municipalities and other governmental bodies. Through its trust department, the Bank renders services as trustee, executor, administrator, guardian, managing agent and custodian and conducts other fiduciary activities authorized by law.

Orrstown's corporate office is located at 77 East King Street, Shippensburg, Pennsylvania 17257; its telephone number is (717) 532-6114.

THE PLAN

The following questions and answers explain Orrstown's Stockholder Dividend Reinvestment and Stock Purchase Plan (the "Plan"). The Plan constitutes an amendment of and successor to the current Dividend Reinvestment Plan of Orrstown which was instituted in 1998 (the "1998 Plan")

PURPOSE

1. What is the purpose of the Plan?

The 1998 Plan was adopted by Orrstown's Board of Directors on March 19, 1998 in order to provide holders of Orrstown's Common Stock with a simple, convenient and systematic method of investing cash dividends in additional shares of Orrstown's Common Stock ("Shares") without payment of any brokerage commission. Orrstown's Board of Directors amended the 1998 Plan on September 16, 1999 to remove the minimum participation requirement and include a method for investing voluntary cash contributions in additional Shares. Purchases of additional Shares pursuant to the Plan directly from Orrstown, in contrast to purchases of additional Shares effected on the open market, will provide Orrstown with additional capital to be used for general corporate purposes.

PARTICIPATION

2. Who is eligible to participate?

You may participate in the Plan if you qualify as either of the following: (a) you are a "registered holder," a shareholder whose Shares are registered in the stock transfer books of Orrstown in your own name; or (b) you are a "beneficial owner," a shareholder who has beneficial ownership of Shares that are registered in a name other than your name (for example, in the name of a broker, bank or other nominee). Registered holders may participate in the Plan directly. If you are not a registered holder, you must either become a registered holder by having your Shares transferred into your own name, or you must make arrangements with your broker, bank or other nominee to participate in the Plan on your behalf. Most major brokers, banks and other nominees will make such arrangements on request. See Question 6.

Your right to participate in the Plan is not transferable to another person apart from a transfer of your underlying Shares.

Persons who reside in jurisdictions in which it is unlawful for Orrstown to permit participation in the Plan are not eligible to participate in the Plan. In addition, the securities or blue sky laws of certain states may require Shares which may be sold under the Plan to be registered under those laws or may require Orrstown to take certain other actions to enable Shares to be sold under the Plan in those states. Orrstown reserves the right, in its sole discretion, to elect not to register Shares or not to take other actions necessary to enable Shares to be issued sold under the Plan in such states, in which case, persons residing in such states will not be able to participate in the Plan.

Orrstown reserves the right to exclude from participation in the Plan persons who utilize the Plan to engage in short-term trading or arbitrage activities. Although Orrstown has no present intention regarding the exclusion of persons from participating in the Plan who utilize it to engage in short-term trading or other arbitrage activities, it reserves the right to do so if it encounters a pattern of trading that it considers abusive or objectionable.

BENEFITS AND DISADVANTAGES

3. What are the benefits and disadvantages of the Plan?

The primary benefits of the Plan are:

- You may have the cash dividends on all or a portion of your Shares reinvested automatically in additional Shares of Orrstown's Common Stock.
- You pay no brokerage commissions or service charges in connection with your purchases under the Plan. See Question 26.
- Your reinvested cash dividends will be fully invested because the Plan provides for fractional Shares to be credited to your account. Additionally, dividends on such fractional shares, as well as on whole Shares participating in the Plan, will be reinvested automatically in additional Shares and credited to your Plan account.
- You may also invest in additional shares by making voluntary cash contributions subject to an individual minimum limit of \$100 and maximum limit of \$2,500 per quarter,
- You will avoid cumbersome safekeeping of stock certificates for Plan Shares credited to your account. You also may deposit in the Plan Shares held by you and registered in your name, thereby avoiding the need for safekeeping of certificates.
- Periodic statements reflecting all current activity, including Shares purchased and latest Plan account balance, will simplify your record keeping.

The primary disadvantages of the Plan are:

- Due to the Pricing Period (as defined herein), the Purchase Price (as defined herein) for Shares purchased through the Plan may exceed (or be less than) the price of acquiring Shares (including transaction costs) on the open market on the applicable Investment Date. See Questions 8 and 10.

- There may be delays between a Participant's instruction to sell Plan Shares and the sale date. There may also be delays in receiving Shares withdrawn from the Plan. See Questions 18 and 120
- Participants who reinvest cash dividends will be treated for federal income tax purposes as having received a dividend payment, giving rise to a tax payment obligation without providing the Participant with immediate cash to pay such tax when it becomes due. See Question 22.
- Participants will not know the actual number of Shares purchased under the Plan until after the Pricing Period. See Questions 10 and 11.
- Shares deposited in a Plan account may not be pledged. See Question 24.

Neither Orrstown or the Administrator can assure a profit or protect against a loss on Shares purchased under the Plan.

ADMINISTRATION AND INTERPRETATION

4. Who will administer and interpret the Plan?

The Plan will be administered by Orrstown Bank or such successor administrator as Orrstown may designate (the "Administrator"). The Administrator acts as agent for Participants, keeps records of Participants' accounts, sends regular account statements to Participants, and performs other duties relating to the Plan. Shares purchased for each Participant under the Plan, and Shares deposited with the Administrator for safekeeping as described in Question 17, will be held by the Administrator on behalf of the Participants, unless and until a Participant requests that a stock certificate for his or her Shares be issued, as described in Question 16. The Administrator also serves as dividend disbursement agent, transfer agent and registrar for the Common Stock. Communications with the Administrator should be directed as follows:

Registrar and Transfer Company
 10 Commerce Drive
 Cranford, NJ 07016
 Attn: Dividend Reinvestment Department
 Telephone: 800.368.5948
 Email: www.rtc.com

When corresponding with the Administrator, we suggest that you give your daytime telephone number and area code.

Orrstown has the right to establish procedures for administration of the Plan and to interpret the terms and conditions of the Plan. Its procedures and interpretations will be final, conclusive and binding.

ENROLLMENT

5. How do I become a Participant?

If you are enrolled in the 1998 Plan, you will begin to participate automatically in the Plan when it becomes effective January 1, 2000.

If you are a registered holder and not enrolled in the 1998 Plan, you may enroll in the Plan and become a Participant by completing and signing an Authorization Form (enclosed herewith) and returning it to the Administrator at the address set forth in Question 4. An additional Authorization Form may be obtained at any time from the Administrator. If you have your Common Stock registered in more than one name (e.g., joint tenants, trustees), all registered holders of such Shares must sign the Authorization Form exactly as their names appear on the account registration.

If you are a beneficial owner but not a record holder of Common Stock, you must instruct your broker, bank or other nominee in whose name your Shares are held to participate in the Plan on your behalf.

You may enroll in the Plan at any time. Once enrolled, you remain enrolled without further action on your part until you discontinue your participation or until the Plan is terminated. See Question 20 regarding withdrawal from the Plan and Question 30 regarding termination of the Plan. However, if there is any subsequent change in the manner in which your name appears on your certificate(s), you must sign another Authorization Form, and execute a stock power form to change the registration of your Plan account, in order to continue participation.

6. What are the participation options and what does the Authorization Form provide?

The Authorization Form appoints the Administrator as your agent for purposes of the Plan. It may also direct Orrstown to pay to the Administrator, for the purchase of additional Shares, all of the cash dividends on (a) the specified number of Shares owned by you on the applicable Record Date and designated by you to be included in the Plan ("Participating Shares"), and (b) all whole and fractional Shares which have been credited to your Plan account. Shares in your Plan account, other than Shares deposited with the Administrator solely for safekeeping as described in Question 17 ("Safekeeping Shares") are referred to as "Plan Shares." The Authorization Form also may direct the Administrator to reinvest automatically all subsequent dividends on Plan Shares. Cash dividends will continue to be reinvested on the number of Participating Shares and on all Plan Shares (but not on Safekeeping Shares) until the Participant specifies otherwise or terminates participation, or the Plan is terminated.

The Authorization Form provides for the purchase of Shares through the investment options described below.

The investment options are as follows:

(1) "Full Dividend Reinvestment"

This option directs the Administrator to invest in accordance with the Plan all cash dividends on all Shares then or subsequently owned by you, and also all cash dividends on your whole and fractional Plan Shares.

(2) "Partial Dividend Reinvestment"

This option directs the Administrator to invest in accordance with the Plan all cash dividends on that number of whole Shares held by you which are designated in the appropriate space on the Authorization Form and on all whole and fractional Plan Shares. This option should be used if you wish to reinvest dividends on some but not all of the shares of Orrstown's Common Stock that you own. If this option is

selected, you will continue to receive cash dividends in the usual manner on all Shares registered in your name or beneficially owned by you but which you have not designated for participation in the Plan. It is recommended that nominee firms holding Shares in their own firm's street name (i.e., Shares not held for the firm by Depository Trust Company or some other depository) use this option, even if they wish to participate with respect to all of the Common Stock they own at the time of enrollment.

(3) "Voluntary Cash Contributions"

This option permits you to make voluntary cash contributions and directs the administrator to apply such contributions toward the purchase of additional shares in accordance with the Plan.

You may select either "Full Dividend Reinvestment" or "Partial Dividend Reinvestment". In order to make "Voluntary Cash Contributions", you must also have elected to make either one or the other of the partial dividend reinvestment or full dividend reinvestment options. In each case, cash dividends on all Participating Shares, including all Plan Shares added from time to time and held in your Plan account, will be reinvested, until you specify otherwise or withdraw from the Plan altogether, or until the Plan is terminated. See Question 20 regarding notification of withdrawal to the Administrator. See Question 28 regarding provisions on Shares issued in stock splits or stock dividends and stock acquired on the exercise of rights.

If you return a properly executed Authorization Form to the Administrator without electing an investment option, you will be enrolled as having selected Full Dividend Reinvestment.

If you own Shares of record and also beneficially through one or more brokers, banks or other nominees, each such holding will be treated as a separate holding for purposes of authorizing participation in the Plan. To participate in the Plan for all of your holdings, separate Authorization Forms should be submitted by you individually for your record holdings and by each such nominee for your beneficial holdings with it.

7. When will participation in the Plan begin?

Participation as to dividend reinvestment will begin with the next Dividend Payment Date after the Administrator's receipt of the Authorization Form, provided it is received by the Administrator by the Record Date for the applicable cash dividend. The "Record Date" is the date used by Orrstown for determining who are the stockholders of record for the purpose of receiving any cash dividend.

Participation as to voluntary cash contributions will begin with the next Investment Date (as defined in Question 8), provided that authorization therefore and the funds to be invested are received by the fifth day preceding the Dividend Payment Date. Should the authorization (or the funds to be invested) arrive after the time indicated above, the funds will be returned to the Participant.

PURCHASES

8. When will Shares be purchased under the Plan?

Purchases from Orrstown of treasury shares or authorized but unissued Shares will be made on the relevant Investment Date.

Purchases on the open market or in negotiated transactions will be made and completed within a ten (10) trading day period commencing on the applicable Dividend Payment Date (the first such day being the "Investment Date"), except where completion at a later date is necessary or advisable under applicable federal securities laws.

There can be no assurance as to the declaration or payment of dividends and nothing contained in the Plan obligates Orrstown to declare or pay any dividends. The Plan does not represent a change in Orrstown's dividend policy or a guarantee of future dividends, which will continue to be determined by the Board of Directors based upon Orrstown's earnings, financial condition and other factors.

9. What is the source of Shares to be purchased under the Plan?

Shares purchased through the Plan may be (a) newly issued or treasury Shares purchased directly from Orrstown, (b) Shares purchased through routine open market transactions or (c) Shares acquired by a combination of such methods. Orrstown will determine the source of the Plan purchases, which may vary from time to time.

10. At what price will Shares be purchased?

All Shares purchased through the Plan directly from Orrstown will be acquired at a price to you (the "Purchase Price") equal to the average of the daily high bid and low offer quotations for Orrstown's Common Stock reported through the National Association of Securities Dealers, Inc.'s OTC Bulletin Board service for the ten (10) trading days immediately preceding the applicable Investment Date (the "Pricing Period"). If, however, no bid or no offer quotation for Orrstown's Common Stock is reported through the OTC Bulletin Board service during the Pricing Period, then the Purchase Price will be the price of the last trade reported for Orrstown's Common Stock through the OTC Bulletin Board service.

In the event Orrstown's Common Stock subsequently becomes listed for trading on the NASDAQ Stock Market, the Purchase Price will be the mean between the high and low sales prices for Orrstown's Common Stock on the NASDAQ Stock Market, as reported in the financial press, on any relevant date. If Orrstown's Common Stock subsequently becomes listed for trading on a national exchange, the Purchase Price will be the mean between the high and low sales price for Orrstown's Common Stock on such exchange, as reported in the financial press, on any relevant date.

All Shares purchased under the Plan through open market purchases will be acquired on the applicable Investment Date at a price to you (the "Purchase Price") equal to the weighted average of the prices actually paid for the Shares purchased by the Plan through such open market purchases.

Although Orrstown will pay all brokerage fees on Shares purchased on the open market, for tax purposes these fees will be considered as additional dividend income to you. See Question 22. These fees, and the resulting additional dividend income, are not expected to be substantial.

11. How many Shares will be purchased for Participants?

The number of shares that will be purchased for a Participant's Plan account will depend on the amount of cash dividends reinvested on behalf of the Participant and the applicable Purchase Price of the Shares purchased. A Participant's Plan account will be credited with that number of shares (including any fraction of a share computed to four (4) decimal places)

that results from dividing the amount of cash dividends reinvested by the applicable Purchase Price. For purposes of this computation, the amount of a Participant's cash dividends will include cash dividends payable on all Participating Shares and on all Plan Shares.

12. How are open-market purchases of Shares effected?

In connection with open-market purchases of Shares pursuant to the Plan, the Administrator will transfer the cash dividends to be reinvested to an independent purchasing agent (the "Purchasing Agent"). The Purchasing Agent will be a broker-dealer registered under the Exchange Act, as selected by Orrstown's Board of Directors from time to time, who is unaffiliated with Orrstown. Aside from transferring funds to the Purchasing Agent, neither Orrstown or the Administrator will have any influence on the manner, methods or timing of purchases of Shares on the open-market.

VOLUNTARY CASH CONTRIBUTIONS

13. Who will be eligible to make Voluntary Cash Contributions?

All record holders of shares of Common Stock who elect to have dividends reinvested in accordance with provisions of the Plan may also elect to make Voluntary Cash Contributions.

14. What are the limitations on Voluntary Cash Contributions?

To be applied to the purchase of Shares on any given Investment Date, Voluntary Cash Contributions must be received by the Administrator no later than the fifth day preceding the Dividend Payment Date (the "Cash Due Date"). Voluntary Cash Contributions may not be less than \$100, up to a maximum of \$2,500 in any quarter. Orrstown reserves the right in its sole discretion to determine whether Voluntary Cash Contributions are made on behalf of a particular Participant.

15. How does the voluntary cash contribution option work?

Optional Cash payments may be made by sending a personal check, drawn from a U.S. Bank in U.S. Currency payable to Registrar and Transfer Company.

Any Voluntary Cash Contribution received on or before the Cash Due Date but no earlier than twenty (20) days prior to the relevant Dividend Payment Date, will be applied to the purchase of Shares within a ten (10) trading day period commencing with the Dividend Payment Date (the first such day being the "Investment Date") at a price determined in accordance with provisions of the Plan (see Question 10). Voluntary Cash Contributions made by check or other draft will not be applied to the purchase of Shares on or for such Investment Date unless such check or draft has cleared prior to such Investment Date. A Participant may obtain the return of any Voluntary Cash Contribution upon request received by the Administrator on or before the second business day prior to the Investment Date on which it is to be invested. Interest will not be paid on Voluntary Cash Contributions pending investment. Accordingly, you should send your Voluntary Cash Contribution to arrive shortly before the Cash Due Date.

All Shares purchased through Voluntary Cash Contributions will automatically become Plan Shares and future cash dividends on such Shares will be reinvested through the Plan.

You should be aware that because investments under the Plan are made as of specified dates, you lose any advantage that might otherwise be available from being able to select the timing of your investment.

CERTIFICATES

16. Will certificates be issued for Share purchases?

All Plan Shares and all Common Stock deposited for safekeeping with the Administrator pursuant to Question 17 will be held together by the Administrator. This service protects against the loss, theft and destruction of certificates. Upon written request, the Administrator will have certificates issued and delivered to you for any whole Shares credited to your account. Certificates will be issued only in the same names as those enrolled in the Plan. In no event will certificates for fractional Shares be issued.

17. May a Participant add Shares to his or her account by transferring stock certificates that the Participant possesses?

You may send to the Administrator for safekeeping all the Common Stock certificates which you hold. Shares of Common Stock deposited with the Administrator for safekeeping which are not Participating Shares are referred to as "Safekeeping Shares." The Plan will hold the Shares purchased for a Participant, and any Shares deposited by the Participant with the Plan for safekeeping, until the Participant terminates participation in the Plan. The safekeeping of Shares offers the advantage of protection against loss, theft or inadvertent destruction of certificates as well as convenience if and when Shares are sold through the Plan. All Shares represented by such certificates will be kept in safekeeping in "book entry" form and will be combined with any full and fractional Shares then held by the Plan for the Participant. **All dividends on Shares held by the Plan under the safekeeping service, which Shares have been designated as Participating Shares, will be reinvested for the Participant. All dividends on Safekeeping Shares will be paid to the Participant in cash, and will not be reinvested through the Plan.**

To deposit certificates for Common Stock for safekeeping under the Plan, you must transmit the certificates to the Administrator. Stock certificates as well as all written inquiries about the safekeeping service should be directed to the Administrator. See Question 4. The Participant will bear the risk of the means of transmission selected. It is recommended that certificates be sent by registered mail or a reliable courier service.

Certificates for either Participating Shares or Safekeeping Shares that have been deposited with the Administrator may be withdrawn by the Participant by submitting a written request to the Administrator.

SALE OF SHARES

18. Can Participants sell Shares held under the Plan?

You may, by written instructions, request the Administrator to transfer to a person designated by you or place a sale order on your behalf for some or all of your Plan Shares or your Safekeeping Shares and will remit to you a check for the proceeds of such sale, less your Share of brokerage commissions, service charges and any applicable taxes. Shares will be sold within seven (7) business days after the Administrator's receipt of your written notice in routine open market transactions at then current market prices in transactions carried out through one or more brokerage firms.

This procedure for selling Shares may be particularly attractive to holders of small amounts of the Common Stock, because the Plan can combine odd lots and small numbers of Shares into larger blocks to be sold, and thereby take advantage of lower brokerage costs than might otherwise be available to individual Participants in the sale of their Shares.

Notwithstanding the foregoing, if there are any legal restrictions or limitations on a Participant's right to sell Shares publicly (e.g., because the Participant is a controlling person of Orrstown), the Administrator will not be obligated to sell such Shares.

****Medallion Signature Guarantee required for sale requests of \$10,000 or higher.**

Timing and Control: Because the Administrator will sell the Shares on behalf of the Plan, neither Orrstown Financial Services, Inc. nor any participant in the Plan has the authority or power to control the timing or pricing of shares sold or the selection of the broker making the sales. Therefore, you will not be able to precisely time your sales through the Plan, and will bear the market risk associated with fluctuation in the price of Orrstown Financial Services, Inc. Common Stock. That is, if you send in a request to sell Shares, it is possible that the market price of Orrstown Financial Services, Inc. Common Stock could go down or up before the broker sells the Shares. In addition, a participant will not earn interest on a sales transaction.

REPORTS

19. What reports will be sent to Participants?

Unless you are participating in the Plan through your broker, bank or other nominee, you will receive from the Administrator a detailed statement of your Plan account following each dividend payment and account transaction. These detailed statements will show total cash dividends received, total Shares purchased (including fractional Shares), the Purchase Price of each Share, and the total Shares held by you in the Plan. These statements should be retained by you to determine your tax cost basis for Shares purchased. If you are participating in the Plan through your broker or other nominee, you should contact such entity regarding a statement of your interests in the Plan.

As a stockholder of Orrstown, you also will continue to receive copies of all material sent to stockholders including, without limitation, quarterly and annual reports and the notice of annual meeting and proxy statement.

WITHDRAWAL

20. How may Participants withdraw from the Plan?

You may withdraw from the Plan by giving written notice to the Administrator and, thereafter, all dividends will be sent to you or to the nominee through which your Shares are held. If your written notice of withdrawal is received by the Administrator later than five (5) days prior to a Record Date and on or before the ensuing Investment Date, such withdrawal will not be effective until dividends for such Record Date have been reinvested and Shares credited to your Plan account. Upon withdrawal, stock certificates for any whole Shares will be issued in the Participant's name or, upon written direction, Shares will be sold for the Participant. See Questions 16 and 18. Any fractional Shares held in the Plan at the time of withdrawal will be converted to cash on the basis of the then current market price of the Common Stock (determined in accordance with the procedures described in response to Question 10 in connection with determining the Purchase Price of Shares purchased directly

from Orrstown) on the date the Participant's written notice of withdrawal is received by the Administrator.

21. Will participation end automatically on the Participant's death or incompetence?

Participation in the Plan will not terminate automatically upon the death or incompetence of the Participant, even if Orrstown or the Administrator is aware of such event. However, the Participant's legal representative or successor may terminate further participation in the Plan at any time.

FEDERAL TAXES

22. What are the principal federal income tax consequences of participating in the Plan?

A Participant will be treated as having received dividend income equal to the aggregate Purchase Price on the Investment Date of Shares acquired directly from Orrstown with reinvested dividends on the Participant's Participating Shares. In the case of Shares acquired on the open market with reinvested dividends, a Participant will be treated as having received dividend income equal to the aggregate Purchase Prices of the Shares, plus the Participant's share of any broker fees paid by Orrstown. Thus, a Participant recognizes dividend income even though these amounts are not actually received by the Participant in cash, but are applied to the purchase of Shares for the Participant's Plan account. In the case of corporate Shareholders, dividends received under the Plan may be eligible for the dividends-received deduction.

A Participant's tax basis in the Shares acquired with reinvested dividends will include any amount the Participant is treated as having received as a dividend. The holding period for such Shares will begin the day after the date that the Shares are purchased.

When a Participant receives certificates for whole Shares that were credited to the Participant's Plan account, the Participant will not realize any taxable income. However, a Participant who receives a cash adjustment for a fraction of a Share may realize gain or loss with respect to such fraction equal to the difference between the cash adjustment and the Participant's tax basis in such fraction. Gain or loss also may be realized by the Participant when whole Shares are sold, either pursuant to the Participant's request, upon withdrawal from the Plan or by the Participant after withdrawal from the Plan. The amount of such gain or loss will be the difference between the amount realized by the Participant for the Shares and the Participant's tax basis in the Shares. Such gain or loss generally will be capital gain or loss if the Shares disposed of were held as capital assets by the Participant, and will be long-term capital gain or loss if the Shares disposed of were held for more than one year at the date of sale.

A Participant (other than certain exempt stockholders who establish the exemption to the Administrator's satisfaction, including, among others, all corporations and certain foreign individuals and entities) may be subject to 31% backup withholding on dividend income or proceeds from the sale of fractional or whole Shares held in the Plan unless the Participant provides to the Administrator its federal taxpayer identification number or social security number (TIN). Backup withholding may also apply if the IRS notifies Orrstown of under-reporting of interest or dividend income by the Participant. If backup withholding is required on dividend income, the Administrator will reinvest dividends net of the amount of tax

withheld. In order to avoid backup withholding, a Participant must provide the Administrator with the Participant's correct TIN on Form W-9 or a substitute Form W-9 provided by the Administrator (or Form W-8, Certificate of Foreign Status, with respect to certain foreign Participants). Copies of these forms may be obtained from the Administrator.

In the case of those foreign Participants whose dividends are subject to U.S. income tax withholding, the amount of tax to be withheld will be deducted from the amount of dividends available to be reinvested under the Plan.

The foregoing discussion is a summary of the principal federal income tax consequences of participating in the Plan and does not constitute tax advice. This summary is based on the current state of federal law and does not take into account possible changes in such law. Any such changes may have retroactive effect and may adversely affect the discussion in this summary. This summary does not address the special tax consequences that may be applicable to certain Participants subject to special tax treatment (including tax-exempt organizations, broker dealers, and foreign Shareholders). Participants should consult with their own tax advisors for further information with respect to the federal, foreign, state or local tax consequences of participation in the Plan.

OTHER PROVISIONS

23. What happens if a Participant disposes of or acquires additional Shares?

If a Participant has elected the Full Dividend Reinvestment option under the Plan (see Question 6) and subsequently sells or transfers all or any part of the Shares registered in the Participant's name, automatic dividend reinvestment will continue as long as there are Shares registered in the name of the Participant or held for the Participant in the Plan by the Administrator or until termination of enrollment. Similarly, if a Participant has elected the Full Dividend Reinvestment option under the Plan and subsequently acquires additional Shares registered in the Participant's name, dividends paid on such Shares will automatically be reinvested until termination of enrollment or until other instructions are given. If, however, a Participant has elected the Partial Dividend Reinvestment option and subsequently acquires additional Shares which are registered in the Participant's name, dividends on such additional Shares will not be reinvested automatically under the Plan unless the Participant subsequently enrolls such Shares under the Plan. (See Question 6.) If a Participant has elected the Partial Dividend Reinvestment option and sells Shares, reinvestment will continue on the full number of Participating Shares as long as the Participant owns at least the number of Participating Shares previously specified, or on the number of Shares the Participant continues to own, if the Participant owns less than the number previously specified.

24. May Shares in the Plan be pledged?

Shares in the Plan may not be pledged and any purported pledge will be void. If you wish to pledge such Shares, you must first withdraw them from the Plan.

25. How will a Participant's Shares be voted?

In connection with the exercise of Shareholder voting rights, each Participant will receive proxy materials enabling the Participant to vote the Shares held by the Participant directly and the whole Shares held for the Participant's account by the Administrator. All whole Shares held by the Administrator will be voted by the Administrator as designated by the Participant on the proxy card. Fractional shares may not be voted. If a Participant does

not vote by proxy or in person and does not otherwise instruct the Plan to the contrary, Shares held for the Participant's account by the Administrator will not be voted.

If the Participant owns Shares of Orrstown's Common stock that are not deposited with the Administrator, the Participant may vote those Shares in the normal manner, even if they are Participating Shares; the Administrator will not be involved in the voting of such Shares.

26. Who pays the expenses of the Plan?

There are no brokerage commissions or service charges on Shares purchased directly from Orrstown for a Participant's account. Brokerage fees on Shares purchased on the open market for a Participant's account will be paid by Orrstown and, for tax purposes, these fees will be considered as additional dividend income to the Participants. All costs of administering the Plan will be paid by Orrstown, except as stated below and except for brokerage commissions in connection with sales under the Plan and the costs of any broker, bank or other nominee (other than the Administrator) which holds Shares on behalf of a Participant. When full or fractional Shares are sold for a Participant's account, the Plan will first deduct any applicable brokerage commissions and taxes before remitting the balance to the Participant.

27. What are the responsibilities of Orrstown and the Administrator under the Plan?

Neither Orrstown nor the Administrator has any duties, responsibilities or liabilities except those expressly set forth in the Plan, or as imposed by applicable legal requirements including, without limitation, the federal securities laws.

THE PARTICIPANT SHOULD RECOGNIZE THAT NEITHER ORRSTOWN OR THE ADMINISTRATOR CAN ASSURE A PROFIT OR PROTECT AGAINST A LOSS ON THE SHARES PURCHASED OR SOLD FOR A PARTICIPANT UNDER THE PLAN.

28. What happens if Orrstown issues a stock dividend or declares a stock split or makes a rights offering?

Any Shares of Common Stock distributed by Orrstown as a result of a stock dividend or a stock split on Plan Shares or Safekeeping Shares held under the Plan for a Participant will be credited to the Participant's account as additional Plan Shares or Safekeeping Shares, respectively.

With respect to Shares issued through stock dividends or splits on Participating Shares not held by the Administrator: (a) if the Participant has elected the Full Dividend Reinvestment option (see Question 6), the newly issued Shares will become Participating Shares automatically, and (b) if the Participant has elected the Partial Dividend Reinvestment option (see Question 7), the newly issued Shares will not become Participating Shares unless the Participant subsequently enrolls such Shares under the Plan.

In the event that Orrstown makes rights available to holders of its Common Stock to purchase additional Shares or other securities, the rights issuable with respect to the Plan Shares and Safekeeping Shares will be distributed directly to the Participants, who will be free to exercise or otherwise dispose of the rights. If a Participant has elected the Full Dividend Reinvestment option, any Common Stock acquired by the Participant on the exercise of rights will become Participating Shares automatically. If a Participant has elected the Partial Dividend Reinvestment option, any Common Stock acquired by the exercise of

rights will not become Participating Shares unless the Participant subsequently enrolls such Shares under the Plan.

29. How many Shares are available for purchase under the Plan?

The 1998 Plan provided for the purchase of up to 200,000 Shares of Orrstown's Common Stock directly from Orrstown, whether such Shares are held as treasury Shares or are authorized but unissued Shares. Following a 2 for 1 stock split effectuated November 21, 1998, and a 7% stock dividend on whole Shares as of November 1, 1999, the total number of shares authorized under 1998 Plan and the Plan is 430,000. After purchases through November 30, 1999, there are 414,782 shares remaining and authorized for issuance under the Plan. Such number will be further adjusted automatically in the event of a change in the capitalization of Orrstown arising out of any stock dividend, stock split, split-off, spin-off, recapitalization, merger, consolidation, exchange of shares or similar event which causes shares of any class to be issued in respect of the outstanding shares of Orrstown's Common Stock or causes shares of Orrstown's Common Stock to be changed into the same or a different number of the same or another class or classes of securities.

30. May the Plan be changed or terminated?

Orrstown intends the Plan to continue indefinitely. However, Orrstown reserves the right to amend, modify, suspend or terminate the Plan at any time. Participants will be notified in writing of any material changes in the Plan.

USE OF PROCEEDS

The proceeds to Orrstown from Shares of Common Stock sold by it pursuant to the Plan will be used for general corporate purposes.

INDEMNIFICATION UNDER THE SECURITIES ACT

Except in limited circumstances, Orrstown is required by provisions in its By-laws to indemnify its directors and officers against liability incurred by them as a result of their service in those capacities. Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, may be permitted to directors, officers or persons controlling Orrstown pursuant to such provisions, Orrstown has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable.

LEGAL OPINION

Rhoads & Sinon LLP, Harrisburg, Pennsylvania has rendered an opinion that Shares issued by Orrstown pursuant to the terms of the Plan will be duly authorized, fully paid and non-assessable.

EXPERTS

The consolidated financial statements and schedules incorporated by reference in this Prospectus and elsewhere in the Registration Statement to the extent and for the periods indicated in their reports have been audited by Smith Elliott Kearns & Company LLC, independent public accountants, and are incorporated herein in reliance upon the authority of said firm as experts in giving said reports.

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ORRSTOWN
FINANCIAL SERVICES, INC.
A Tradition of Excellence

Prospectus Supplement No. 1
(to Prospectus dated December 10, 1999)

TO: Participants in the Stockholder Dividend Reinvestment and Stock Purchase Plan

Pursuant to authority provided in the Plan, the Board of Directors has taken action to suspend the Voluntary Cash Contribution investment option under the Company's Stockholder Dividend Reinvestment and Stock Purchase Plan, effective February 1, 2002. Beginning February 1, 2002, Plan participants will no longer be permitted to make voluntary cash contributions for the purchase of additional stock under the Plan.

The Full and Partial Dividend Reinvestment options will continue in effect as originally established. If you currently participate in the Plan and reinvest dividends and wish to continue to do so, no action is required by you. Cash dividends will continue to be reinvested according to your previous instructions. As a Plan participant, we encourage you to continue reinvesting your cash dividends into additional shares of Company stock.

The decision to suspend the Voluntary Cash Contribution investment option was made by the Board of Directors after a diligent review and analysis of the Company's current and anticipated capital position. It was determined that satisfactory levels of capital are being maintained through growth in net income and from reinvestment of cash dividends by shareholders. If in the future the Board of Directors determines to reinstate the Voluntary Cash Contribution investment option, all Plan participants will be notified.

If you have any questions, please do not hesitate to contact the Plan Administrator at the address and telephone number shown below. Thank you for your continued interest in Orrstown Financial Services, Inc.

This Prospectus Supplement should be read in conjunction with our Prospectus dated December 10, 1999 relating to the Orrstown Financial Services, Inc. Dividend Reinvestment and Stock Purchase Plan. A copy of the Prospectus may be obtained from the Plan Administrator.

Registrar and Transfer Company
10 Commerce Drive
Cranford, NJ 07016
Attn: Dividend Reinvestment Department
Telephone: 800.368.5948
Email: www.rtc.com

The date of this Prospectus Supplement is January 24, 2002



ORRSTOWN
FINANCIAL SERVICES, INC.
A Tradition of Excellence

Prospectus Supplement No. 2
(to Prospectus dated December 10, 1999)

TO: Participants in the Stockholder Dividend Reinvestment and Stock Purchase Plan

Pursuant to authority provided in the Plan, the Board of Directors has taken action to reinstate the *Voluntary Cash Contribution* investment option under the Company's Stockholder Dividend Reinvestment and Stock Purchase Plan, effective September 1, 2009. Beginning September 1, 2009, Plan participants will again be permitted to make voluntary cash contributions for the purchase of additional stock in accordance with the terms of the Plan, as described in the Prospectus dated December 10, 1999. Additionally, the *Full* and *Partial Dividend Reinvestment* options will continue as currently in effect.

As more particularly described on page 9 of the Prospectus under the heading "Voluntary Cash Contributions", shareholders who have elected to have dividends reinvested in accordance with the Plan may also elect to make voluntary cash contributions to be applied to the purchase of shares of Orrstown common stock on a quarterly basis. Such contributions may not be less than \$100 or more than \$2,500 per quarter.

If you have any questions, please do not hesitate to contact the Plan Administrator at the address and telephone number shown below. In order to participate, please complete the enclosed Authorization and Enrollment Form and return it to the Plan Administrator in the provided return envelope. Thank you for your continued interest in Orrstown Financial Services, Inc.

This Prospectus Supplement No. 2 should be read in conjunction with our Prospectus dated December 10, 1999 relating to the Orrstown Financial Services, Inc. Dividend Reinvestment and Stock Purchase Plan. A copy of the Prospectus may be obtained from the Plan Administrator. This Prospectus Supplement supercedes Prospectus Supplement No. 1 dated January 24, 2002 in its entirety.

Plan Administrator:
Registrar and Transfer Company
10 Commerce Drive
Cranford, NJ 07016
Attn: Dividend Reinvestment Department
1-800-368-5948

The date of this Prospectus Supplement No. 2 is August 24, 2009