

# AGREEMENT OF MERGER

## PREAMBLE

National Mutual Benefit (“NMB”) and Western Fraternal Life Association (“WFLA”) are fraternal benefit societies providing insurance and other fraternal benefits to their members and their communities.

The Boards of Directors of NMB and WFLA have determined that the Parties share a common purpose and values.

The Boards of Directors of NMB and WFLA deem it advisable and in the best interests of the Parties and their respective members that NMB merge with and into WFLA pursuant to the terms and conditions set forth in this Agreement.

THIS AGREEMENT OF MERGER (“Agreement”) is entered into this 24th day of January, 2020, by and between National Mutual Benefit, a Wisconsin fraternal benefit society with its principal place of business at Madison, Wisconsin (“NMB”), and Western Fraternal Life Association, an Iowa fraternal benefit society with its principal place of business at Cedar Rapids, Iowa (“WFLA”). Such corporations are hereinafter collectively referred to as the “Parties.”

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter set forth, and for the purpose of stating the terms and conditions of the Merger, the Parties agree as follows:

## ARTICLE ONE MERGER AND CLOSING

Section 1.01 Merger and Effective Time. In accordance with the provisions of Applicable Law and subject to the terms and conditions of this Agreement, NMB, shall be merged with and into WFLA (the “Merger”) as of 12:00 a.m. central standard time on January 1, 2021, or at such later time as the Parties may agree to specify in the Articles of Merger (the “Effective Time”).

Section 1.02 Effect of Merger. On the Effective Time, in accordance with and to the maximum extent of Applicable Law, the Parties shall be merged into a single corporation and the separate existence of NMB shall cease and WFLA will survive (the “Consolidated Society”). The rights, privileges and interests of the Parties, and all property, real, personal and mixed, and all debts due to the Parties on whatever account, including without limitation, premiums, the rights and obligations of any member or employee of the Parties, and other choses in action belonging to the Parties, shall be taken and be deemed invested in the Consolidated Society without further act or deed. All property, rights, privileges and franchises, and every other interest shall be thereafter the property of the Consolidated Society as they were of the Parties. The title to any real estate or interest therein, vested by deed or otherwise in the Parties, shall not revert or be in any way impaired by

reason of the Merger. The Consolidated Society shall thenceforth be responsible and liable for all the liabilities and obligations of the Parties, including without limitation, the Parties’ obligations to fund and perform on benefit contracts issued by the Parties to their members, any agreements between the Parties and third parties, such as reinsurers, vendors, lessors or employees, the rights and obligations of any employee, including any liability accruing under an employment agreement entered into by the Parties and any Parties’ pension plan. The rights of the creditors of the Parties, or of any persons dealing with the Parties, shall not be impaired by the Merger and any claim existing or action or proceeding pending by or on behalf of the Parties may be prosecuted to judgment as if the Merger had not taken place, or the Consolidated Society may be proceeded against or substituted in its place.

Section 1.03 Domicile. As of the Effective Time, the Consolidated Society shall redomesticate to become a Wisconsin-domiciled fraternal benefit society. The Parties agree that such redomestication on and not later than the Effective Time is an essential element of this Agreement. The Parties agree to take all actions necessary to effectuate such redomestication including, but not limited to, seeking necessary Governmental Consents.

Section 1.04 Members. On the Effective Time, the members of NMB and WFLA shall be members of the Consolidated Society, with the rights, obligations and privileges of membership accruing thereto under the Articles of Incorporation and Bylaws of the Consolidated Society. Within ninety (90) days after the Closing Date, the benefit contract(s) for each NMB member that was in effect on the Effective Time shall be endorsed with a Merger Endorsement, in the form agreed to by the Parties in writing prior to the Closing, which shall be attached to and become a part of the benefit contract(s) of each member. Any member who terminates membership in the Consolidated Society and wishes to reapply for membership shall be subject to all requirements for membership in effect for Consolidated Society at the time of such reapplication.

Section 1.05 Abandonment of Merger. Pursuant to the terms of Article Five, at any time prior to the approval of the Merger by the Commissioner of the Iowa Insurance Division and the Commissioner of the Wisconsin Office of the Commissioner of Insurance, notwithstanding the approval thereof by the supreme governing body of each Party, the Merger and all transactions contemplated by this Agreement may be abandoned and this Agreement terminated following proper Notice.

Section 1.06 Closing. The closing of the transactions contemplated by this Agreement (the “Closing”) will take place at the time and place as mutually agreed upon by the Parties, after all conditions to the Parties’ obligations set forth in this Agreement have been satisfied or waived by the Party entitled to the benefit of such condition.

Section 1.07 General Closing Procedures. At the Closing:

Each Party shall execute and deliver to the other Party the following:

- a. A copy of each of (A) the resolution adopted by its Board of Directors (i) authorizing the execution, delivery and performance of this Agreement and the consummation of all of the transactions contemplated, and (ii) attesting that (a) all due action of its supreme governing body has been taken to approve and authorize the Merger pursuant to Applicable Law, and (b) that all actions required by Applicable Law necessary to consummate the transactions contemplated hereby have been completed, (B) the resolution adopted by its supreme governing body authorizing and approving the Merger pursuant to Applicable Law; and (C) its Bylaws together with a certificate executed by its corporate secretary, dated the Closing Date, certifying to the other Party that such copies are true and complete copies of such resolutions and Bylaws, respectively, and that such resolutions and Bylaws were duly adopted and have not been amended or rescinded;
- b. A certificate, dated the Closing Date, and signed by a Party's authorized officer, certifying that the conditions set forth in this Agreement have been satisfied;
- c. A Party's Governmental Consents;
- d. The Articles and Plan of Merger, Fraternal Transition Plan, Representations, Warranties and Covenants, and Employment Plan approved by all due action of a Party; and
- e. Such other certificates, documents and instruments as a Party may reasonably request to effect the transactions contemplated.

NMB shall deliver to WFLA a certified copy of the Articles of Incorporation of NMB, and a certificate of good standing (or document of similar import) evidencing the corporate existence and good standing of NMB in the State of Wisconsin.

WFLA shall deliver to NMB a certified copy of the Articles of Incorporation of WFLA, and a certificate of good standing (or document of similar import) evidencing the corporate existence of WFLA and good standing in Iowa.

Section 1.08 Filing of Articles and Plan of Merger. On the Closing Date, after the satisfaction of the closing procedure set forth in Section 1.07, each Party shall file the Articles and Plan of Merger with the State of Iowa and the State of Wisconsin.

## **ARTICLE TWO GOVERNANCE OF THE CONSOLIDATED SOCIETY**

Section 2.01 Name. The name of Consolidated Society shall be a new name approved by the Boards of Directors of each Party. In the event such new name cannot be finalized prior to the Effective Time, the name of the Consolidated Society shall be Western Fraternal Life Association, until a new name can be implemented by the Consolidated Society. On the latest of (90) days after the Closing Date or (90) days after the effective date of the new name, the benefit contract(s) for each member that was in effect on the Effective Time shall be endorsed with a Name Change Endorsement, in the form agreed to by the Parties in writing prior to the Closing, which shall be attached to and become a part of the benefit contract(s) of each member.

Section 2.02 Articles of Incorporation and Bylaws of the Consolidated Society. On the Effective Time, the attached Articles of Incorporation and Bylaws shall be the Articles of Incorporation and Bylaws of the Consolidated Society.

Section 2.03 Directors. Subject to Section 2.02 above, the Consolidated Society shall have a Board of Directors of ten directors comprised of: the four elected directors of NMB, four of the seven elected directors WFLA and the President and CEO of NMB and the President of WFLA, who are in office on the Effective Time. The four WFLA directors shall be elected by vote of the WFLA supreme governing body prior to the Effective Time. Elected directors shall hold office for a four year term beginning at the Effective Time until their successors are duly elected and qualified pursuant to the Bylaws of the Consolidated Society.

Any vacancies occurring during such four-year period shall be filled by appointment by the Board of the Consolidated Society of a member of a WFLA Lodge for a WFLA director and a member of an NMB Branch for a NMB director in accordance with the Bylaws of the Consolidated Society.

At the expiration of the four-year terms of office of the Directors, the eight elected directors shall be elected by the membership of the Consolidated Society in accordance with the Bylaws of the Consolidated Society. Prior to such election, the Board shall appoint a nominating committee comprised of two directors who were NMB directors and two directors who were WFLA directors prior to the Effective Time. Such nominating committee shall seek qualified candidates, obtain information about the candidates' background and credentials, and share such information with the benefit members of the Consolidated Society. The four candidates receiving the highest number of votes shall be elected for a four-year term and the four candidates receiving the next highest number of votes shall be elected for a two-year term.

Section 2.04 Board Officers and Committees. Board officers and committees will be determined by the Board of the Consolidated Society in accordance with the Bylaws of the Consolidated Society.

Section 2.05 Executive Officers. The President and CEO of NMB will be the Chief Executive Officer of the Consolidated Society and the President of WFLA will be the President of the Consolidated Society, subject to the selection and removal as provided for by the Consolidated Society's Bylaws. Such principal officers shall have such duties and responsibilities as determined by the Board of the Consolidated Society. Other executive officers may be appointed by the Board of the Consolidated Society in accordance with the Bylaws of the Consolidated Society.

Section 2.06 Branches and Lodges. Each of NMB's Branches and each of WFLA's Lodges, as constituted immediately prior to the Effective Time, shall be a Chapter of the Consolidated Society at the Effective Time. Operations of such Branches and Lodges will be subject to the terms of a plan approved in writing by the Parties ("Fraternal Transition Plan").

Section 2.07 Offices. The home office of the Consolidated Society as of the Effective Time shall be the home office of NMB in Madison Wisconsin. The Consolidated Society shall maintain an office in Cedar Rapids, Iowa for the period of time deemed by the Board to be in the best interests of the Consolidated Society.

Section 2.08 Employees. NMB and WFLA will develop and agree to a plan for employment of NMB and WFLA employees (the "Employment Plan"). The Employment Plan shall outline terms, benefits, and expectations for continuing employment of employees following the Effective Time and terms for severance for employees not continuing employment with the Consolidated Society.

### **ARTICLE THREE ADDITIONAL AGREEMENTS**

Section 3.01 Transaction Expenses. Except as otherwise provided in this Agreement, each Party to this Agreement shall bear all of its transaction expenses, regardless of whether the transaction is consummated. This includes all fees and expenses relating to the transaction, including the negotiation of this Agreement, the performance of any obligations under this Agreement and all ancillary agreements hereto, and the consummation of the transactions contemplated hereby and thereby (including, without limitation, the fees and expenses of any attorneys, accountants, financial advisors or other advisors).

Section 3.02 Further Assurances. Each Party to this Agreement shall take all reasonably appropriate action and execute any additional documents, instruments and conveyances of any kind which may be reasonably necessary to carry out any of the provisions of this Agreement or consummate any of the transactions contemplated hereby or thereby.

Section 3.03 Confidentiality. Except as required by Applicable Law, the Parties to this Agreement shall hold, and shall cause each of their directors, officers, employees, accountants, counsel, financial advisors and other representatives

and affiliates to hold, any non-public information obtained from the other Party, or their affiliates, advisors and other agents in confidence to the extent required by, and in accordance with the provisions of, the confidentiality agreement dated February 15, 2019, and entered into by and between NMB and WFLA (the "Confidentiality Agreement"), provided, however, that the obligations of the Consolidated Society under the Confidentiality Agreement shall expire on the Closing Date as to all Confidential Information, except to the extent that disclosure of such information is prohibited by Applicable Law.

### **ARTICLE FOUR CLOSING CONDITIONS**

Section 4.01 Conditions to a Party's Obligations. The obligations of a Party to consummate the transactions contemplated by this Agreement are subject to the satisfaction of the following conditions at or before the Closing Date:

- a. Representations, Warranties and Covenants. The representations and warranties of the other Party shall be true and correct as of the date of this Agreement and, except for any such representations and warranties that only speak as an earlier specified date, as of the Closing Date with the same force and effect as though made on and as of the Closing Date, except for such failures of such representations and warranties to be true and correct (without regard to any materiality qualifier set forth in such representations and warranties) as would not, individually or in the aggregate, have a Material Adverse Effect. Each Party shall have performed or complied in all respects with all covenants and agreements of the Party to be performed or complied with on or prior to the Closing Date.
- b. Government Consents. All Government Consents that are required for the consummation of the transactions contemplated by this Agreement have been obtained and shall be in full force and effect.
- c. Consents. Any required third-party consents shall have been obtained and shall be in full force and effect; provided, however, that any such consents not obtained by a Party, but waived by the other Party, shall not be an unfulfilled condition.
- d. No Prohibitions. There shall not be pending any action or proceeding, before any Governmental Entity, (i) challenging or seeking to make illegal, or to delay or otherwise directly or indirectly restrain or prohibit, the consummation of the transactions contemplated hereby or seeking to obtain material damages in connection with such transactions, (ii) seeking to prohibit direct or indirect ownership or operation by the Consolidated Society of all or a material portion of either Party's assets as a result of the transactions contemplated hereby, (iii) seeking to invalidate or render unenforceable any material provision of this Agreement or (iv) otherwise relating to and materially adversely affecting the transactions contemplated hereby.

- e. Material Adverse Effect. There shall not have occurred between the date of this Agreement and the Closing Date any Material Adverse Effect.
- f. Liens. Any Lien on the assets of either Party (other than Liens permitted in writing by the other Party) shall have been released.
- g. Authorization of Supreme Governing Body. Each Party's supreme governing body, by a resolution duly adopted, has approved this Agreement and the transactions hereby contemplated pursuant to Applicable Law and their Articles of Incorporation and Bylaws.
- h. WFLA Certificates of Authority. WFLA shall have a Certificate of Authority in effect in all states in which NMB is licensed to do business or a waiver from such states, permitting the Consolidated Society to assume and service all NMB certificates issued in such states

**ARTICLE FIVE  
TERMINATION**

Section 5.01 Termination. This Agreement and the Merger contemplated thereby may be terminated at any time prior to the Closing Date as follows:

- a. by the mutual written consent of WFLA and NMB;
- b. by either WFLA or NMB if there has been a material misrepresentation, material breach of warranty or breach of covenant on the part of the other Party in the representations, warranties and covenants agreed to by the Parties that has not been cured within thirty (30) days after receipt of written notice of such misrepresentation or breach, but only to the extent that such misrepresentation or breach would have a Material Adverse Effect, provided, however, the Party in breach shall have no right to terminate the Agreement under this Section 5.01(b);
- c. by either WFLA or NMB if the transactions contemplated hereby have not been consummated by January 1, 2021, which time shall be extended by up to thirty (30) days if notice of a misrepresentation or breach is given under Section 5.01(b) and the Party to whom notice is directed is making a diligent effort to cure such breach or misrepresentations; provided, however, that a Party shall not be entitled to terminate this Agreement pursuant to this Section 5.01(c) if such Party's breach of this Agreement has prevented the consummation of the transactions contemplated by this Agreement; or
- d. by either Party, if there shall be any order, injunction or decree of any Governmental Entity which prohibits or restrains either Party from consummating the transactions contemplated hereby, and such order, injunction or decree shall have become final and nonappealable; provided, however, that prior to termination under this 5.01(d), the Party seeking to terminate this Agreement shall have used all reasonable efforts to have such order, injunction

or decree vacated.

Section 5.02 Effect of Termination.

- a. In the event of the termination of this Agreement by either WFLA or NMB as provided in Section 5.01, all provisions of this Agreement shall terminate, and there shall be no liability on the part of WFLA or NMB or their respective members, officers, directors, or agents except that the Parties shall remain liable for breaches of this Agreement occurring prior to the time of such termination, and except that the provisions of Section 3.03 of this Agreement shall survive any such termination.
- b. Each Party will promptly cause to be returned to the other Party all documents and information obtained in connection with Agreement and the transactions contemplated by this Agreement and all documents and information obtained in connection with that Party's investigations of the operation and financial and legal affairs of the other Party, including any copies made by a Party or any of their representatives of any such documents or information.

**ARTICLE SIX  
CONTINUATION AND SURVIVAL OF REPRESENTATIONS  
AND WARRANTIES**

Section 6.01 Continuation and Survival of Representations and Warranties. The representations and warranties agreed to by the Parties shall continue and survive until the Closing Date (the "Survival Period").

**ARTICLE SEVEN  
MISCELLANEOUS**

Section 7.01 Press Releases and Announcements. Prior to the Closing Date, the Parties shall cooperate to prepare a press release for issuance upon the Closing, announcing the consummation of the transactions contemplated herein. Other than the foregoing, no Party hereto shall issue any press release (or make any other public announcement) related to this Agreement or the transactions contemplated hereby without prior written approval of the other Party, except to the extent that the Party reasonably determines that any such press release or other announcement is necessary in order to comply with any Applicable Law, in which case such Party shall consult the other prior to issuing such press release or other announcement.

Section 7.02 Amendment and Waiver. This Agreement may not be amended or waived except in a writing executed by the Party against which such amendment or waiver is sought to be enforced. No course of dealing between or among any persons having any interest in this Agreement will be deemed effective to modify or amend any part of this Agreement or any rights or obligations of any person under or by reason of this Agreement.

Section 7.03 Notices. All notices, demands and other communications to be given or delivered under or by reason

of the provisions of this Agreement will be in writing and will be deemed to have been given when personally delivered or three days after being mailed, if mailed by first class mail, return receipt requested, or when receipt is acknowledged, if sent by facsimile or other electronic transmission device. Notices, demands and communications to WFLA or NMB will, unless another address is specified in writing, be sent to the address indicated below:

Notices to WFLA:

Craig Van Dyke  
President  
Western Fraternal Life Association  
1900 First Avenue NE  
Cedar Rapids, IA 52402

With a copy (which shall not constitute Notice) to:

Todd Martin  
Stinson LLP  
50 South Sixth Street  
Minneapolis, MN 55402

Notices to NMB:

Daniel Shinnick  
President and CEO  
National Mutual Benefit  
6522 Grand Teton Plaza  
Madison, WI 53719

With a copy (which shall not constitute Notice) to:

Noreen Parrett  
Parrett LLP  
10 East Doty Street, Suite 403  
Madison, WI 53703

Section 7.04 Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns, and neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by any Party hereto without the prior written consent of the other Party hereto.

Section 7.05 Third-Party Beneficiaries. Except for those rights and liabilities assumed by or vested in the Consolidated Society pursuant to Section 1.02 or Applicable Law, nothing in this Agreement shall confer any rights upon or create any liabilities in any person or entity that is not a Party or permitted assignee of a Party to this Agreement.

Section 7.06 Severability. Whenever possible, each provision of this Agreement will be interpreted in such a manner as to be effective and valid under Applicable Law, but if any provision of this Agreement is held to be prohibited by or invalid under Applicable Law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

Section 7.07 Complete Agreement. This Agreement and the other documents referred to herein contain the complete agreement of the Parties and supersede any prior understandings, agreements or representations by or among the Parties, written or oral, which may have related to the subject matter hereof in any way; provided, however, the Confidentiality Agreement shall survive the execution and delivery of this Agreement. The section, paragraph and other headings of this Agreement are for reference purposes and shall not affect the meaning or interpretation of the Agreement.

Section 7.08 Time of Essence. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

Section 7.09 Signatures; Counterparts. This Agreement may be executed in one or more counterparts, any one of which need not contain the signatures of more than one Party, but all such counterparts taken together will constitute one and the same instrument. A facsimile or electronic signature will be considered an original signature.

Section 7.10 Governing Law. The internal Applicable Law, without regard for conflicts of laws principles, of the State of Wisconsin will govern all questions concerning the construction, validity and interpretation of this Agreement and the performance of the obligations imposed by this Agreement.

## ARTICLE EIGHT DEFINITIONS

Section 8.01 Definitions. The following terms have the following meanings for purposes of this Agreement:

“Agreement” has the meaning specified in the introductory paragraph.

“Applicable Law” means any constitution, law, ordinance, rule, principle of common law, regulation, statute, treaty, order, judgment, decree or injunction or other requirements of any jurisdiction applicable.

“Closing” has the meaning specified in Section 1.06.

“Closing Date” means the date on which the Closing occurs.

“Confidentiality Agreement” has the meaning specified in Section 3.03

“Effective Time” has the meaning specified in Section 1.01.

“Fraternal Transition Plan” has the meaning specified in Section 2.06

“Governmental Entity” means any federal, state, local, foreign, international or multinational entity or authority exercising executive, legislative, judicial, regulatory, administrative or taxing functions of or pertaining to government.

“Lien” means any charge, claim, condition, equitable interest, lien, option, pledge, security interest, right of first refusal or

restriction of any kind.

“Material Adverse Effect” means a material adverse effect on (i) the financial condition or results of operation of a Party which is reasonably expected to exceed 1% of the current surplus of such Party or (ii) the ability of a Party to consummate the transactions contemplated by this Agreement, other than (a) any material change in the financial, banking, currency or capital markets; (b) conditions and events generally affecting the insurance and reinsurance industry; and (c) conditions or effects resulting from or relating to announcement of this Agreement or the transactions contemplated herein or therein; and (d) any material change in Applicable Law or regulation, including law, regulatory and accounting standards relating to insurance.

“Merger” has the meaning set forth in Section 1.01.

“NMB” means National Mutual Benefit.

“Parties” has the meaning set forth in the opening paragraph.

“Consolidated Society” has the meaning set forth in Section 1.02.

“WFLA” means Western Fraternal Life Association.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

NATIONAL MUTUAL BENEFIT

By:   
Daniel Shinnick  
President and CEO

Witness: 

WESTERN FRATERNAL LIFE ASSOCIATION

By:   
Craig Van Dyke  
President

Witness: 

# FRATERNAL TRANSITION PLAN

National Mutual Benefit (“NMB”) and Western Fraternal Life Association (“WFLA”) share a common purpose and values and deem it advisable and in the best interests of the Parties and their respective members to merge into one Consolidated Society as described in the Agreement of Merger. NMB and WFLA wish to provide for continuation and expansion of member engagement and the activities of the Branches of NMB (“Branches”) and the Lodges of WFLA (“Lodges”) following the Effective Time of the Agreement of Merger. This Fraternal Transition Plan will apply for the period beginning at the Effective Time and continuing until January 1, 2024 (the “Transition Period”).

During the Transition Period, the Fraternal Board (Section 3) and other member leaders will work with the Consolidated Society to develop ongoing plans and programs to:

- Continue and expand the activities and outreach of Branches and Lodges
- Increase member engagement
- Collaborate to expand fraternal impact for members and their communities in the future

## SECTION 1 - WESTERN FRATERNAL LIFE LODGES

### 1.1 Continuation of WFLA Lodges

At the Effective Time, all WFLA Lodges will continue with the Consolidated Society. There will be no required changes to leadership, membership, property, finances, or permitted activities. Active WFLA Lodges will not be required to merge with any other Lodge or Branch. WFLA Lodges will keep their existing Lodge number and may be referred to as WFLA Lodge #.

### 1.2 Continuation of WFLA Districts

At the Effective Time, all seven WFLA Districts will continue as Districts of the Consolidated Society. The Districts will work with the Fraternal Board and the home office to continue to support their Lodges. Each District will be represented on the Fraternal Board by a District representative.

### 1.3 Support of Czech and Slovak Culture, History and Heritage

Each WFLA Lodge and District is encouraged to continue to support and promote Czech and Slovak culture, history and heritage, in addition to other charitable and fraternal activities.

## SECTION 2 - NATIONAL MUTUAL BENEFIT BRANCHES

### 2.1 Continuation of NMB Branches

At the Effective Time, all NMB Branches will continue with the Consolidated Society. There will be no required changes to leadership, membership, property, finances or permitted activities. Active NMB Branches will not be required to merge with any other Lodge or Branch. NMB Branches will keep their existing Branch number and may be referred to as NMB Branch #.

## SECTION 3 - FRATERNAL BOARD

### 3.1 Fraternal Board Composition

At the Effective Time, there will be a Fraternal Board comprised as follows:

- a. The 3 WFLA District Directors who are not elected to the Board of Directors of the Consolidated Society;
- b. 1 member of the WFLA Pre-Convention Committee from each of the other 4 Districts elected by the District; and
- c. 7 NMB members selected by the NMB Board of Directors.

In the event of a vacancy in the Fraternal Board for one of the WFLA District representatives, such vacancy shall be filled by election of the District by a Pre-Convention Committee member or alternate from that District, or if none are available, by another member of the District.

In the event of a vacancy in the fraternal board for one of the NMB representatives, such vacancy shall be filled by vote of the members of the Board of Directors assigned to NMB.

### 3.2 Fraternal Board Duties

The Fraternal Board will provide support and advice on Lodge/Branch matters and provide recommendations to the Consolidated Society on ways to continue to encourage and promote Lodge/Branch activities and expand engagement of members. The Fraternal Board will gather input from members and work closely and cooperatively with the home office and other member leaders. The Fraternal Board will also perform such other duties as are outlined in the Fraternal Board Charter as approved by the Board of Directors of the Consolidated Society.

### 3.3 Fraternal Board Compensation and Expense Reimbursement

The Board of Directors will set compensation and expense reimbursement for the Fraternal Board members.

## **SECTION 4 – MEMBER MEETINGS**

### 4.1 Annual Member Meetings

The Consolidated Society will continue to conduct annual member meetings (“Member Meetings”). Leaders of WFLA Lodges and NMB Branches will be invited to attend in accordance with procedures established by the Board of Directors. In addition, the Fraternal Board and other members and guests approved by the Board of Directors may attend the Member Meetings. Among other things, at Member Meetings the Fraternal Board will provide a forum to discuss fraternal plans and programs to continue and expand NMB Branch and WFLA Lodge activities and member engagement in the future.

### 4.2 WFLA State Meetings

The WFLA Lodges may continue to conduct WFLA State meetings. The time, location, and agenda of these WFLA State meetings will be determined by the WFLA Lodge leadership.

### 4.3 National Convention

The Consolidated Society will conduct a national convention (“Convention”) in 2022 in Cedar Rapids, Iowa to celebrate the 125 anniversary of the society. Each WFLA Lodge will be entitled to elect and send delegates to the WFLA Convention in accordance with the rules established in the WFLA bylaws immediately prior to the Effective Time. Each NMB Branch will be entitled to send delegates in accordance with procedures established by the members of the Board of Directors’ who are assigned to NMB. In addition, the Fraternal Board and other members and guests approved by the Board of Directors may attend the Convention. The Convention will provide a forum to discuss fraternal plans and programs to continue and expand WFLA Lodge and NMB Branch activities and member engagement in the future and to share organization updates from the Board and other leadership of the Consolidated Society.

## **SECTION 5 - BRANCH/ LODGE SUPPORT PROGRAMS**

After the Effective Time, the Consolidated Society will continue the Branch/ Lodge support programs in place for the respective Branches/ Lodges prior to the Effective Time until January 1, 2022. Such programs will be combined and continued in consultation with the Fraternal Board as of this time. This will not prevent the Consolidated Society from providing additional benefits and support for Branches and Lodges during the Transition Period.

# ARTICLES OF INCORPORATION & BYLAWS

## ARTICLES OF INCORPORATION OF [NEW SOCIETY NAME OR WESTERN FRATERNAL LIFE ASSOCIATION]

### ARTICLE I. NAME

The name of this fraternal benefit society shall be [New Society Name or Western Fraternal Life Association] (the "Society")

### ARTICLE II. PLACE OF BUSINESS

The Society's principal office shall be in the City of Madison, Dane County, Wisconsin.

### ARTICLE III. PURPOSE AND OBJECTIVES

- (a) The purpose of the Society is to engage in any lawful act or activity for which it is authorized as a fraternal benefit society organized under ch. 614, Wis. Stats., or the laws of any other jurisdiction in which it is authorized to act.
- (b) The objective of the Society is to associate members and their families, and enable them through membership in the Society to aid themselves and others with programs of:
  - (1) Insurance and other benefits permissible under the law governing fraternal benefit societies;
  - (2) Fraternal and benevolent activities in local Chapters; and
  - (3) Any lawful, social, intellectual, educational, charitable, benevolent, moral, fraternal, or patriotic purpose carried on through voluntary activities of its members in their local Chapters or through institutional programs of the Society.

A common bond of membership is provided by support of the following:

- People helping people in time of need. To know and to keep in touch with fellow members so that in time of adversity we may demonstrate sympathy and fellowship that will bind us more closely together;
- Promote and encourage our members to engage in acts of fraternalism, charity, and benevolence for the benefit of members and others;
- Encouragement, cultivation, and preservation of learning and study of Czech, Slovak and other ethnic history, culture, language, and traditions - bearing in grateful and appreciative memory the vision and pioneer spirit of the many Immigrants and their descendants who founded and maintained the association in its earlier years and generations;
- Develop fraternal programs that encourage family togetherness and strengthen the family unit;
- Bring persons of good moral character together, through the lodge system, to provide them with social, intellectual, moral, and physical improvement;
- Support and promote patriotic programs and respect for the flag of our country;
- Assist in programs for the betterment of the communities in which members reside;
- Provide life insurance, disability, and annuity benefits for members and their beneficiaries;
- Through sound management and sound operation, safeguard and protect the interest of the Society's members;
- Maintain the Society through a democratic form of government.

### ARTICLE IV. LODGES

Name Designation. The local lodges required of the Society under the laws governing fraternal benefit societies shall be called "Chapters" in these Articles of Incorporation and in the Bylaws.

### ARTICLE V. CHAPTERS

Chapters. Local Chapters shall be chartered by the Board of Directors in the manner prescribed in the Bylaws and shall have the powers given to them in the Bylaws.

## **ARTICLE VI. BOARD OF DIRECTORS**

The Supreme Governing body of the Society shall be a Board of Directors. Except as otherwise provided by law, these Articles of Incorporation, or the Bylaws, the powers of the corporation shall be exercised by, and the corporate business and affairs shall be managed under, the direction of the Board of Directors, whose number, qualifications, election or appointment and term shall be established in accordance with the Society's Bylaws.

## **ARTICLE VII. MEMBERSHIP**

(a) Classes of Members. There shall be the following classes of members:

- (1) Benefit Member. A Benefit Member is a person who has attained the age of 16 and who is covered by an insurance policy or annuity contract issued by the Society. Benefit Members may participate in the business affairs of the local Chapter in which they are members and may hold office therein. Benefit Members also have the right to vote in the corporate and insurance affairs of the Society according to the Articles of Incorporation and Bylaws.
- (2) Associate Member. An Associate Member is a person who has attained the age of 16 years or more, who has been accepted for membership in accordance with the eligibility rules as determined by resolution of the Board of Directors, but who is not covered by an insurance policy or annuity contract issued by the Society. Associate Members may participate in the affairs and activities of the local Chapter in which they are members and may hold office therein, but shall not have the right to vote in the corporate and insurance affairs of the Society.

(b) Juveniles. The Society may insure the lives and disability of children younger than the minimum age for Benefit Membership. Such insurance shall be issued on the application of an adult person who shall not by reason thereof, nor by reason of any benefit providing waiver of premium, become a Benefit Member. At the age of 16, the insured shall become a Benefit Member.

## **ARTICLE VIII. BYLAWS**

The Board of Directors shall adopt Bylaws and, by a majority vote of the full Board of Directors, shall have the power to make, alter, or repeal the same. Notice of changes to the Bylaws shall be given to the members in the manner prescribed in the Bylaws.

## **ARTICLE IX. AMENDMENT OF ARTICLES**

These Articles of Incorporation may be amended in whole or in part by a majority vote of the full Board of Directors. Upon adoption such changes shall be filed with the Commissioner of Insurance of the State of Wisconsin and shall be published in the Society's official publication in a manner prescribed in the Bylaws.

## **BYLAWS OF [NEW SOCIETY NAME OR WESTERN FRATERNAL LIFE ASSOCIATION]**

### **ARTICLE I. DEFINITIONS**

- (a) "Benefit Member" shall have the same meaning as in Article VII, Paragraph (a)(1) of the Articles of Incorporation.
- (b) "Board" means the Society's Board of Directors.
- (c) "Home office" means the principal office of the Society in Madison, Wisconsin.
- (d) "Society" means [New Society Name or Western Fraternal Life Association]

### **ARTICLE II. LOCAL CHAPTERS**

- (a) Local Chapters may be maintained and created throughout the territories in which the Society is licensed or holds a Certificate of Authority to do business to foster voluntary activity for aiding such lawful, social, ethnic, intellectual, educational, charitable, benevolent, moral, fraternal, or patriotic endeavors as the Chapter may determine in accordance with resolutions of the Board; to provide members with the opportunity to take part in the Society's programs; and to provide the Society's members with an opportunity to participate in its corporate and insurance affairs.
- (b) All Local Chapters accept the Society's Articles of Incorporation, Bylaws, and Chapter Bylaws as prepared by the Board.
- (c) Each Local Chapter shall elect officers and hold regular meetings and carry on its business in accordance with the Society's rules and other regulations adopted by the Board.

- (d) Regular meetings of the Chapter shall be held at least once every three months or at least as frequently as may be required by law. Chapters should engage regularly in member participation to implement the purposes of the Society.
- (e) No officer or member of a Chapter shall have any authority or power to waive, add to, or amend any contract or provision in any contract between the Society and a member or other person.
- (f) The Society shall not be responsible for anything done or omitted to be done by a Local Chapter or any member thereof.
- (g) All Chapters shall be under the control and supervision of the Board. Whenever any controversy shall arise in any Chapter between its officers and members, or on any other matter affecting or touching the administration of the Chapter, if the difficulty cannot be settled or adjudicated by the Chapter, it shall be referred to the Board and the Board's decision in the matter shall be final.
- (h) Whenever the Board deems it in the best interests of the Society or of Local Chapter members, it may merge or consolidate two or more Chapters.
- (i) Chapters are permitted and encouraged to cooperate and support one another through local, regional, state, and district activities, meetings and events.
- (j) The Society will establish a Fraternal Board and/or other member advisory committees to provide input on Chapter and other fraternal matters as determined by the Board of Directors.

### **ARTICLE III. BOARD OF DIRECTORS**

- (a) General Powers. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Society shall be controlled by the Board.
- (b) Number; Term of Office; Qualifications.
  - (1) Number. The Board of Directors shall consist of eight elected Directors, the Chief Executive Officer and the President.
  - (2) Qualifications. All elected Directors must:
    - (i) be a Benefit Member of the Society;
    - (ii) not be an officer or employee of the Society, other than the CEO or President, nor any individual who sells or manages the sale of the Society's insurance;
    - (iii) not be an officer of any life insurance company or other fraternal benefit society; and (vi) meet all other requirements under the law or established by resolution of the Board of Directors.
  - (3) Term. The term of office of each elected Director shall be four years, beginning on the first day of January next following his or her election. Directors may not serve more than three (3) full terms. Any partial term served or service prior to January 1, 2021 will not be counted toward the three full term limit. Each Director shall continue to hold office until his or her term shall have expired and until his or her successor shall have been elected and qualified, or until his or her death, removal, or resignation. Terms of office shall be staggered such that four elected Directors' terms of office shall expire every two years.
  - (4) Special Provisions for Merger between Western Fraternal Life Association and National Mutual Benefit. In accordance with the Agreement of Merger between Western Fraternal Life Association (WFLA) and National Mutual Benefit (NMB), eight elected Directors shall serve a term of office from the Effective Time of the merger until January 1 2025. In 2024, the Society shall hold an election for all eight elected Directors in accordance with the procedures outlined in these Bylaws. The four Directors receiving the highest number of votes shall be elected to four-year terms and the Directors receiving the next four highest number of votes shall be elected to two-year terms.
- (c) Nomination and Election of Outside Directors.
  - (1) Nomination by Nominating Committee. In the years in which the Board stands for election, the Board shall appoint a Nominating Committee of the four directors who are not standing for election. The Nominating Committee shall seek qualified candidates and prepare a slate of four candidates for Director and shall submit its candidates to the Board on the timeline established by the Board. The Nominating Committee for the 2024 election for terms of office beginning January 1, 2025 shall be two Directors who were WFLA directors and two Directors who were NMB directors prior to the Effective Time of the merger and the Nominating Committee shall prepare a slate of eight candidates for Director.

- (2) **Nomination by Benefit Members.** Any two hundred (200) or more Benefit Members may also nominate candidates to succeed the Directors whose terms of office will expire by filing with the Secretary a certificate signed and acknowledged by each such Benefit Member setting forth the full names and addresses of the candidates nominated, the printed name, address and signature of each Benefit Member signing the certificate, and the date each such Benefit Member signed the certificate, and by filing with such certificate the written acceptance of such nomination by each nominee named in such certificate. All certificates must be received by the Secretary at its home office no later than July 31 of each year in which the Board stands for election to be valid.
- (3) **Qualifications.** All persons nominated must meet the qualifications for Director in Paragraph (b)(2) of this Article at both the time of the nomination and the time of the election. No candidate not nominated by the Nominating Committee in the manner provided in paragraph (1) above or by Benefit Members in the manner provided in paragraph (2) above shall be eligible for election.
- (4) **Election.** All nominations in accordance with Paragraph (c)(1), (2) and (3) of this Article shall be placed before the Benefit Members for a vote. Election shall be by written ballot, or such other methods and procedures as the Board shall select. Benefit Members to receive ballots will be those on record in good standing as of August 31 of each year of the election. The slate of candidates and mail or electronic ballots shall be sent to each Benefit Member postmarked or sent no later than September 15 of each year in which the Board stands for election. No ballot postmarked or, if voting is by some other means selected by the Board, received after September 30 of each such year shall be counted in such election. Directors shall be elected by a plurality of the votes cast by the Benefit Members. Each Benefit Member shall have one vote for each Board position subject to election. Cumulative/ proxy voting is not permitted.
- (d) **Chair.** The Board shall elect a Chair from among its members for a term of one (1) year. The Chair shall preside at all meetings of the Board and perform such other duties as may be designated by the Board.
- (e) **Meetings.**
- (1) **Regular Meetings.** The Board shall hold regular meetings at least quarterly.
- (2) **Special Meetings.** Special meetings of the Board shall be held whenever called by the Chair, or by any two Directors then in office.
- (3) **Place of Meetings.** Regular, special, and adjourned meetings shall be held at such time and in such place as is designated by the Board. If no place is fixed for a meeting, the place of that meeting shall be the Society's home office.
- (f) **Notice.** Notice of any regular or special meeting shall be sent to each Director, addressed to the Director at his or her residence or usual place of business at least seven (7) days before the date on which the meeting is to be held; or shall be sent to him or her at such place by facsimile; or be delivered personally or by telephone or by email, not later than four (4) days before the day on which the meeting is to be held. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. Unless otherwise provided by law, by the Articles of Incorporation, or by these Bylaws, neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting.
- (f) **Resignations.** Any Director of the Society may resign at any time by giving written notice to the Chair or to the Secretary. Such resignation shall take effect at the time specified therein or, if the time is not specified, upon receipt thereof; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
- (h) **Removal; Vacancy.** A Director may be removed from office for cause by an affirmative vote of a majority of the full Board at a meeting of the Board called for that purpose. A determination of cause shall be made in the reasonable discretion of the Board. Any vacancy occurring in the Board, including a vacancy created by an increase in the number of Directors, may be filled until the next succeeding regular election by the affirmative vote of a majority of the Directors then in office, although less than a quorum. A vacancy that will occur at a specific later date (by reason of a resignation effective at a later date or otherwise) may be filled before the vacancy occurs as provided above, but the new Director may not take office until the vacancy occurs. Such Directors shall qualify as elected Directors.
- (i) **Waiver of Notice.** Whenever any type of notice is required to be given to any Director under the Articles of Incorporation or Bylaws or any provision of law, a waiver thereof in writing, signed at any time, whether before or after the time of meeting, by the Director entitled to such notice shall be deemed equivalent to the giving of such notice. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, unless that Director objects at the beginning of such meeting, or promptly upon arrival at such meeting, to the transaction of any business because the meeting was not lawfully called or convened and thereafter does not vote or assent to action taken at the meeting. Neither the business to be trans-

acted at, nor the purpose of, any regular or special meeting of the Board need be specified in the waiver of notice of such meeting.

(j) Quorum and Voting.

(1) Quorum. Except as otherwise provided by law or by the Articles of Incorporation or by these Bylaws, a majority of the number of Directors fixed in accordance with these Bylaws, shall constitute a quorum for the transaction of the Society's affairs and business. If a quorum is not present at any meeting of the Board, the Directors present at such meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

(2) Voting. Except as otherwise provided by law or by the Articles of Incorporation or by these Bylaws, the act of a majority of Directors present at a meeting at which a quorum is present shall be the act of the Board.

(k) Meetings by Electronic Communication. Meetings of the Board, or any other meeting of the Society at which minutes are kept, may be conducted through the use of any means of communication 1) by which all participants may simultaneously hear each other during the meeting or 2) by which all communication is immediately transmitted to each participant, and each participant is able to immediately send messages to all other participants. A participant in such meeting is deemed to be present in person at the meeting.

(l) Unanimous Consent Without Meeting. Any action required or permitted by the Articles of Incorporation or by these Bylaws or by any provision of law to be taken by the Board of Directors at a meeting or by resolution, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors entitled to vote with respect to such action.

(m) Conduct of Meetings. The Chair or in his or her absence, a Director in attendance selected by the Board, shall preside at meetings of the Board. The Society's Secretary shall act as secretary of all meetings of the Board, but in the Secretary's absence the presiding officer of the meeting may designate an assistant secretary or any other of the Society's officers to act as secretary of the Meeting.

(n) Rules and Regulations of the Board. The Board may adopt such rules and regulations for the conduct of its meetings and for the management of its affairs as it may deem proper, not inconsistent with applicable law, the Articles of Incorporation or with these Bylaws.

(o) Reasonable Compensation. The Board, by affirmative vote of a majority of the Directors then in office, and irrespective of any personal interest of any of its members, may establish reasonable compensation of all Directors for services to the Society as Directors, or may delegate such authority to an appropriate committee.

(p) Committees. The Board may, by resolution adopted by a majority of the Directors fixed in accordance with these Bylaws, designate one or more committees. Each such committee shall consist of three or more Directors, except the nominating committee which shall be constituted as provided in Paragraph (c) of Article III. The Board may designate one or more Directors as alternate members of a committee who may replace an absent or disqualified member at a meeting of the committee. The Board shall have the power to change the members of any such committee at any time, to fill vacancies on such committee, and to discharge any such committee, either with or without cause, at any time. Except as otherwise provided by law, or to the extent provided in the resolution of the Board or in these Bylaws, a committee designated pursuant to this Article may exercise all powers and authority of the Board delegated to the Committee in managing the business and affairs of the Society. The Board of Directors shall appoint an Audit Committee that shall be responsible for the oversight of the auditors of the Society, the audit of the financial statements of the Society, and other responsibilities delegated to it by the Board from time to time. Audit Committee members shall have a working knowledge of financial matters and shall be elected Directors.

#### **ARTICLE IV. OFFICERS**

(a) Principal Officers; Term of Office. The principal officers of the Society shall consist of the Chief Executive Officer, President, Secretary, Treasurer, and such other officers as the Board may determine. Any of these principal officer positions may be held by the same person, provided that such principal offices are held by at least 3 separate persons. The Chief Executive Officer and the President shall be appointed by the Board. All other principal officers shall be appointed by the Chief Executive Officer or the President and approved by the Board.

(b) Duties.

(1) Chief Executive Officer. The Chief Executive Officer ("CEO") shall perform all duties incident to the position and such

other duties as may be prescribed by the Board of Directors from time to time. Subject to such rules and policies as may be prescribed by the Board of Directors, the CEO shall have authority to appoint and terminate such other officers, agents and employees reporting to the CEO and to delegate authority to them.

- (2) President. The President shall perform all duties incident to the position and such other duties as may be prescribed by the Board of Directors from time to time. Subject to such rules and policies as may be prescribed by the Board of Directors, the President shall have authority to appoint and terminate such other officers, agents and employees reporting to the President and to delegate authority to them.
  - (3) Secretary. The Secretary shall keep a record of the proceedings of the Board of Directors and keep and have charge of the accounts, books, and records of the Society, and countersign, when necessary, its policies, deeds, mortgages, bonds, stock certificates, contracts, leases, reports, and all other documents or instruments necessary or proper to be executed in the normal and regular course of the Society's business, or which shall be authorized by resolution of the Board. The Secretary shall see that all notices are duly given in accordance with the provisions of these Bylaws and as required by law. The Secretary shall in general, perform all duties incident to the office of Secretary and have such other duties and exercise such authority as from time to time may be delegated or assigned to the Secretary by the CEO, President, or the Board.
  - (4) Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Society. The Treasurer shall receive and give receipts for monies due and payable to the Society from any source whatsoever, and deposit all such money in the Society's name in such banks, trust companies, or other depositories as the Board may designate. The Treasurer shall in general perform all of the duties incident to the office of Treasurer and have such other duties and exercise such other authority as from time to time may be delegated or assigned to the Treasurer by the CEO, President or the Board.
- (c) Additional Offices. The Board of Directors may create additional offices from time to time as it deems appropriate. Such other officers as the Board may appoint to fill these positions shall perform such duties as may be assigned to them by the Board, by the CEO, or President, or by the Society's principal officers.
  - (d) Removal of Officers. The Board of Directors may remove the CEO or President with or without cause by a majority vote of all Directors, excluding the CEO and President, at a meeting called for that purpose. Any other officer of the Society may be removed by the CEO, President or Board with or without cause, whenever in their judgement the best interests of the Society will be served thereby. Any such removal shall be without prejudice to the contract rights, if any, of the person so removed. Appointment of an officer shall not of itself create such contractual rights.
  - (e) Reasonable Compensation. Reasonable compensation of the CEO and President shall be fixed from time to time by the elected Directors of the Board or by a duly authorized committee thereof. Reasonable compensation of all other officers shall be recommended by the CEO or President and approved by the Board or by a duly authorized committee thereof. No officer shall be prevented from receiving such compensation by reason of the fact that he or she also serves on the Board.

## **ARTICLE V. FIDELITY BONDS**

The CEO, President, Secretary, Treasurer, and any other officer, employee, or agent designated by the Board of Directors shall give a corporate surety bond to the Society in such amount and with such conditions as may be fixed by the Board. The premium on such bond shall be paid by the Society.

## **ARTICLE VI. INDEMNIFICATION OF OFFICERS AND DIRECTORS**

- (a) Indemnification. The Society shall, to the extent permitted or required by secs. 181.042, 181.049, and 181.051, Wis. Stats., as such sections may be amended from time to time, indemnify its Directors, officers, employees, and agents against expenses they reasonably and actually incur in connection with threatened, pending, or completed legal actions, suits, or proceedings to which they are or may be made a party because they are or were a Director, officer, employee, or agent of the Society.
- (b) Determination of Indemnity. Any indemnification under Paragraph (a) of this Article (unless otherwise ordered by a court) shall be made by the Society only as authorized in the specific case upon a determination that indemnification of the Director, officer, employee, or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the applicable provision of Wisconsin law. Such determination shall be made by one of the following means.
  - (1) By the Board by a majority vote of a quorum consisting of Directors who were not parties to such action, suit, or proceeding, or

(2) If a quorum of disinterested Directors cannot be obtained, by majority vote of a committee duly appointed by the Board of Directors and consisting solely of two (2) or more Directors not at the time parties to the same or related proceedings, or

(3) By independent legal counsel selected in accordance with sec. 181.043(2), Wis. Stats., as amended from time to time.

(c) Maintenance of Insurance. The Board may authorize the Society to purchase and maintain insurance on behalf of any person who is a Director, officer, employee, or agent of the Society against liability asserted against and incurred by the person in that person's capacity as a Director, officer, employee, or agent, or arising from that person's status as a Director, officer, employee, or agent, regardless of whether the Society is required or authorized to indemnify the person against the same liability.

(d) Notification of Commissioner. No indemnification may be paid to any Director, officer, employee, or agent under this Article until at least thirty (30) days' notice to the Commissioner of Insurance of the State of Wisconsin containing full details of the proposed indemnification.

#### **ARTICLE VII. WAIVER**

No officer, Director, employee, member, agent or subordinate body shall have any authority or power to waive, add to, or amend any provisions of the laws of the Society. Such provisions shall be binding on the Society and every member and beneficiary of a member.

#### **ARTICLE VIII . MAINTENANCE OF SOLVENCY**

If the Society's reserves as to all or any class of policies or contracts become impaired, the Board may require that there be paid by the insured to the Society the amount of the equitable proportion of each deficiency as asserted by the Board. If the payment is not made, it shall stand as an indebtedness against the policy or contract. Such indebtedness shall draw interest on the same conditions as other policy loans as stated in your policy with interest fixed by the Society.

#### **ARTICLE IX. RETURN TO POLICYHOLDERS**

The Board may make such apportionment of gains and savings by declaring dividends (return to policyholders) to all or any class of policies and contracts and shall provide the manner in which such dividends to policyholders and contract holders shall be paid or credited.

#### **ARTICLE X. BENEFIT CERTIFICATES**

The certificate of membership and insurance or annuity, together with any riders or endorsements attached to it, the application, the declaration of insurability (if any) signed by the applicant, the Articles of Incorporation and Bylaws of the Society and all amendments to them, constitute the entire contract when it is issued. Any subsequent changes, additions or amendments to the Articles of Incorporation or Bylaws shall be binding upon the applicant member, certificate owner, beneficiaries and other persons affected, and shall govern and control in all respects, except that no changes shall destroy or diminish insurance and/or annuity benefits promised in the certificate when it was issued.

#### **ARTICLE XI. DISPUTE RESOLUTION**

(a) Purpose. The purpose of this Article is to prescribe the sole means to present and resolve grievances, complaints, or disputes between members, insureds, certificate owners, or beneficiaries and the Society or its Directors, officers, agents, and employees. Procedures set forth in this Article are meant to provide prompt, fair, and efficient opportunities for dispute resolution, consistent with the fraternal nature of The Society, without delay and expense of formal legal proceedings.

(b) Scope. This Article applies to any controversy, claim, or action of any kind arising out of, in connection with, or in relation to (i) membership in the Society and (ii) any past, current, or future insurance policy, contract, or certificate issued by the Society. It includes, without limitation, claims based on breach of contract, as well as claims based on fraud, misrepresentation, violation of statute, discrimination, denial of civil rights, conspiracy, defamation, and infliction of distress against The Society or its Directors, officers, agents, or employees. To the extent permitted by applicable law, this Article applies to all claims, actions, disputes, and grievances brought by the Society against members, insureds, certificate owners, or beneficiaries. In the event that a court or arbitrator of competent jurisdiction deems any party or claim in a dispute not subject to this Article, this Article will remain in full force and effect as to any remaining parties or claims involved in such dispute. This Article does not apply to any claims or disputes relating to interpleader actions to determine proper owner, beneficiary or payee.

- (c) **Dispute Resolution Procedures.** No lawsuits or any other actions may be brought for any claims or disputes covered by this Article. All disputes covered by this Article will be resolved in accordance with the following procedures, which will occur in the order given in this Paragraph (c):
- (1) **Appeal.** Any dispute covered by this Article must be submitted to the Society's compliance officer at its home office at P.O. Box 1527, Madison, WI, 53701, telephone number (608) 833-1936, for resolution by the Society's internal review process. The parties will make every attempt to resolve the dispute within forty-five (45) days of its submission to the Society.
  - (2) **Mediation.** If the parties are unable to resolve the dispute through the Society's internal appeal process as described in Paragraph (c)(1), either party may have the matter mediated in accordance with the applicable mediation rules of the American Arbitration Association (or other neutral organization as agreed upon by the parties). The parties will make every effort to conclude mediation within sixty (60) days from the date the matter is submitted to mediation.
  - (3) **Arbitration.** If the parties are unable to resolve the dispute through the Society's internal appeals process as described in Paragraph (c)(1) and through mediation as described in Paragraph (c)(2), the matter will be resolved by binding arbitration in accordance with the applicable arbitration rules as prescribed by the American Arbitration Association (or the rules of another neutral organization mutually agreed upon) as applicable to the type of matter in dispute. The arbitration shall be administered by a neutral organization agreed upon by the parties. The decision of the arbitrator shall be final and binding, subject only to the right to appeal such decision as provided in the arbitration rules and applicable laws. The member, insured, certificate owner or beneficiary shall have the right to be represented by legal counsel of his or her choosing at any time at his or her own expense (unless, as provided in Paragraph (f) below, he or she is awarded attorneys fees). If an issue in dispute is subject to law that prohibits parties from agreeing to submit future disputes to binding arbitration, arbitration results shall be nonbinding, unless the parties agree to binding arbitration after the claim or dispute has arisen. The Society will take reasonable measures to assure that the dispute resolution process proceeds promptly.
- (d) **Costs.** The administrative costs of any mediation or arbitration (including fees and expenses of mediators and arbitrators, filing fees, reasonable and necessary court reporting fees) will be paid by the Society. Except as awarded under Paragraph (f) of this Article, each party will bear its own attorneys' fees, expert fees, and discovery fees.
- (e) **Joinder of Disputes.** The procedures of this Article are designed to afford individual members, benefit certificate owners, beneficiaries and the Society a prompt, fair, and efficient means of resolving individual disputes. Accordingly, no dispute may be brought forward in a representative group or on behalf of or against any "class" of persons, and the disputes of multiple members or benefit certificate owners or beneficiaries (other than immediate family members) may not be joined together for purposes of these procedures without the express written consent of both (i) all members and benefit certificate owners and beneficiaries affected thereby and (ii) the Society.
- (f) **Remedies.** This paragraph applies to any claim or dispute resolved through binding arbitration as provided in Paragraph (c) above and to any action in a court of law in the event that a court or arbitrator of competent jurisdiction deems any party or claim in a dispute not subject to binding arbitration. Except as expressly limited in this paragraph, the parties to a dispute may be awarded any and all damages or other relief allowed for the claim in dispute by applicable federal or state law, including attorney's fees and expenses if such attorneys' fees and expenses are deemed appropriate under applicable law. Exemplary or punitive damages may be awarded for claims arising under applicable federal or state statutes to the extent permitted under the applicable statutes for claims arising under the common law, exemplary or punitive damages may be awarded not to exceed three times the amount of compensatory damages.
- (g) **Severability.** In the event that any court or arbitrator of competent jurisdiction deems any portion of this Article to be unenforceable or otherwise void under applicable law, the remaining portions of this Article will remain in full force and effect.

## **ARTICLE XII. OFFICIAL PUBLICATION**

- (a) The Society's official publication shall be published at least twice a year. Any notice, report, or statement required by law, including notice of election, may be published in the official publication.
- (b) If the Society's records show that two (2) or more Benefit Members have the same mailing address, the official publication sent to one such person is deemed to be sent to all such persons at the same address unless a separate copy is requested.
- (c) All amendments to the Articles of Incorporation and Bylaws shall be published in the official publication in the publication next following the date of filing such amendments with the Commissioner of Insurance of the State of Wisconsin.

(d) An affidavit by the Society's Secretary certifying that the official publication was sent in accordance with this Article shall be submitted to the Board at their next meeting after publication of any notice, report, or statement required by law. Said affidavits shall be filed in the records of the Secretary's office.

**ARTICLE XIII. MEMBER MEETINGS**

The Society shall conduct member meetings at such times and locations as determined by the Board.

**ARTICLE XIV. FISCAL YEAR**

The Society's fiscal year shall begin on the first day of January and end on the thirty-first day of December.

**ARTICLE XV. ANNUAL REPORT**

An annual report shall be prepared and published in the official publication within six months after the close of each fiscal year.

**ARTICLE XVI. AMENDMENT OF BYLAWS**

These Bylaws may be amended in whole or in part by a majority vote of the full Board of Directors. Upon adoption, such changes shall be filed with the Commissioner of Insurance of the State of Wisconsin and the changes shall be published in the Society's official publication in the manner prescribed in these Bylaws.

# REPRESENTATIONS, WARRANTIES & COVENANTS

## SECTION 1. Representations and Warranties of the Parties

As a material inducement to National Mutual Benefit (“NMB”) and Western Fraternal Life Association (“WFLA”) (collectively the “Parties”) to enter into the Agreement of Merger (“Merger Agreement,”) each Party respectively represents and warrants to the other, except as otherwise disclosed in writing by one Party to the other Party, as of the date of the Merger Agreement and through the Closing Date, as follows:

1.01 Execution, Delivery; Valid and Binding Agreement. The execution, delivery and performance of the Merger Agreement and the consummation of the transactions contemplated have been duly and validly authorized by all requisite action, and no other proceedings on either Party’s part are necessary to authorize the execution, delivery and performance of the Merger Agreement. The Merger Agreement has been duly executed and delivered by NMB and WFLA and constitutes a valid and binding obligation of NMB and WFLA, enforceable against NMB and WFLA in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors’ rights generally or by application of equitable principles.

1.02 Approval of the Transaction. Each Party’s Board of Directors has, by a resolution duly adopted at a meeting or by written consent of the same, approved the Merger Agreement and the transactions contemplated pursuant to Applicable Law, as defined in the Merger Agreement, and its Articles of Incorporation and Bylaws. The resolutions described in this Section 1.02 have not been amended or otherwise modified in any respect since the date of adoption, and such resolution remains in full force and effect. Except as provided in Section 1.07 of the Merger Agreement, no other actions or proceedings on the part of NMB or WFLA are necessary to authorize the execution, delivery and performance of the Merger Agreement and the transactions contemplated.

1.03 No Breach. The execution, delivery and performance of the Merger Agreement and the consummation of the transactions contemplated do not and will not (with or without notice or lapse of time) conflict with or result in any breach of any of the provisions of, constitute a default under, result in a violation of, or result in the creation of a right of termination or acceleration or any Lien upon any Assets of the respective Party under (i) their Articles of Incorporation and Bylaws, (ii) any material indenture, agreement, mortgage, lease, or loan agreement to which NMB or WFLA is a party or by which NMB or NMB’s Assets, or WFLA or WFLA’s Assets, are bound, (iii) any Applicable Law to which NMB or NMB’s Assets, or WFLA or WFLA’s Assets, are subject, (iv) any NMB or WFLA Permit, or (v) any agreement with a third party to which NMB or WFLA is a party.

1.04 Financial Statements. NMB and WFLA have exchanged complete and correct copies of their annual statutory statements as submitted to the state regulatory authorities in the states where a Party is authorized to transact insurance as a fraternal benefit society for the calendar years 2018 and 2019 and for each complete calendar quarter during 2020 (the foregoing statements being referred to collectively as “Statutory Statements”). NMB’s and WFLA’s Statutory Statements (i) reflect consistent application of statutory accounting principles throughout the periods involved, and (ii) fairly present in all material respects the financial condition and results of operations for the periods then ended in accordance with Statutory Accounting Principles (SAP), except as would not have a Material Adverse Effect.

1.05 Absence of Certain Changes. Except as expressly permitted or required by this Agreement, since September 1, 2019, each Party has conducted its own business in the ordinary course consistent with past practices and there has not been:

- a. any event, occurrence or development of a state of circumstances or facts known to a Party, which as of the date hereof could reasonably be expected to have a Material Adverse Effect as defined in the Merger Agreement;
- b. any lien placed on, or any sale or transfer of assets, except for sales or transfers of products and services made in the ordinary course of business consistent with past practice;
- c. any change outside the ordinary course of business in the underwriting, pricing, claims, risk retention, valuation, marketing, reinsurance, administration, sales, or agency practices or policies relating to its business which could reasonably be expected to have a Material Adverse Effect;
- d. any employment, deferred compensation, severance, retirement or other similar agreement (or any amendment to or accelerated payment under any such existing agreement) offered to or entered into with any employee, any grant of any severance or termination pay or “stay-put” bonus to any employee, or any change in compensation or other benefits payable to any employee other than merit or tenure increases granted in the ordinary course of business; or

- e. any payment, discharge, settlement or satisfaction of any claims, liabilities or obligations and relating to its business in excess of \$50,000, other than as in the ordinary course of business consistent with past practices, such as the payment of obligations, including claims, under benefit contracts.

1.06 Investment Securities.

- a. NMB and WFLA have exchanged a written, accurate and complete description, in all material respects, of all invested assets since September 1, 2019, in any form, whether in common or preferred stock, corporate or government bonds, certificates of deposit or otherwise, owned and admitted as a permitted investment on their most current Statutory Statement, other than Real Property (collectively, the “Investments” or individually, an “Investment”). To each Party’s Knowledge, all of their respective Investments comply in all material respects with their respective investment policies and, for NMB, Wisconsin law applicable to permitted investments by a Wisconsin domiciled fraternal benefit society, and for WFLA, Iowa law applicable to permitted investments by an Iowa domiciled fraternal benefit society.
- b. Each Party owns their respective Investments free and clear of any and all encumbrances, other than with respect to those Investments which have been disposed of in the ordinary course of business or redeemed in accordance with their terms and other than with respect to statutory deposits which are subject to certain restrictions on transfer.
- c. Each Party’s Investments are evidenced by appropriate written instruments and certificates (except where in non-certificated form), are valid and genuine in all material respects and enforceable in accordance with their terms against all persons against whom they propose to create an obligation, subject to bankruptcy, receivership, insolvency, reorganization, moratorium, or other similar laws affecting or relating to creditors’ rights generally. None of the Investments are in default on the payment of principal, interest or other required distributions.

1.07 Tax Matters. Except for accruals for taxes not yet due, a Party has no liability or obligation for or in respect of Taxes that would be imposed on or affect the Surviving Society, or that would constitute or give rise to a Lien on its respective assets, and no Tax imposed for any period would be imposed on or affect the Surviving Society or would constitute or give rise to a Lien on assets, except as would not have a Material Adverse Effect. All tax returns, reports and declarations (collectively, “Tax Returns”) required by any governmental authority to be filed in connection with operations have been timely filed, and all such Tax Returns are correct and complete. All Taxes due in connection with its operations have been paid, other than Taxes which are not yet due or which, if due, are not yet delinquent, are being contested in good faith or have not been finally determined, and for which reserves have been established which are sufficient to cover the payment of all such Taxes. There are no Tax claims, audits or proceedings pending, and, to the Knowledge of a Party, there are no such threatened claims, audits or proceedings.

1.08 Litigation. There are no actions, suits, regulatory or administrative proceedings, orders or investigations pending or, to the Knowledge of a Party, threatened against it or any of its respective directors, officers or employees or against or involving its assets, properties or business, or with respect to the employment and/or termination of any individual currently or formerly employed, at law or in equity, or before or by any Governmental Entity. There is no judgment, decree, injunction or order by any Governmental Entity or arbitrator outstanding against any of such persons or otherwise affecting a Party.

1.09 Compliance with Laws; Permits. To the Knowledge of a Party, it has conducted its business in material compliance with all Applicable Law of the states where it transacts business, except to the extent such noncompliance would not have a Material Adverse Effect. It has not received notice from any Governmental Authority that it is in violation of, or has violated any Applicable Law. It has, in full force and effect, all licenses, authorizations and approvals from all Governmental Authorities (including, without limitation, state agencies regulating insurance) necessary to conduct its business in the manner and the jurisdictions in which its business is being conducted (collectively, the “Permits”). It has conducted and is conducting its business in compliance with all terms and conditions of the Permits, except to the extent such noncompliance individually or in the aggregate would not have a Material Adverse Effect. All such Permits are in full force and effect, and to the Knowledge of a Party, there is no proceeding or investigation pending or threatened which could lead to the revocation, amendment, failure to renew, limitation, modification, suspension or restriction of any Permit. NMB and WFLA have exchanged a listing of each Permit.

1.10 Brokerage. No third party shall be entitled to receive any brokerage commissions, finder’s fees, fees for financial advisory services or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of a Party.

1.11 Receivables. The amounts receivable shown on a Party’s Statutory Statements, and any receivables which may have been acquired since the date of the most recent such statement (net of any reasonable reserves), represent valid obligations

arising from bona fide sales actually made or services actually performed in the ordinary course of business and are not, to a Party's Knowledge, subject to valid counterclaims or setoffs.

1.12 Regulatory Matters. To a Party's Knowledge:

- a. It has filed all reports, statements, documents, registrations, filings or submissions required to be filed with all applicable state regulatory authorities, and such filings and submissions complied with Applicable Law in effect when filed, and no deficiencies have been asserted by any such regulatory authority with respect to such reports, statements, documents, registrations, filings or submissions that have not been satisfied, except to the extent such failure to file or deficiencies would not have a Material Adverse Effect; and (ii) such reports, statements, documents, registrations, filings or submissions were in compliance with Applicable Law when filed, except to the extent any such noncompliance would not have a Material Adverse Effect. Since September 1, 2019, no fine or penalty has been imposed on it by any federal, state or local regulatory authority.
- b. Each appointed agent and broker was, at the time of appointment, properly appointed with appropriate regulatory authorities to represent it.

1.13 Tax Exempt Status. Each Party is a tax-exempt entity under §501(c)(8) of the Internal Revenue Code and is not, to the Knowledge of a Party, aware of any proceeding, pending or threatened, or of any existing circumstances, that could reasonably be anticipated to result in the loss or revocation of any of the aforementioned exemptions held by it.

1.14 Disclosure.

- a. A Party is not making, nor shall be deemed to have made, any representations or warranties outside of this Agreement. Without limiting the generality of the foregoing, and notwithstanding any other express representations and warranties made in this Agreement, a Party makes no representation or warranty with respect to any projections, estimates or budgets delivered to or made available with respect to future revenues, expenses or expenditures, future results of operations, or any other future matters.
- b. No representation or warranty or other statement made by a Party in this Agreement, the information exchanged and disclosed in writing between NMB and WFLA, or the certificates delivered pursuant to the contemplated transactions contains any untrue statement or omits to state a material fact necessary to make any of them, in light of the circumstances in which it was made, not misleading.

1.15 NMB Incorporation; Corporate Power. NMB is a not-for-profit corporation, duly incorporated, validly existing and in good standing under the laws of Wisconsin and has the requisite corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. NMB has the corporate power and authority and all NMB Permits necessary to own and operate and to carry on its business as now conducted.

1.16 WFLA Incorporation; Corporate Power. WFLA is a not-for-profit corporation, duly incorporated, validly existing and in good standing under the laws of Iowa and has the requisite corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. WFLA has the corporate power and authority and all WFLA Permits necessary to own and operate and to carry on its business as now conducted.

1.17 Title. Each Party has good and marketable title to all of such Party's assets, free and clear of all Liens. To each Party's Knowledge, there exists no condition affecting the title to or use of any part of such Party's assets which would prevent the Surviving Society from occupying, using or enforcing its rights with respect to any part of the Party's assets to the same full extent that the Party could continue to do so if the transactions contemplated hereby did not take place. At the Effective Time, the Surviving Society will obtain good and marketable title to all the Party's assets, free and clear of all Liens.

1.18 Intellectual Property Rights. Each Party has provided to the other Party in writing a listing of all intellectual property assets owned by such Party or in which such Party has any Intellectual Property Rights (such assets the "Intellectual Property Assets"). To the Knowledge of each Party: The Party owns all right, title and interest in its Intellectual Property Assets or the Intellectual Property Rights to use its Intellectual Property Assets in the conduct of its business in the same manner as they are being used prior to the date of this Agreement;

- a. No claims or threats of claims have been asserted by any third party against such Party (i) related to its Intellectual Property Assets or challenging or questioning the validity of such Party's Intellectual Property Rights in its Intellectual Property Assets, or (ii) challenging or questioning the use by such Party of its Intellectual Property Assets (or any trademark or trade dress rights related thereto);
- b. The use of its Intellectual Property Assets does not infringe or misappropriate any Intellectual Property Rights (or any trademark or trade dress rights) of any third party in any respect; and

c. No third party is currently infringing its Intellectual Property Assets.

1.19 Employees; Employee Benefit Plans.

- a. Except as disclosed in writing, to the Knowledge of each Party: (i) no employee of such Party is subject to any nondisclosure or noncompetition agreement or any other agreement or restriction of any kind that would impede the ability of such employee to carry out fully all activities of such employee in furtherance of its business, except as would not have a Material Adverse Effect; and (ii) no employee or former employee of such Party has any claim with respect to any Intellectual Property Rights of the Party.
- b. Each Party has provided to the other Party a listing of each employee of the Party and such employee's respective position, title, leave status, service years, and remuneration since September 1, 2019.
- c. Each Party has provided to the other Party a complete and correct list of all Employee Benefit Plans in which such Party's employees participate. Each Party has delivered or made available to the other Party documents that set forth the terms of each Employee Benefit Plan and other information, documents or reports which describe the terms of or obligations under any such plan.
- d. No liability under Title IV of ERISA has been incurred or to the Knowledge of each Party is reasonably expected to be incurred as of the Closing Date by such Party (other than liability for premiums due to the Pension Benefit Guaranty Corporation), except as would not have a Material Adverse Effect. The Pension Benefit Guaranty Corporation has not instituted proceedings to terminate any Employee Benefit Plan of each Party that is subject to Title IV of ERISA. None of such Employee Benefit Plans has incurred an "accumulated funding deficiency" (as defined in Section 302 of ERISA and Section 412 of the Code), whether or not waived. Each Party has not engaged in, or is a successor or affiliate of an entity that has engaged in, a transaction which is described in Section 4069 or Section 4212(c) of ERISA.
- e. During the ten (10) year period immediately preceding the Closing Date, each Party has not participated in or contributed to, or had any obligation to contribute to, any "multiemployer plan" (as defined in ERISA Section 3(37)). Such Party has not made or incurred, and the transactions contemplated by this Agreement will not result in the Party making or incurring, a "complete withdrawal" or a "partial withdrawal," as such terms are respectively defined in Sections 4203 and 4205 of ERISA that would result in the incurrence of any liability by the Party, and the Party has no unsatisfied liability for any such complete or partial withdrawal.
- f. Each Party is not a party to and has no obligation under any collective bargaining agreement or other labor union contract or any side agreement with any labor union or organization, nor any obligation to recognize or deal with any union or organization. There are no overt activities or efforts of any labor union or organization to organize any employees, nor any demands for recognition or collective bargaining, nor any strikes, slowdowns, work stoppages, or overt threats thereof.
- g. All required reports and descriptions (including 5500 Annual Reports, Summary Annual Reports, PBGC-1 and Summary Plan Descriptions) have been filed or distributed appropriately with respect to each Party's Plans. The requirements of Part 6 of subtitle B of title 1 of ERISA and of Code Section 4980B have been met with respect to each Employee Benefit Plan to which such requirements apply.

1.20 "Knowledge" (or the use of the term "know" or "knowing" in connection therewith) as used in this Agreement means, in the case of NMB, the actual knowledge of Daniel Shinnick, Steven Reindl, Jenna Dunker, Jared Bruley, Nick McCullick or Michelle Maffet, or in the case of WFLA, the actual knowledge of Craig Van Dyke, Ann Day Freeman, Donald Nieland, Jack Minder or Kevin Simpson.

**SECTION 2. Conduct of the Business.**

2.01 Except as expressly provided in this Agreement, from the date hereof until the Closing, each Party shall:

- a. conduct its operations only in the ordinary course consistent with past practices and use commercially reasonable efforts to preserve intact its value and the present business organization, keep available the services of the officers and key employees, and preserve the goodwill of the agents, brokers, customers, suppliers and other persons having business dealings with it;
- b. perform all of its obligations under agreements, contracts and other instruments, including paying claims in the ordinary course consistent with past practices, except to the extent such noncompliance individually or in the aggregate would not have a Material Adverse Effect;

- c. comply in all material respects with all Applicable Law;
- d. confer on a regular basis with representatives of the other Party (as reasonably requested) to report on its operational matters and the general status of its ongoing operations;
- e. maintain its books, accounts and records in the usual, regular and ordinary manner; and
- f. maintain its Investments and not make any changes to its Investment Policy or make investments outside its Investment Policy without written authorization of the other Party.

2.02 Without limiting the generality of Section 2.1, except as otherwise expressly permitted or required by this Agreement, or consented to in writing by the other Party, each Party shall not:

- a. except in the ordinary course of business consistent with past practice, (A) modify, terminate or fail to use commercially reasonable efforts to maintain in effect or renew any insurance contract or (B) enter into, modify, terminate or assign any other material agreement, arrangement or understanding, except for insurance and annuity contracts entered into in the ordinary course of business;
- b. change any of its accounting principles, practices, methods or policies, including, without limitation, its reserving methods, practices and policies, except as may be required as the result of a change in any Applicable Law;
- c. make or propose to make any change in the underwriting, pricing, claims, risk retention, actuarial, valuation, marketing, reinsurance, administration, or information technology and data privacy practices that it knows, or reasonably should know, at the time it makes or proposes to make such change, would have a Material Adverse Effect;
- d. take any action knowing that such action will, or is reasonably expected to, render any representation or warranty made by it in this Agreement untrue at the Closing;
- e. pay, discharge, settle, satisfy or waive any claims, liabilities or obligations arising on or after the Effective Time in excess of fifty thousand dollars \$50,000, other than in the ordinary course of business consistent with past practices;
- f. dispose of any of its assets with a value in excess of fifty thousand dollars \$50,000, other than in the ordinary course of business consistent with past practices, or consistent with such Party's investment policy;
- g. permit or allow any of its assets to become subject to any Liens;
- h. enter into or amend or accelerate payment under any employment, termination, deferred compensation, severance, retention, retirement or other similar agreement with any employee, or change the compensation or other benefits payable to or with respect to any such employee other than merit or tenure increases granted in the ordinary course of business;
- i. authorize any of, or commit or agree to take any of, the foregoing actions.

Section 2.03 Access to a Party's Premises, Books and Records. Between the date hereof and the Closing Date, each Party shall afford to the other Party and its officers and their designees ("Representatives") access at all reasonable times and upon reasonable prior notice to the offices, properties, facilities, books, records, officers, employees and other items, and otherwise provide as promptly as practicable such assistance, financial information and other materials and information as is reasonably requested in order to facilitate the consummation of the transactions contemplated herein, and each Party shall instruct its officers and its employees, agents and representatives to cooperate with the other Party's Representatives in connection therewith.

Section 2.04 Conditions. Each Party shall take all commercially reasonable actions necessary or desirable to cause the conditions set forth in Article 4 of the Merger Agreement (including delivery of all certificates and other documents required to be delivered by it at the Closing) to be satisfied and to consummate the transactions contemplated as soon as reasonably practicable after the satisfaction thereof.

Section 2.05 Filings, Approvals and Consent. Each Party shall, as promptly as practicable after the execution of this Agreement, make or cause to be made all filings, and use commercially reasonable efforts to receive any Governmental Consents.

Section 2.06 Exclusivity. Between the date of this Agreement and the earlier of the Closing Date or the termination of the Merger Agreement, each Party will not, directly or indirectly through any affiliate or agent, agree to, entertain, engage in any other discussions or negotiations concerning, encourage or otherwise participate in any manner in any discussions,

negotiations or offer concerning the merger, transfer or sale (whether by sale of assets, sale of stock of, merger with, or otherwise) of a Party or any part or all of its Assets, except as approved in writing by the other Party.

Section 2.07 Notices of Certain Events. Each Party shall promptly notify the other Party and obtain copies for the other Party of:

- a. any notice or other communication received after the date of this Agreement from any person alleging that the consent of such person is or may be required in connection with the transactions contemplated by this Agreement;
- b. any notice or other communication received after the date of this Agreement from any Governmental Entity that would adversely affect the other Party or the consummation of the transactions contemplated hereby; and
- c. any actions, suits, claims, investigations or proceedings commenced (or any notices thereof) or, to a Party's Knowledge, threatened against it after the date of this Agreement or that relate to the consummation of any transaction contemplated by this Agreement.

Section 2.08 Closing Conditions. Each Party will use its best efforts to meet the closing conditions described in Article Four of the Merger Agreement, including, but not limited to, obtaining Government Consents and Authorization of its Supreme Governing Body.

**NATIONAL MUTUAL BENEFIT**

By: 

Daniel Shinnick  
CEO

Witness: 

**WESTERN FRATERNAL LIFE ASSOCIATION**

By: 

Craig Van Dyke  
President & CEO

Witness: 