

MERGER OF
HEARTLAND MUTUAL INSURANCE COMPANY
WITH AND INTO
ARLINGTON MUTUAL INSURANCE COMPANY

AGREEMENT AND PLAN OF MERGER

Filed with the Wisconsin Office of the Commissioner of Insurance

March 19, 2024

AGREEMENT AND PLAN OF MERGER
BETWEEN
HEARTLAND MUTUAL INSURANCE COMPANY
AND
ARLINGTON MUTUAL INSURANCE COMPANY

THIS AGREEMENT AND PLAN OF MERGER (this “Agreement”) is made and entered into as of the 18th day of March, 2024 (the “Signing Date”), by and between **HEARTLAND MUTUAL INSURANCE COMPANY**, a Wisconsin town mutual insurance corporation with its place of business at 22766 South Main, Ettrick, Wisconsin 54627 (“Heartland”), and **ARLINGTON MUTUAL INSURANCE COMPANY**, a Wisconsin town mutual insurance corporation with its place of business at 203 Main Street, Arlington, Columbia County, Wisconsin 53911 (“Arlington”, together with Heartland is collectively referred to herein as the “Constituent Corporations” and each a “Constituent Corporation”).

RECITALS

A. Each Constituent Corporation is a town mutual insurance company organized and existing under Chapter 612 of the Wisconsin Statutes (“Chapter 612” or the “Wisconsin Insurance Law”) and is duly authorized and licensed to transact the business of insurance within the State of Wisconsin.

B. The Constituent Corporations are authorized to do insurance business in all or part of the same counties or contiguous counties, with (i) Arlington authorized in Adams, Columbia, Dane, Dodge, Fond du Lac, Grant, Green Lake, Iowa, Jackson, Juneau, Lafayette, La Crosse, Marquette, Monroe, Sauk and Vernon Counties and (ii) Heartland authorized in Trempealeau, Jackson, Buffalo, Eau Claire, La Crosse, Clark, Monroe, Vernon and Juneau.

C. The Constituent Corporations desire to merge in order to increase the financial strength of the Surviving Corporation and provide greater security to its members by combining the assets and reserves of the Constituent Corporations, spreading the risk of loss, reducing the costs of operation, and ensuring the continued availability of reinsurance.

D. Each of the Constituent Corporations is fully informed as to the financial operations and conditions of the other as reflected in each Constituent Corporation’s most recent financial statements.

E. The Boards of Directors of Arlington and Heartland, at duly convened meetings, have each (i) adopted a resolution approving the Merger (as defined below) and this Agreement, copies of which were submitted to each Board of Directors for consideration and (ii) determined that it is advisable and in the best interests of their respective Constituent Corporations and the members of each Constituent Corporation to merge pursuant to the terms and conditions set forth in this Agreement, the provisions set forth in Wis. Stat. § 612.21, and in a manner approved by the Commissioner.

F. Arlington and Heartland desire to proceed with the Merger and to jointly submit this Agreement to the Commissioner for the Commissioner's approval and, unless otherwise directed by the Commissioner, to submit the issue to the members of Heartland for their approval.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals and the mutual agreements and covenants set forth herein, the Constituent Corporations agree to the following terms, conditions and agreements for the Merger and the procedure for carrying the same into force and effect as follows:

1. **Merger.** In accordance with the provisions of this Agreement and the Wisconsin Insurance Law, at the Effective Time (as defined below), Heartland shall merge with and into Arlington (the "Merger") and the separate existence of Heartland shall thereupon cease and Arlington shall continue as the surviving company (at times herein referred to as the "Surviving Corporation").

2. **Closing; Effective Time.**

(a) Closing Date. The closing of the Merger (the "Closing") shall take place as soon as possible after all required approvals have been received, which the parties intend to be no later than July 1, 2024, or as soon as practicable after satisfaction or, to the extent permitted hereunder, waiver of all applicable conditions set forth herein or at such other time and place as the Constituent Corporations shall mutually agree. The date upon which the Closing occurs is referred to herein as the "Closing Date".

(b) Effective Time. The effective time and date of the Merger shall be 12:01 a.m. on July 1, 2024, or as soon thereafter as the Constituent Corporations may agree. (the "Effective Time").

3. **Effect of Merger.**

(a) Name. The Surviving Corporation shall not undergo a name change. It shall retain the name "Arlington Mutual Insurance Company" upon the effectuation of the Merger.

(b) Principal Office. The Surviving Corporation shall have its principal place of business at the current principal place of business of Arlington, located at 203 Main Street, Arlington, Columbia County, Wisconsin 53911.

(c) Authorized Territory. At the Effective Time, the Surviving Corporation shall be authorized to transact such business as is now authorized by the OCI for each of the Constituent Corporations in the following counties: Adams, Columbia, Dane, Dodge, Grant, Green Lake, Iowa, Jackson, Juneau, La Crosse, Lafayette, Marquette, Monroe, Sauk, Trempealeau, and Vernon (the "Authorized Territory"). Any policyholders residing outside of the Authorized Territory in the counties of Buffalo, Clark, Eau Claire, and Fond du Lac (the "Legacy Territory"), will be nonrenewed by the Surviving Corporation pursuant to applicable law. Notwithstanding the previous sentence, if the Surviving Corporation has

converted to a Chapter 611 mutual insurance corporation prior to the policy renewal date of a policyholder residing in the Legacy Territory, the Surviving Corporation may continue to renew the policyholder.

(d) Articles of Incorporation. The articles of incorporation of the Surviving Corporation shall be the articles of incorporation of Arlington, as amended and restated to reflect the new Authorized Territory of the Surviving Corporation, and attached hereto as Exhibit A (the “Surviving Articles”).

(e) Bylaws. The bylaws of the Surviving Corporation shall be the existing Amended and Restated Bylaws of Arlington Mutual Insurance Company attached hereto as Exhibit B (the “Surviving Bylaws”).

(f) Directors. The directors of the Surviving Corporation as of the Effective Time are listed in Exhibit E attached hereto and made a part of this Agreement. If on or after the Effective Time a vacancy shall exist on the Board of Directors of the Surviving Corporation, such vacancy may thereafter be filled in the manner provided by the Surviving Articles or Surviving Bylaws, as applicable.

(g) Officers. The officers of the Surviving Corporation shall be the officers of Arlington as of the Effective Time, who shall serve until the next annual meeting of the Board of Directors of the Surviving Corporation or until their successors shall have been elected and shall qualify for office. If on or after the Effective Time a vacancy shall exist in any of the offices of the Surviving Corporation, such vacancy may thereafter be filled in the manner provided by the Surviving Articles or Surviving Bylaws, as applicable.

(h) Title to Property.

(i) At the Effective Time, title to all property owned by the Constituent Corporations shall be vested in the Surviving Corporation without reversion or impairment. All of the assets, rights, privileges, immunities, and franchises, whether of public or private nature, interests, properties, and business of Heartland, of every character and description, including all real property, all policies of insurance, all interests in the Heartland Insurance Agency, Inc., all debts due on whatever account, premiums and assessments payable from members, all rights to bring any suit or action and all and every other interest of, or belonging to or due to Heartland, shall accrue to, be merged into and become the absolute property of the Surviving Corporation.

(ii) The officers of Heartland shall, as of the Effective Time, execute and deliver any deeds, titles, bills of sale or other instruments in writing as may otherwise be necessary to transfer, assign and convey to the Surviving Corporation all of Heartland’s assets, rights, interests and properties, including contracts of insurance, reinsurance agreements and agency contracts.

(i) Members and Policyholders. At the Effective Time, the members of Heartland shall automatically become members and policyholders of the Surviving Corporation. All premiums and assessments paid by the members of Heartland shall be deemed to have been paid to the Surviving Corporation for the purpose of determining the value of each member's equitable share of the value of the Surviving Corporation.

(j) Assumed Liabilities. At the Effective Time, the Surviving Corporation shall assume all liabilities and obligations of Heartland, including all policies of insurance, except that the Surviving Corporation shall only be assuming Heartland's insurance policies subject to (i) the interior water damage limitation endorsement (Form AMI-WLIM 10-23), (ii) the roof limitation endorsement (Form AMI-LIM 01-23), and (iii) the \$2,500 deductible endorsement (Form AMI-DED 03-24)), each substantially similar to the samples attached hereto as Exhibits D-1 to D-3, respectively (the "Exclusion Endorsements"). The Surviving Corporation shall thenceforth be responsible and liable for all of the liabilities and obligations of each of the Constituent Corporations hereto, and any claim existing or action pending by or against either of the Constituent Corporations may be prosecuted to judgment as if the Merger had not taken place or, if the claim or action is against Heartland, the Surviving Corporation may be substituted in Heartland's place. Neither the rights of creditors nor liens upon the property of either of the Constituent Corporations shall be impaired by the Merger, but such liens shall be limited to the property upon which there were liens immediately prior to the Effective Time.

(k) Rates and Underwriting. In accordance with Section 5 of this Agreement, Arlington will, as soon as practicable following the Effective Time, send all holders of Heartland policies that are in force at the Effective Time a Certificate of Assumption on a form approved by the Commissioner. In the discretion of Arlington, Heartland policies may either be (A) continued or renewed, as applicable, using Heartland's preexisting forms, rates, policy system, and underwriting rules or (B) rewritten using Arlington's forms, rates, policy system, and underwriting rules on the first renewal or anniversary date of each such policy following the Effective Time, or as soon as practicable as determined by Arlington, and permitted under applicable law. The Surviving Corporation will determine the underwriting guidelines and rates for all policies, including all policies initially written by Heartland.

4. Additional Agreements.

(a) Agents. The parties agree that Arlington will offer its current agency agreement to each agent who has an appointment with Heartland as of the Effective Time and who does not already have an agency agreement in force with Arlington.

(b) Employee Matters.

(i) At the Effective Time, the Surviving Corporation shall offer employment to all employees of Heartland with similar roles and salaries to their roles and salaries at Heartland immediately prior to the Merger, subject to (A) satisfactory job performance to the Surviving Corporation and (B) participation in training relating the Surviving

Corporation's business processes and servicing the Surviving Corporation's other line(s) of business.

- (ii) The current manager of Heartland will be the Operations and Branch Manager at the Ettrick office of the Surviving Corporation. The current Heartland office assistant will be transition to a policy administrator/underwriter role. The current inspector will continue as an inspector for the Surviving Corporation.
- (iii) All employees of the Surviving Corporation, including those hired from Heartland, will be considered employees hired "at will," subject to the Surviving Corporation's standard job performance evaluation and discipline practices, and nothing in this Agreement is intended to be, nor shall be interpreted as, an employment contract for any employee.

(c) Continuing Authority of Heartland Officers. At the Effective Time, the separate existence of Heartland shall cease. However, the authority of the present officers of Heartland shall continue for the limited purpose of executing and delivering all necessary documents to affect the terms of this Agreement. The officers of Heartland shall execute and deliver any deeds, titles, bills of sale or other instruments in writing as may otherwise be necessary to transfer, assign, and convey to the Surviving Corporation all of Heartland's assets, rights, interests, and properties, including without limitation contracts of insurance, reinsurance agreements, and agency contracts.

(d) Heartland Office Location. The Constituent Corporations agree that after the Effective Time, the Surviving Corporation will continue to maintain operations at the current Heartland office located in Ettrick, Wisconsin until such time as the board of the Surviving Corporation determines it is no longer necessary to maintain such office and it is fiscally responsible to close that location.

(e) Interim Period Policy Procedures.

- (i) Between the Signing Date and the Effective Time (the "Interim Period"), Heartland shall continue to do all of the following in the ordinary course of business in a manner consistent with its past practices: (i) adjust claims, (ii) pay claims, and (iii) issue disbursements; provided, that Arlington may direct that the Heartland no longer engage in any such activity without the prior written consent of Arlington (such consent not to be unreasonably withheld, conditioned or delayed).
- (ii) During the Interim Period, Heartland will cease writing new business and will, to the extent permitted under applicable law, attempt to renew existing Heartland business directly with Arlington.

(f) Conversion to a Chapter 611 mutual insurance corporation. Nothing in this agreement will prohibit Arlington from taking additional actions necessary to position Arlington and the Surviving Corporation to convert to a mutual insurance corporation organized under Chapter 611 of Wisconsin Statutes, including the pursuit of additional

merger partners or the adoption and implementation of policies or practices intended to improve the financial position of the company.

5. **Certificate of Assumption.** As soon after the Effective Time as is practicable, the Surviving Corporation shall send to each of Heartland's members notice of the Merger and the Surviving Corporation's assumption of Heartland's policies in the form of a Certificate of Assumption and Endorsement which shall be substantially the same as Exhibit C attached to and made a part of this Agreement.

6. **Assessments Prior to Effective Time.** Assessments, if any are necessary, levied for losses and expenses incurred prior to the Effective Time on policies issued by the Constituent Corporations shall be levied only against the members of the respective Constituent Corporation.

7. **Prohibited Transactions.**

(a) During the Interim Period, the Constituent Corporations agree that except as otherwise expressly contemplated by any other provision of this Agreement or the prior written consent of the other (such consent not to be unreasonably withheld, conditioned or delayed), each Constituent Corporation shall (i) use commercially reasonable efforts to conduct its operations only in the ordinary course of business consistent with past practice, (ii) maintain its properties and other assets in good working condition (normal wear and tear excepted), (iii) use commercially reasonable efforts to maintain its business, employees, customers, assets, and operations as an ongoing concern in accordance with past practice, and (iv) not take any action (or omit to take any action) that would constitute a Material Adverse Change on such Constituent Corporation. By way of example and not in limitation of the foregoing, neither of the Constituent Corporations will during the Interim Period:

- (i) Fail to (A) keep in full force and effect all insurance policies covering the Constituent Corporation and (B) notify its insurance carrier of any claims made or asserted, or threatened to be made or asserted if such notice is required to ensure coverage by such insurance carrier;
- (ii) Amend its respective articles of incorporation or bylaws, except as provided in this Agreement;
- (iii) Form any subsidiary or acquire any equity interest or other interest in any other entity, excluding any additional mergers, affiliations, or transactions that Arlington may pursue, consider, negotiate or consummate;
- (iv) Materially change any of its methods of accounting or accounting practices in any respect;
- (v) Amend or terminate any material contract;

- (vi) Fail to keep in full force and effect, and without restriction, all permits, including all state certificates of authority necessary to conduct its business in the ordinary course;
- (vii) Incur any obligation or liability (absolute or contingent), except current liabilities incurred, and obligations under contracts entered into, in the ordinary course of business, excluding any obligations or liabilities incurred by Arlington in connection with any mergers, affiliations, or transactions that Arlington may consummate;
- (viii) Discharge or satisfy any lien or encumbrance or pay any obligation or liability other than current liabilities in the ordinary course of business;
- (ix) Make any dividend or other payment or distribution to its members, except for dividends required under policies of insurance in the ordinary course of business;
- (x) Mortgage, pledge, create a security interest in, or subject to a lien or other encumbrance, any of its assets, tangible or intangible;
- (xi) Sell or transfer any of its tangible assets or cancel any debts or claims except in the ordinary course of business;
- (xii) Sell, assign, or transfer any trademark, trade name, patent or other intangible assets;
- (xiii) Waive any right of any substantial value; or
- (xiv) Enter into any transaction other than in the ordinary course of business, excluding any additional mergers, affiliations, or transactions that Arlington may pursue, consider, negotiate or consummate.

(b) Sell of Stock or Investments. Heartland agrees that except as otherwise expressly contemplated by any other provision of this Agreement or the prior written consent of Arlington (such consent not to be unreasonably withheld, conditioned or delayed), Heartland shall not sell any of its stock or investments during the Interim Period; provided, however, this Section 7(b) shall not prevent the continuation of ongoing investments that Heartland has made in the ordinary course of business (*e.g.*, if a certificate of deposit at a bank comes due, it can be reinvested in another certificate of deposit).

(c) Exclusive Negotiations. From the Signing Date until the earlier of the Effective Time or the termination of this Agreement, Heartland will not and will not permit any of its officers, directors, brokers, or agents to, directly or indirectly, initiate, solicit, encourage, or otherwise facilitate any inquiries or the making of any proposal or offer with respect to a merger, reorganization, consolidation, or similar transaction involving any purchase of the assets of or demutualization or conversion of Heartland, other than in connection with the Merger, nor provide any confidential information or data to, or have any discussions with, any entity or representative of any entity relating to such an

alternative proposal. Heartland will notify Arlington promptly if any alternative proposal is received by it or any discussions or negotiations are sought in connection with an alternative proposal.

8. **Access to Information.**

(a) From the Signing Date until the earlier of the Effective Time or the termination of this Agreement, subject to any applicable contractual restrictions and applicable legal privileges, and to the extent applicable law would not thereby be violated, Heartland will:

- (i) Grant Arlington and its authorized representatives full access to the respective offices, properties, books, and records of Heartland upon reasonable prior notice and during normal business hours (including the copying of such materials as may reasonably be requested); and
- (ii) Furnish Arlington and its counsel, financial advisors, auditors, and other authorized representatives such financial and operating data and other information relating to the business of Heartland as Arlington may reasonably request.

(b) No investigation made by Arlington or its respective representatives shall affect the representation and warranties of Heartland hereunder or the liability of Heartland with respect thereto.

9. **Mutual Representations and Warranties.** Each of the Constituent Corporations hereby represents and warrants to the other Constituent Corporation as to the matters in this Section 9, unless a representation and warranty specify that it is only being made specifically by one of the Constituent Corporations. All of the representations and warranties set forth in this Section 9 shall be made as of the Signing Date and as of the Effective Time (except in the case of representations and warranties that are made as of a specified date, in which case such representations and warranties will be true and correct as of such specified date).

(a) That it is a town mutual insurance corporation duly authorized and validly existing under the laws of the State of Wisconsin and has the corporate power to own or lease its properties and to carry on its business as now being conducted;

(b) The copies of its articles of incorporation and bylaws made available to the other Constituent Corporation are true, correct and complete copies of such documents in effect immediately prior to the Effective Time and it is not in violation of any of the provisions of its articles of incorporation or bylaws;

(c) That it is not, and immediately prior to the Effective Time will not be, in default under its articles of incorporation or bylaws, or in default under any indenture or under any material agreement or other material instrument to which it is a party or by which it or any of its properties is bound or to which it is subject;

(d) That the financial statements (i.e., balance sheet and statements of income and surplus) delivered to the other Constituent Corporation fairly present, in accordance with Wisconsin Statutes governing town mutual accounting, the financial condition and results of the operations of such Constituent Corporation as of the dates and for the periods indicated;

(e) That there has been no Material Adverse Change (as defined below) in its financial condition from the date the balance sheet and statements of income and surplus were delivered to the other Constituent Corporation until the Effective Time;

(f) That there is no action, suit, or proceeding pending against it involving the possibility of any judgment, order, injunction, or decree which might result in any Material Adverse Change in its business, operations, properties or assets or the condition, financial or otherwise, or which would impair its ability to enter into this Agreement and consummate the Merger;

(g) That its Board of Directors has adopted resolutions (i) approving this Agreement and the documents and transactions contemplated hereby, (ii) authorizing the execution and delivery of this Agreement, (iii) directing that this Agreement be submitted to a vote of its members taken separately at a duly held meeting called for the purpose of considering and acting upon this Agreement or by mail-in ballots;

(h) That it has the full power and authority to enter into this Agreement and, upon appropriate consent of its members in accordance with applicable law, subject to obtaining all required regulatory approvals, to consummate the transactions contemplated hereby;

(i) That this Agreement has been duly executed by such Constituent Corporation and constitutes the valid and legally binding obligation of such Constituent Corporation, enforceable against such Constituent Corporation in accordance with its terms, subject to bankruptcy, receivership, insolvency, reorganization, moratorium or similar laws affecting or relating to creditors' rights generally and subject to general principles of equity;

(j) That it is not, and immediately prior to the Effective Time will not be, in default under its articles of incorporation or bylaws, or in default under any indenture or under any material agreement or other material instrument to which it is a party or by which it or any of its properties is bound or to which it is subject;

(k) That, subject to the receipt of all consents and approvals contemplated by this Agreement, the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby or the fulfillment of and compliance with the terms and provisions hereof, will not (i) violate any judicial, administrative or arbitral order, writ, award, judgment, injunction or decree involving such Constituent Corporation, (ii) conflict with the terms, conditions or provisions of the articles of incorporation or bylaws of such Constituent Corporation, (iii) conflict with the terms, conditions or provisions of the articles of incorporation or bylaws, (iv) conflict with, result in a breach of, constitute a

default under or accelerate or permit the acceleration of the performance required by, any indenture or any material agreement or other material instrument to which such Constituent Corporation is bound, (v) result in the creation of any lien, charge or encumbrance upon any of the assets of either company under any such agreement or instrument, or (vi) terminate or give any party thereto the right to terminate any such indenture, agreement or instrument;

(l) That no consent of any third party to any indenture of any material agreement or other material instrument to which such Constituent Corporation is a party is required in connection with this Agreement and the transactions contemplated hereby, except with respect to and the consent of Arlington's current reinsurers as such consent relates to Arlington's ability to maintain mandatory and appropriate reinsurance coverage for calendar year 2025;

(m) Arlington represents and warrants that it has good marketable title to the office building owned by Arlington and located at 203 Main Street, Arlington, Columbia County, Wisconsin 53911 and that such property is free of all mortgages, liens, charges and encumbrances of any nature whatsoever, other than (i) liens for taxes connected to the property not yet due and payable and (ii) such minor liens, charges and encumbrances as, in the aggregate, do not and would not if asserted have a material adverse effect on the assets, properties, business, financial condition or results of Arlington's operations;

(n) Heartland represents and warrants that it has good marketable title to the office building owned by Heartland and located at 22766 South Main Street, Ettrick, Wisconsin 54267 and that such property is free of all mortgages, liens, charges and encumbrances of any nature whatsoever, other than (i) liens for taxes connected to the property not yet due and payable and (ii) such minor liens, charges and encumbrances as, in the aggregate, do not and would not if asserted have a material adverse effect on the assets, properties, business, financial condition or results of Heartland's operations; and

(o) Heartland represents and warrants that it has heretofore delivered to Arlington all employment contracts, contracts for the purchase or lease of tangible property, real or personal, and any other contracts creating executory obligations on its part beyond the Effective Time which may not be canceled on notice of thirty (30) days or less, and that it will not incur any new executory obligations, without the approval of the other Constituent Corporation during the Interim Period.

10. **Representations and Warranties; Updated Information**. From the Signing Date until the earlier of the Effective Time or the termination of this Agreement, each Constituent Corporation shall, after having obtained knowledge thereof, promptly disclose in writing to the other Constituent Corporation any matter arising after the Signing Date that, if existing, occurring or known at the Effective Time would render inaccurate any of the representations or warranties of such Constituent Corporation contained in this Agreement (each, a "**Representation and Warranty Notice**"). The other Constituent Corporation may terminate this Agreement in accordance with **Section 15(a)(ii)(D)** in the event of any such disclosure. Notwithstanding the foregoing, a Constituent Corporation's disclosure pursuant to this **Section 10** shall not

automatically be deemed a breach giving rise to the right to terminate pursuant to Section 15(a)(ii)(C).

11. **Regulatory Approvals.**

(a) Subject to the terms and conditions of this Agreement, each Constituent Corporation will use its best efforts to take, or cause to be taken, all actions reasonably necessary or advisable under applicable law to consummate the Merger, including (i) making or causing to be made the filings required by law with respect to the Merger as promptly as is practicable, (ii) complying, as promptly as is reasonably practicable, with any requests received from a governmental body by such Constituent Corporation with respect to the Merger, and (iii) resolving any formal or informal objections of any governmental body with respect to any such filings or the Merger.

(b) The Constituent Corporations covenant and agree that if any required regulatory approval to consummate the Merger is denied or not obtained, the Constituent Corporations will each use their best efforts to work together to restructure the Merger to achieve or acquire all required regulatory approvals, it being agreed that in all such instances the benefits sought to be delivered by the Constituent Corporations from the Merger, financial or otherwise, will not materially change as a result of such restructuring.

(c) Until the earlier of the Effective Time or the termination of this Agreement, each Constituent Corporation shall promptly notify the other Constituent Corporations of any communication it receives from any governmental body relating to the regulatory consents, registrations, approvals, permits and authorizations that are the subject of this Section 11 and shall permit the other Constituent Corporations to review in advance any proposed communication by such Constituent Corporation to any governmental body in connection therewith. No Constituent Corporation shall agree to participate in any meeting with any governmental body in respect of any such matter unless it consults with the other Constituent Corporations in advance and, to the extent permitted by such governmental body, gives the other Constituent Corporations the opportunity to attend and participate at such meeting. The Constituent Corporations will coordinate and cooperate fully with each other in exchanging such information and providing such assistance any other Constituent Corporation may reasonably request in connection with the matters set forth in this Section 11. The Constituent Corporations will provide each other with copies of all correspondence, filings, or communications between them or any of their representatives, on the one hand, and any governmental body or members of its staff, on the other hand, with respect to the foregoing.

12. **Member Approval.** Unless otherwise directed by the Commissioner, upon approval of this Agreement by the Commissioner, this Agreement shall be submitted to a vote at a meeting of the members of each of the Constituent Corporations to be held on a date and at a time and place to be determined by the Constituent Corporations. Notice of such meeting, if such notice is required by law or the Constituent Corporations' respective articles of incorporation or bylaws, stating the place, day and hour of the meeting and the purpose for which it is called, shall be given by each Constituent Corporation to its members in a manner acceptable pursuant to law and to each Constituent Corporation's articles of incorporation and bylaws. Each Constituent

Corporation specifically authorizes the use of mail ballots as permitted by applicable law. Each Constituent Corporation agrees to use its good faith effort to obtain all necessary approvals.

13. **Notices of Certain Events.** From the Signing Date until the earlier of the Effective Time or the termination of this Agreement, Heartland will notify Arlington of any of the following:

(a) Any notice or other communication received by Heartland from any source alleging that the consent of another person or entity is or may be required in connection with the Merger;

(b) Any notice or communication received by Heartland from any governmental or regulatory agency or authority relating to the Merger;

(c) Any actions, suits claims, investigations, or proceedings commenced or, to the knowledge of Heartland, threatened against, relating to, involving, or otherwise affecting such party that if the same had been pending on the Signing Date would have been required to have been disclosed pursuant to such party's representations and warranties or that related to the consummation of the Merger; and

(d) Any breach of a representation or warranty of the notifying party that could reasonably be expected to constitute a Material Adverse Change on the consummation of the Merger.

14. **Conditions Precedent to Closing; Closing Deliverables.** Each Constituent Corporation's obligation to consummate the Merger and close the transactions contemplated by this Agreement shall be subject to the satisfaction of each of the following conditions on or prior to the Closing Date by the other Constituent Corporation unless such condition is specifically waived in writing by the other Constituent Corporation in whole or in part at or prior to the Closing:

(a) Each Constituent Corporation shall deliver to the other Constituent Corporation each of the following, duly executed by or on behalf of such Constituent Corporation, as appropriate:

(i) A certificate dated the Closing Date signed by an appropriate officer of such Constituent Corporation certifying as of the Closing Date (1) that none of the covenants in Section 7 have been violated, (2) the incumbency of the officers of such Constituent Corporation immediately prior to the Closing Date; (3) the due adoption and text of the resolutions of the Board of Directors of such Constituent Corporation approving and authorizing this Agreement, the Merger, and all other documents and transactions contemplated hereby; and (4) the due adoption and text of the consent of the members of such Constituent Corporation approving and authorizing this Agreement, the Merger, and all other documents and transactions contemplated hereby; and

(ii) Such other instruments, certificates, affidavits, consents, or other documents reasonably requested by the other Constituent Corporation

or which are reasonably necessary to carry out the Merger contemplated by this Agreement and to comply with the terms hereof;

(b) There shall have been no Material Adverse Change in the business, results of operations, prospects, condition (financial or otherwise) or assets of each Constituent Corporation;

(c) Each Constituent Corporation shall have performed or complied with each and all of the obligations, covenants, agreements, and conditions required to be performed or complied with by it on or prior to the Closing Date, except where the failure to do so has not had or would not reasonably be expected to constitute a material adverse effect on the Constituent Corporations' ability to consummate the Merger;

(d) Each Constituent Corporation shall have received all necessary approvals regarding its execution of this Agreement and the consummation of the transactions contemplated hereunder, including without limitation all approvals required from its Board of Directors and members, as applicable;

(e) Each Constituent Corporation shall have made all filings or recordings with the Commissioner as required under the Wisconsin Insurance Law, including providing proof of its filing with the Commissioner the consent of its members approving the Merger; and

(f) The Constituent Corporations shall have received final Commissioner approval of the Merger, this Agreement, and all other documents and transactions contemplated hereby, and upon the Effective Time, the Commissioner will deliver a certificate of authority to the Surviving Company.

15. **Termination of this Agreement.**

(a) This Agreement may be terminated and the Merger abandoned at any time prior to the Effective Time:

(i) By mutual consent of the Boards of Directors of each of the Constituent Corporations; or

(ii) By the Board of Directors of either Constituent Corporation if:

(A) the Merger is not approved by the Commissioner and, subject to Section 11(b), the parties cannot reasonably restructure the Merger to achieve or acquire all required regulatory approvals where the benefits sought to be delivered by the Constituent Corporations from the Merger, financial or otherwise, will not change as a result of such restructuring;

(B) the Merger is not approved by the Commissioner and, unless otherwise directed by the Commissioner, by the requisite number of members of Heartland before May 15, 2024;

- (C) the other Constituent Corporation shall have engaged in any of the prohibited actions described under Section 7 of this Agreement, or shall have materially violated any of the representations or warranties contained herein, or if there shall have taken place any event or development after the date hereof which materially and adversely affects the business, operations, or properties of such other Constituent Corporation; or
 - (D) such Constituent Corporation receives a Representation and Warranty Notice.
- (iii) By Arlington, in the event Arlington is informed by its reinsurer that proceeding with the Merger will adversely impact Arlington's ability to obtain a reinsurance contract satisfying the requirements of chapter 612 of Wisconsin Statutes of calendar year 2025.

(b) In the event of the termination of this Agreement under Section 15(a)(ii), written notice thereof shall be given by the terminating Constituent Corporation to the other Constituent Corporation specifying the provision hereof under which such termination is made. In the event of the termination of this Agreement pursuant to Section 15(a)(i), this Agreement shall be terminated and become void and have no effect, without any liability or obligation on the part of either Constituent Corporation; provided, however, that nothing herein shall relieve either party hereto of any liability for material breach of this Agreement or fraud, as the case may be, prior to termination of this Agreement.

16. **General Provisions.**

(a) Expenses of Merger. The estimated expenses of implementing the Merger are approximately Forty Thousand Dollars (\$40,000.00) which shall be borne by the Surviving Corporation. In the event, the Merger is not successfully completed, any cost of the Merger shall be borne equally between Heartland and Arlington.

(b) Authority to Effect Merger. The officers and directors of each Constituent Corporation are hereby authorized to take such other action as may be necessary and required to comply with the requirements of the Wisconsin Insurance Law, or as may be required by the Commissioner to effect the Merger.

(c) Entire Agreement. This Agreement, including any exhibits referred to herein and attached hereto, shall constitute the entire agreement between the Constituent Corporations and supersedes all previous agreements and understandings, oral or written, with respect thereto.

(d) Binding Effect. This Agreement applies to, is binding upon, is enforceable against, and inures to the benefit of each Constituent Corporation and their respective successors and permitted assigns.

(e) Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this

Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

(f) Modifications, Amendments and Waivers. At any time prior to the Effective Time, the parties hereto may, by written agreement, (i) extend the time for the performance of any of the obligations or other acts of the parties hereto, (ii) waive any inaccuracies in the representations and warranties contained in this Agreement or in any document delivered pursuant hereto, (iii) waive compliance with any of the covenants or agreements contained in this Agreement, or (vi) make any other modification of this Agreement approved by the respective Boards of Directors of the parties hereto. This Agreement shall not be altered or otherwise amended except pursuant to an instrument in writing executed and delivered on behalf of each of the parties hereto.

(g) Assignment. Neither this Agreement nor any rights or obligations hereunder may be assigned or otherwise transferred, in whole or in part, by either Constituent Corporation without the prior written consent of the other Constituent Corporation.

(h) Headings; Gender and Number. The section and other headings contained in this Agreement and in the exhibits and schedules to this Agreement are included for the purpose of convenient reference only and shall not restrict, amplify, modify, or otherwise affect in any way the meaning or interpretation of this Agreement or the exhibits and schedules hereto. All references to the neuter gender shall include the feminine or masculine gender and vice versa, where applicable, and all references to the singular shall include the plural and vice versa, where applicable.

(i) Interpretation. Each Constituent Corporation has jointly participated in the negotiation and drafting of this Agreement. In the event of any ambiguity or if a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Constituent Corporation and no presumptions or burdens of proof shall arise favoring either Constituent Corporation by virtue of the authorship of any of the provisions of this Agreement.

(j) No Third Party Benefit. This Agreement is intended for the exclusive benefit of the Constituent Corporations and their respective heirs, successors and assigns, and nothing contained in this Agreement shall be construed as creating any rights or benefits in or to any third party.

(k) Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified, (ii) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, if not, then on the next business day, (iii) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) one day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All notices to a party shall be sent to the party's address

set forth below or at such other address(es) as such party may designate in writing to the other party hereto.

If to Arlington:

Arlington Mutual Insurance Company
203 Main Street
Arlington, WI 53911
Attn: Teri Krysa
Email: teri@arlingtonmutualinsurance.com

If to Heartland:

Heartland Mutual Insurance Company
PO Box 35
Ettrick, WI 54627
Attn: Lorraine Bowen, CISR
Email: lbowen@heartlandmutualwi.com

(l) Governing Law. This Agreement is governed by and construed in accordance with the laws of the State of Wisconsin.

(m) Counterparts; Electronic Delivery. This Agreement may be executed and delivered by facsimile, portable document form (.pdf) or other electronic signature pages, which shall be deemed originals, and in any number of counterparts, which shall have the same effect as if the signatures on the counterparts were a single copy of this Agreement.

(n) Role of G&K. This Agreement has been drafted by Godfrey & Kahn, S.C. (“G&K”) as counsel for Arlington. The parties hereto acknowledge and agree that: (i) G&K has not represented any other party other than Arlington in any way in connection with this Agreement; and (ii) Heartland has been advised to seek the advice of independent legal counsel and has had the opportunity to do so.

17. Definitions.

(a) “Material Adverse Change” means any event, circumstance, or condition that is, or would reasonably be expected to become, individually or in the aggregate, materially adverse to: (1) the business, results of operations, condition, or assets of (i) Arlington or Heartland, as applicable (in each case, taken as a whole) or (2) the ability of Arlington or Heartland, as applicable, to timely perform its obligations under this Agreement or timely consummate the transactions contemplated by this Agreement. A Material Adverse Change specifically includes any event, circumstance, or condition (y) that adversely impacts Arlington’s ability to obtain reinsurance for 2025 or ability to convert to a chapter 611 mutual insurance company and (z) the deterioration of Heartland’s surplus below 70% of the amount reported on its 2022 annual statement.

(b) “Commissioner” or “OCI” means the State of Wisconsin Office of the Commissioner of Insurance.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties to this Agreement have caused it to be executed as of the date and year first above written.

ARLINGTON MUTUAL INSURANCE COMPANY

By: Kim R. Bauer
Name: ~~Kurt Bremie~~ Kim Bauer
Title: President

Attest:
By: Stephen Elmer
Name: Stephen Elmer
Title: Secretary/Treasurer

HEARTLAND MUTUAL INSURANCE COMPANY

By: _____
Name: Mark Tranberg
Title: President

Attest:
By: _____
Name: Lorraine Bowen
Title: Secretary

IN WITNESS WHEREOF, the parties to this Agreement have caused it to be executed as of the date and year first above written.

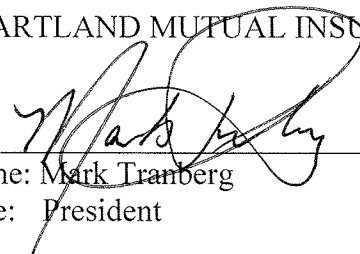
ARLINGTON MUTUAL INSURANCE COMPANY

By: _____
Name: Kurt Breunig
Title: President

Attest:

By: _____
Name: Stephen Elmer
Title: Secretary/Treasurer

HEARTLAND MUTUAL INSURANCE COMPANY

By:  _____
Name: Mark Tranberg
Title: President

Attest:

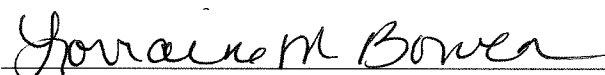
By:  _____
Name: Lorraine Bowen
Title: Secretary

Exhibit A

**ARTICLES OF INCORPORATION
OF
THE SURVIVING CORPORATION**

See attached.

SECOND AMENDED AND RESTATED ARTICLES OF INCORPORATION OF ARLINGTON MUTUAL INSURANCE COMPANY

These Second Amended and Restated Articles of Incorporation (these "Restated Articles") of Arlington Mutual Insurance Company, a Wisconsin town mutual insurance corporation (the "Corporation") organized under Chapter 612 of the Wisconsin Statutes and subject to the Wisconsin Administrative Code Insurance (collectively, the "Wisconsin Insurance Law"), have been adopted and approved in connection with the merger between the Corporation and Heartland Mutual Insurance Company, a former Wisconsin town mutual insurance corporation, pursuant to which the Corporation is the surviving corporation. These Restated Articles supersede and take the place of the heretofore existing Articles of Incorporation of the Corporation, and all amendments thereto. It is hereby mutually understood and agreed by and between the Corporation and each policyholder, that any policyholder's policies are made and accepted with reference to these Restated Articles and the bylaws of the Corporation (the "Bylaws"), which are hereby declared to be part of such policies and contracts. The primary authority for corporate governance of the Corporation shall be these Restated Articles and the Bylaws. These Restated Articles and the Bylaws supersede any documents, policies, or procedures adopted, approved or enacted by the board of directors, management or policyholders of the Corporation that conflict with or contradict the terms herein and therein.

Article I. The name of the Corporation is Arlington Mutual Insurance Company, and the principal office for the transaction of business is located at 203 Main Street, Arlington, County of Columbia, Wisconsin 53911. The Corporation, as continued through these Restated Articles, shall have perpetual existence.

Article II. The registered office of the Corporation is located at 203 Main Street, Arlington, County of Columbia, Wisconsin 53911 and the name of its registered agent at such address is Teri Krysa.

Article III. The Corporation is authorized to engage in any lawful activity for which town mutual insurance corporations may be organized under the Wisconsin Insurance Law, including the businesses of: (a) fire and extended coverage insurance, including windstorm and hail; (b) other property insurance customarily provided with fire insurance, to the extent authorized the Wisconsin Insurance Law; (c) non-property insurance, to the extent authorized the Wisconsin Insurance Law. The Corporation may insure any property located within the territory specified in these Restated Articles, but not elsewhere except as authorized the Wisconsin Insurance Law. The Corporation may do business in all towns, villages and cities within the count(ies) of Adams, Columbia, Dane, Dodge, Grant, Green Lake, Iowa, Jackson, Juneau, Lafayette, La Crosse, Marquette, Monroe, Sauk, Trempealeau, and Vernon, but not elsewhere except as authorized the Wisconsin Insurance Law or the Commissioner.

Article IV. Each policyholder is a member of the Corporation and has all the rights and duties of a member during the time their policy is in effect, but only for so long as at least one of such policies or contracts remains in full force and effect and has not lapsed, expired, canceled or terminated or has not been renewed. A person having rights merely by reason of a mortgagee clause included in or attached to a policy does not thereby become a member. The membership interest of a member of the Corporation shall consist of the right to vote as provided in these Restated Articles and the Bylaws for the election of the board of directors and the right to vote as provided by these Restated Articles and the Bylaws at an annual or special meeting of the Corporation on any proposition submitted to a vote of the members and such other rights as provided by law.

Article V. The Corporation shall be managed by a board of directors consisting of 7 to 9 members divided into 3 classes as nearly equal in size as possible. One class shall be elected at each annual meeting for a term of 3 years. The directors shall have such rights, powers and duties as are prescribed the Wisconsin Insurance Law, these Restated Articles, and the Bylaws. If a vacancy occurs on the board of directors, including a vacancy resulting from an increase in the number of directors, the vacancy may be filled by (a) the board of directors in the interim until the next annual meeting or (b) if the directors remaining in office constitute fewer than a quorum of the board, the directors, by an affirmative vote of a majority of

all such directors. A vacancy that will occur at a specific later date, because of a resignation effective at a later date, or otherwise, may be filled before the vacancy occurs, but the new director may not take office until the vacancy occurs. Directors 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. No agent of the Corporation shall serve as a director.

Article VI. The officers of the Corporation may consist of a President, Vice President, Secretary, Treasurer and such other officers as the board of directors may from time to time designate, each of whom shall be appointed by the board of directors. If specifically authorized by the board of directors, an officer may appoint one or more officers or assistant officers. The same individual may simultaneously hold more than one office in the Corporation. The officers of the Corporation shall be appointed by the board of directors for a term as determined by the board of directors. If no term is specified, they shall hold office until the first meeting of the board of directors held after the next annual meeting of the members. If the appointment of officers shall not be made at such meeting, such appointment shall be made as soon thereafter as is convenient. Each officer shall hold office until his or her successor shall have been duly appointed and shall have been qualified, until his or her death, or until he or she shall resign or shall have been removed. Any officer or agent may be removed by the board of directors at any time, with or without cause subject to any contract rights to compensation. Appointment of an officer or agent shall not of itself create contract rights.

Article VII. The annual meeting of the members for the election of directors and such other business as may properly come before the meeting shall be held: (a) in Arlington, Wisconsin, on the last Tuesday in February of each year at 1:00 p.m. or at such other time and place within the Corporation's territorial limits as may be determined by the board, provided the board shall give notice thereof by mail to all members at least 15 days prior to the date set by this Article VII for the meeting and at least 30 days prior to the new date of the meeting; or (b) by mail and members may vote on any matters by mail, provided that a ballot shall be sent to each member at least 30 days before the annual meeting, setting out the exact question to be voted upon. A vote signed by a member and delivered before the meeting in accordance with the prescribed voting procedure is equivalent to a vote at the annual meeting. No question on which there is voting by mail may be amended in any way at the meeting. No member (1) may have more than one vote regardless of the number of policies issued to that person or (2) shall vote by proxy.

Article VIII. Special meetings of the Corporation may be called by the board (and may be called by the president or secretary upon the written petition of 25 members) or conducted by mail (in accordance with clause 2 of Article VII), provided at least 30 days' notice thereof, reciting the proposed business to be taken up, shall be given by mail to each member. At all meetings of the Corporation, 25 members shall constitute a quorum (and no matter requiring the vote of the members shall pass unless approved by 2/3rds of the members voting on the resolution) and each member shall have one vote, with the exception of an entity which shall have one vote made by an appointed representative of the Corporation. In the event that such a quorum is not present at any meeting, a majority of those members present may adjourn such meeting from time to time without notice, other than by announcement at the meeting, until a quorum is present. The board of directors may fix a date for determination of record those members who are entitled to notice of and to vote at meetings of members, which date shall not be less than 20 or more than 90 days prior to such meeting.

Article IX. These Restated Articles may be amended at any annual or duly called and noticed special meeting (which may be held in person or by mail in accordance with Article VII) by a resolution adopted by two-thirds of the votes cast on the questions, subject to approval by the commissioner under s.612.04(2). Dissolution of the Corporation may be affected by a resolution under ss.612.12(2) and 612.25.

Article X. The members of the board, by a majority of the votes cast on the question, may make and amend the Bylaws not inconsistent with the Wisconsin Insurance Law, these Restated Articles or with the provisions or conditions of any existing policy. Any bylaw made or amended by the board shall be subject to repeal or amendment by the members by a majority of the votes cast on the question at an annual or special meeting (which may be held in person or by mail in accordance with Article VII).

Article XI. Any assessment shall be levied in accordance with s.612.54(1) through (3). Notice of any assessment shall be subject to s.612.54(4). Consequences of default and failure to pay an assessment shall be as specified in s.612.54(5).

Exhibit B

**BYLAWS
OF
THE SURVIVING CORPORATION**

See attached.



AMENDED AND RESTATED BYLAWS OF ARLINGTON MUTUAL INSURANCE COMPANY

These Amended and Restated Bylaws (these “Restated Bylaws”) of Arlington Mutual Insurance Company, a Wisconsin town mutual insurance corporation (the “Corporation”) organized under Chapter 612 of the Wisconsin Statutes and subject to the Wisconsin Administrative Code Insurance (collectively, the “Wisconsin Insurance Law”), have been adopted and approved in connection with the merger between the Corporation and Farmers Town Mutual Insurance Company, a former Wisconsin town mutual insurance corporation, pursuant to which the Corporation is the surviving corporation. These Restated Bylaws supersede and take the place of the heretofore existing Bylaws of the Corporation, and all amendments thereto. It is hereby mutually understood and agreed by and between the Corporation and each policyholder, that any policyholder’s policies are made and accepted with reference to these Restated Bylaws and the articles of incorporation of the Corporation (the “Articles”), which are hereby declared to be part of such policies and contracts. The primary authority for corporate governance of the Corporation shall be these Restated Bylaws and the Articles. These Restated Bylaws and the Articles supersede any documents, policies, or procedures adopted, approved or enacted by the board of directors, management or policyholders of the Corporation that conflict with or contradict the terms herein and therein.

SECTION I. PRINCIPAL OFFICE, REGISTERED OFFICE AND REGISTERED OFFICE:

Sub-Section 1. The mailing and street address of the principal office of the Corporation is 203 Main Street, Arlington, Wisconsin 53911. The registered office of the Corporation required by the laws of the State of Wisconsin to be maintained in the State of Wisconsin may be, but need not be identical to the principal office of the Corporation in the State of Wisconsin. The address of the principal office of the Corporation may be changed from time to time by the board of directors.

Sub-Section 2. The registered office of the Corporation shall be 203 Main Street, Arlington, Wisconsin 53911. The name of the Corporation’s registered agent is Teri Krysa. The address of the registered office of the Corporation and the identity of the registered agent of the Corporation may be changed from time to time by the board of directors.

SECTION II. MEMBERS:

Sub-Section 1. Each person who, and each entity that is the owner of one or more policies of insurance issued by the Corporation shall be a member of the Corporation with all of the rights and duties of a member during the time their policy is in effect. A person or entity having rights merely by reason of a mortgagee clause included in or attached to a policy does not thereby become a member. The membership interest of a member of the Corporation shall consist of the right to vote as provided in the Articles and these Restated Bylaws for the election of the board of directors and the right to vote as provided by the Articles and these Restated Bylaws at an annual or special meeting of the Corporation on any proposition submitted to a vote of the members and such other rights as provided by law. No member may transfer any rights arising out of such member’s status as a member, provided, however, that such limitation shall not restrict the member’s right to assign a policy that is otherwise permitted pursuant to the terms of such policy and these Restated Bylaws. Any person or entity shall cease to be a member, and all associated rights and privileges shall cease, as of the date no policy of insurance of which such member’s status is derived remains in full force and effect, whether as a result of lapse, expiration, nonrenewal, cancellation, termination, or novation of such policy.

Sub-Section 2. The Corporation has one class of members, all of whom have equal voting rights. The “membership interest” of a member consists of the right to vote for the election of the board of directors as provided in these Restated Bylaws, the right to vote at an annual or special meeting of the members or any other matter submitted to a vote of the members, and such other rights as provided by these Restated Bylaws and the Articles. At any annual or special meeting, the members shall be entitled to cast one vote on each matter presented for membership consideration regardless of the number or type of policies owned by the member. The policyholder of any group policy shall have but one vote regardless of the number of

individuals insured or benefited thereunder. Two or more persons who qualify as a policyholder under a single policy shall be deemed one member for purposes of voting and collectively shall be entitled to one vote. Fractional voting or voting by proxy shall not be permitted. When a member is a minor, the vote shall be vested in the parent or legal guardian of the minor.

Sub-Section 3. For purposes of these Restated Bylaws, a corporation, limited liability company, partnership or other entity which becomes a member of the Corporation may authorize any person to represent it, and that person, as the member's representative, will have all the rights of an individual member. Until the Corporation has received written notice that some other person has been authorized to represent such an entity, the Corporation may assume that any officer or other representative purporting to act for the entity is a duly authorized representative and is entitled to act and vote on its behalf. Whenever in these Restated Bylaws the word "member" is used, it will be deemed to and construed to mean that, according to the context, whether an individual, corporation, limited liability company, partnership, or other entity or the authorized representative of such an entity is a policyholder. With respect to a bond or similar type of contract or policy, "member" will be deemed and construed to mean the applicant and/or principal.

Sub-Section 4. The annual meeting of the members for the election of directors and such other business as may properly come before the meeting shall be held: (1) in Arlington, Wisconsin, on the last Tuesday in February of each year at 1:00 p.m. or at such other time and place within the Corporation's territorial limits as may be determined by the board, provided the board shall give notice thereof by mail to all members at least 15 days prior to the date set by this Sub-Section 4 for the meeting and at least 30 days prior to the new date of the meeting; or (2) by mail and members may vote on any matters by mail, provided that a ballot shall be sent to each member at least 30 days before the annual meeting, setting out the exact question to be voted upon. A vote signed by a member and delivered before the meeting in accordance with the prescribed voting procedure is equivalent to a vote at the annual meeting. No question on which there is voting by mail may be amended in any way at the meeting. No member (a) may have more than one vote regardless of the number of policies issued to that person or (b) shall vote by proxy.

Sub-Section 5. Special meetings of the Corporation may be called by the board (and may be called by the President or Secretary upon the written petition of 25 members) or conducted by mail (in accordance with clause 2 of Sub-Section 4), provided at least 30 days' notice thereof, reciting the proposed business to be taken up, shall be given by mail to each member. At all meetings of the Corporation, 25 members shall constitute a quorum (and no matter requiring the vote of the members shall pass unless approved by 2/3rds of the members voting on the resolution) and each member shall have one vote, with the exception of an entity which shall have one vote made by an appointed representative of the Corporation. In the event that such a quorum is not present at any meeting, a majority of those members present may adjourn such meeting from time to time without notice, other than by announcement at the meeting, until a quorum is present. The board of directors may fix a date for determination of record those members who are entitled to notice of and to vote at meetings of members, which date shall not be less than 20 or more than 90 days prior to such meeting.

Sub-Section 6. Whenever any notice is required to be given to any member under the Articles or these Restated Bylaws or any provision of law, a waiver thereof in writing, signed at any time, whether before or after the time of the meeting by the member entitled to such notice, shall be deemed equivalent to the giving of any notice.

SECTION III. BOARD OF DIRECTORS:

Sub-Section 1. The board of directors shall direct the management of the business and affairs of the Corporation and shall possess and exercise all powers as are necessary or incident to directors of a town mutual insurance corporation under the Wisconsin Insurance Law.

Sub-Section 2. The Corporation shall be managed by a board of directors consisting of 7 to 9 members divided into 3 classes as nearly equal in size as possible. One class shall be elected at each annual meeting for a term of 3 years. The directors shall have such rights, powers and duties as are prescribed by law, the Articles, and these Restated Bylaws of the Corporation. If a vacancy occurs on the board of directors, including a vacancy resulting from an increase in the number of directors, the vacancy may be filled by (a) the board of directors in the interim until the next annual meeting of the members or (b)

if the directors remaining in office constitute fewer than a quorum of the board, the directors, by an affirmative vote of a majority of all such directors. A vacancy that will occur at a specific later date, because of a resignation effective at a later date, or otherwise, may be filled before the vacancy occurs, but the new director may not take office until the vacancy occurs. Directors 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. No agent of the Corporation shall serve as a director.

Sub-Section 3. Each director shall be elected at the annual meeting of the members. The Corporate Governance & Nominating Committee shall be responsible for identifying and nominating director candidates. All nominations of directors shall be in writing to the Corporate Governance & Nominating Committee, and no nomination shall be valid unless (1) made by (a) the board of directors or (b) not less than 20% of the members in good standing and filed with the Secretary not less than 60 days before the annual meeting of the members and (2) approved by the Corporate Governance & Nominating Committee. If, in the manner provided above, there are more persons nominated for director than there are directors to be elected, then not less than 30 days before such annual meeting, the Secretary shall transmit notice thereof to each member shown by the records of the Corporation at the close of business on the 30th day immediately preceding the date of such meeting to be then a member of the Corporation, which notice shall include the list of persons so nominated and indicate which persons, if any, are seeking re-nomination, a brief biography of each nominee, so far as such information may then be in the possession of the Secretary.

Sub-Section 4. A regular meeting of the board of directors shall be scheduled immediately following the annual meeting of the members of the Corporation. At such meeting, the directors shall elect officers. If for any reason such meeting of the board is not held at the time designed, or if there is a failure to elect officers, such officers may be elected at a special meeting of the board of directors called for such purpose or at the next regular meeting of the board of directors.

Sub-Section 5. Regular meetings of the board of directors shall be held at the Corporation's principal office or at such other place as may be designated by the President. Such meetings shall be held at least quarterly at such times as the directors shall prescribe. The President may call special meetings of the board of directors and the board shall call a special meeting of the board of directors when requested, in writing by 3 directors. The Secretary shall give notice of all special meetings of the board of directors in the manner provided herein.

Sub-Section 6. A majority of the directors in office shall constitute a quorum for the transaction of business. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number is required by law or the Articles or these Restated Bylaws.

Sub-Section 7. Notice of each special or regular meeting of the board of directors shall be given by (a) depositing the same in the United States mail, addressed to the director to be notified at his or her business address or at such other address as such director shall have designated in writing and filed with the Secretary, postage prepaid and registered or certified with return receipt requested; (b) depositing with a reputable courier service for same day or overnight delivery; (c) facsimile transmission or electronic mail transmission; or (d) delivering the same in person. Such notice shall be deemed received (a) if mailed, on the third business day following the date on which it is so mailed; (b) if sent by courier, on the next business day; (c) if transmitted by facsimile or electronic mail transmission on a business day, on that day if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; and (d) if personally delivered, upon actual delivery. A director's attendance or participation in a meeting or promptly upon his or her arrival objects to holding the meeting or transaction business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Sub-Section 8. Any action required or permitted by the Articles or these Restated Bylaws or 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 consent in writing, setting forth the action so taken, shall be signed by all of the directors then in office. Electronic transmission such as email shall constitute a writing for purposes of this Sub-Section 8 and a vote from any director from an email address that such director shall have designated in writing and filed with the Secretary shall constitute such director's signature.

Sub-Section 9. Except as herein provided and notwithstanding any place set forth in the notice of the meeting or these Restated Bylaws, members of the board of directors may participate in any regular or special meetings by, or through the use of, any means of communication by which all participants may simultaneously hear each other, such as by conference telephone or other electronic device. If a meeting is conducted by such means, then at the commencement of such meeting the President shall inform the participating directors that a meeting is taking place at which official business may be transacted. Any participant in a meeting by such means shall be deemed present in person at such meeting. Notwithstanding the foregoing, no action may be taken at any meeting held by such means on any particular matter which the President determines, in his or her sole discretion, to be inappropriate under the circumstances for action at a meeting held by such means.

SECTION IV. COMMITTEES:

Sub-Section 1. The board of directors, by resolution, may at any time, elect or authorize the President to appoint, three (3) or more directors to constitute a committee of the board of directors, and may confer powers and impose duties upon any committee as the board of directors may deem advisable. The board of directors may select directors to serve based on each director's relevant knowledge and experience. Each committee shall select a chair from among its members. The board of directors may also designate persons who are not directors to serve as ex-officio, non-voting members of any such committee with the exception of the Executive Committee.

Sub-Section 2. No committee of directors shall be empowered to act in lieu of the entire board of directors with respect to the election of officers or the filling of vacancies on the board or on committees of Directors created pursuant to this Section IV. Each committee of directors shall fix its own rules governing the conduct of its activities, not inconsistent with rules promulgated by the board of directors, and shall make reports to the board of directors of its activities.

Sub-Section 3. The Executive Committee is a standing committee of the board of directors which shall consist of the President, Vice President, Secretary and Treasurer. The Executive Committee shall conduct the business of the Corporation on behalf of the full board of directors when necessary and appropriate.

Sub-Section 4. The Corporate Governance & Nominating Committee is a standing committee of the board of directors responsible for overseeing the corporate governance program of the Corporation, identifying and approving candidates to serve as directors, and serving as a search committee when there is a management vacancy. The Corporate Governance & Nominating Committee shall be responsible for establishing criteria, which shall be subject to board approval, that may disqualify a nominee from being a director.

SECTION V. OFFICERS:

Sub-Section 1. The principal officers of the Corporation shall be the President, Vice President, Treasurer and Secretary, each of whom shall be elected by the board of directors. The same individual may simultaneously hold more than one office in the Corporation. Additional officers may be elected by the Board of Directors, including without limitation one or more assistant treasurers and assistant secretaries. The board of directors may also authorize any officer to appoint one or more of such other officers. The duties of the officers shall be those enumerated herein and any further duties designated by the board of directors.

Sub-Section 2. It shall be the President to preside at all the annual or duly called special meetings of the members, board of directors and the Executive Committee, to sign such policies, contracts, agreements, affidavits and forms as may be required, and to perform such other duties as may be designated by the board of directors or as may be required by law. The President shall be ex-officio member of all committees.

Sub-Section 3. In the absence of the President or in the event of his or her death, inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have such other duties as may be assigned by the Board of Directors or the Executive Committee.

Sub-Section 4. The Secretary shall have general management of the Corporation, subject to the supervision and approval of the board of directors, and may exercise his or her duties in conjunction with and upon delegation of authority to the manager of the Corporation. The Secretary shall sign all contracts, agreements, affidavits and forms as may be required. The Secretary shall maintain complete and accurate records of all transactions, present reports at meetings of the Corporation and of the board of directors, and perform such other duties as may be designated by the board of directors, or as may be required by law.

Sub-Section 5. The Treasurer shall have charge of all of the funds of the Corporation in conjunction with the manager of the Corporation, subject to approval of the board of directors, and shall receive and deposit in the name of the Corporation in depositories designated by the board of directors, and all monies coming into the possession of the Corporation. The Treasurer may exercise his or duties in conjunction with and upon delegation of authority to the manager of the Corporation. The Treasurer shall disburse the monies of the Corporation by check, electronic payments or ACH, and only under such conditions as may be prescribed by the resolution of the board of directors. At each annual meeting of the members and whenever required by law or by board of directors, the Treasurer shall give a report of his or her office and the financial condition of the Corporation. The Treasurer, before entering upon the duties of his or her office, shall furnish a fidelity bond as required by law. Other officers, agents and employees may be required to give bond at the discretion of the board of directors. Premiums on such bonds shall be paid by the Corporation.

SECTION VI. INDEMNIFICATION:

Each director, officer or employee of the Corporation now or hereafter serving as such, shall be indemnified by the Corporation against any and all claims and liabilities including reasonable settlements to which he/she has or shall become subject by reason of serving or having served in such capacity, or by reason of any action alleged to have been taken, omitted, or neglected by him/her as such director, officer, or employee; and the Corporation shall reimburse each such person for all legal expenses reasonably incurred by him/her in connection with any such claim or liability, provided, however, that no such person shall be indemnified against or be reimbursed for any expense incurred in connection with, any claim or liability arising out of his own willful misconduct or gross negligence. Any questions as to the above rights and responsibilities shall be finally resolved by directors not a party to the claim, the members or an opinion by independent counsel. The board of directors shall have power to purchase insurance covering such liability and expense, whether or not it could have the power to indemnify such director, officer, or employee under law, contract or by these Restated Bylaws. It is intended reasonable advances may be made on such indemnity, and that the burden of proof of lack of entitlement be on any objector. If any part of these provisions shall be held ineffective, this shall not affect the balance, and in no case shall indemnification be less than provided or permitted to the full extent of the law.

SECTION VII. AMENDMENTS:

The members of the board of directors, by a majority of the votes cast on the question, may make and amend these Restated Bylaws not inconsistent with the Wisconsin Insurance Law, the Articles or with the provisions or conditions of any existing policy. Any bylaw made or amended by the board of directors shall be subject to repeal or amended by the members by a majority of the votes cast on the question at any annual or special meeting of the members.

SECTION VIII. POLICIES, RISKS, ASSESSMENTS:

The Corporation shall issue policies of insurance on property or risks, subject to the provisions of the Wisconsin Insurance Law. The board of directors may classify property or risks and may establish premium rates and fees to be charged on such classifications.

Exhibit C

CERTIFICATE OF ASSUMPTION

See attached.

ARLINGTON MUTUAL INSURANCE COMPANY

203 Main Street
Arlington, Wisconsin 53911

CERTIFICATE OF ASSUMPTION AND ENDORSEMENT

Insured: _____

Policy Number: _____

Effective Date: _____

Heartland Mutual Insurance Company, a Wisconsin town mutual insurance corporation (“Heartland”), has merged with and into Arlington Mutual Insurance Company, a Wisconsin town mutual insurance corporation (“Arlington”).

Arlington has assumed all of the rights and obligations under the policy originally issued by Heartland.

Former members of Heartland are now members of Arlington and may vote at the Annual Meeting of Arlington. The Annual Meeting is held either (a) in Arlington, Wisconsin, on the last Tuesday in February of each year at 1:00 p.m. or at such other time and place within the Corporation’s territorial limits as may be determined by the board or (b) by mail and members may vote on any matters by mail, provided that a ballot shall be sent to each member at least 30 days before the Annual Meeting, setting out the exact question to be voted upon.

Wherever in this policy the name “Heartland Mutual Insurance Company” is used, the name “Arlington Mutual Insurance Company” is substituted.

Questions regarding this endorsement should be directed to:

Teri Krysa
Arlington Mutual Insurance Company
203 Main Street
Arlington, Wisconsin 53911
Telephone: 608-635-4754
Email: teri@arlingtonmutualinsurance.com

IN WITNESS WHEREOF, Arlington has caused this Certificate of Assumption and Endorsement to be executed this _____ day of _____, 2024.

Kurt Breunig, President

Stephen Elmer, Secretary/Treasurer

**THIS CERTIFICATE FORMS A PART OF YOUR
POLICY AND SHOULD BE ATTACHED THERETO**

Exhibit D-1

EXCLUSION ENDORSEMENT:

Interior Water Damage Limitation Endorsement (AMI-WLIM 10-23)

See attached.

PLEASE READ THIS ENDORSEMENT CAREFULLY, AS IT MODIFIES THE POLICY.

INTERIOR WATER DAMAGE LIMITATION

With respect only to the coverage provided by this endorsement, "your" policy is amended as indicated.

EXCLUSIONS

The following Exclusion is added:

1. Except as provided under this endorsement, "we" do not pay for water loss or damage to the interior of a covered residence, building or structure caused by or resulting from a covered peril.

HOW MUCH WE PAY FOR LOSS OR CLAIM

The most "we" pay in any one occurrence for water loss or damage to the interior of a covered residence, building or structure caused by or resulting from a covered peril is \$15,000.

The policy deductible applies.

All other "terms" and conditions of this policy apply.

Exhibit D-2

**EXCLUSION ENDORSEMENT:
*Roof Limitation Endorsement (AMI-LIM 01-23)***

See attached.

ARLINGTON MUTUAL INSURANCE COMPANY

PLEASE READ THIS ENDORSEMENT CAREFULLY, AS IT MODIFIES THE POLICY.

ROOF LIMITATION

With respect only to this endorsement, "your" policy is amended as indicated.

Under **HOW MUCH WE PAY FOR LOSS OR CLAIM** the following is added:

Roof Limitation – No more than 20% of the amount of insurance for each structure listed on the policy may be applied to the roof of that structure.

All other terms and conditions of this policy apply.

Exhibit D-3

**EXCLUSION ENDORSEMENT:
*\$2,500 Policy Deductible (Form AMI-DED 03-24)***

See attached.

ARLINGTON MUTUAL INSURANCE COMPANY

PLEASE READ THIS ENDORSEMENT CAREFULLY, AS IT MODIFIES THE POLICY.

POLICY DEDUCTIBLE (\$2,500)

The sections of the policy listed below are amended as specified.

DEDUCTIBLE

With respect to loss caused by any of the perils insured against, the Deductible clause in "your" policy is replaced with the following.

This coverage is subject to a minimum \$2,500 deductible per occurrence unless a different amount is shown. Loss from each occurrence to insured property shall be adjusted separately. "We" pay only that part of the loss over the deductible.

In the event of loss to two or more items of covered property arising from the same occurrence, the highest deductible applicable will be subtracted from the total loss.

All other terms and conditions of this policy apply.

30705819.2

Exhibit E

**PROPOSED DIRECTORS OF
THE SURVIVING CORPORATION**

Directors

Proposed directors and their terms are:

<u>Name</u>	<u>Term Expires</u>
Kurt Breunig	2025
Jake Gaitan	2025
Mark Raymond	2025
Ed Kasanders	2026
Kim Bauer	2026
Stephen Elmer	2026
Trent Schuster	2027
Jerry Traut	2027
Mark Tranberg	2027*

*Former Heartland Director