

AFFILIATION AGREEMENT

This Affiliation Agreement (the “Agreement”) is entered into and made as of September 25, 2024, by and between, Rural Mutual Insurance Company, a Wisconsin domestic mutual insurance corporation (“Rural”), and Badger Mutual Insurance Company, a Wisconsin domestic mutual insurance corporation (“Badger”). Rural and Badger may be referred to herein together as the “Parties” and singularly as a “Party.”

BACKGROUND

- A. For purposes of this Agreement, capitalized terms not otherwise defined in the text shall have the meanings specified in Section 9.15, below;
- B. Rural and Badger desire to affiliate pursuant to the terms and subject to the conditions more fully set forth in this Agreement (the “Affiliation”);
- C. Each of Rural and Badger is a Wisconsin domestic mutual insurance corporation under Chapter 611 of the Wisconsin Statutes; and
- D. In connection with the Affiliation, the Parties will enter into the Transaction Documents and Badger will (i) make certain changes to the composition of its Board of Directors; (ii) adopt Amended and Restated Bylaws; and (iii) enter into such additional agreements as the Parties mutually agree.

NOW, THEREFORE, in consideration of the matters recited above, and of the mutual promises, representations, warranties, and covenants set forth in this Agreement and in the other Transaction Documents, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

AGREEMENT

ARTICLE 1 THE AFFILIATION

1.1 The Affiliation and Transaction Documents. Subject to the terms and conditions of this Agreement and the other Transaction Documents, Rural and Badger will affiliate their respective insurance businesses and make effective the transactions contemplated by this Agreement and the other Transaction Documents (collectively, the “Transactions”).

1.2 The Closing and the Closing Date.

(a) The consummation of the Transactions contemplated by this Agreement (the “Closing”) shall be conducted telephonically and through the mutual exchange via e-mail or other electronic means of executed copies of this Agreement and the Transaction Documents on January 1, 2025, effective at 12:01 AM provided all of the conditions to Closing set forth in Article 6 have been satisfied or waived, or on such other date as the Parties may agree; provided, however, that the Closing shall occur on the first day of a calendar month after the end of a calendar quarter (the

“Closing Date”). For clarification, if all the conditions to Closing set forth in Article 6 have been satisfied or waived, the Closing shall occur on January 1, 2025, effective at 12:01 a.m.

(b) At the Closing, Badger shall deliver to Rural:

(i) A certificate of the Secretary of Badger attesting to the adoption and continuing effectiveness of each resolution adopted by Badger’s Board of Directors: (1) approving and adopting this Agreement and the other Transaction Documents; (2) authorizing consummation of the transactions contemplated by this Agreement and the Transaction Documents; and (3) adopting the Amended and Restated Bylaws of Badger, as well as certifying that all of the conditions in Section 6.2 have been met.

(ii) The following documents duly executed by Badger:

(1) the Reinsurance Agreement; and

(2) the Management Agreement.

(iii) Duly executed copies of the following: (1) Director Resignations, effective as of the Closing, of each director on Badger’s Board of Directors who is not listed as Badger-Appointed Director in Exhibit B, Part (ii); and (2) each resolution adopted by the Badger Board of Directors appointing the Rural-Appointed Directors to fill vacancies on the Reconstituted Badger Board for terms lasting until the next annual meeting of the policyholders of Badger, where such Rural-Appointed Directors are anticipated to be nominated for election to full terms on the Reconstituted Badger Board, certified by the Secretary of Badger as being in full force and effect without any amendment;

(iv) Evidence reasonably satisfactory to Rural that all Specified Reinsurer Consents and all Specified Material Contract Consents have been obtained;

(v) A certificate executed by the President or other executive officer of Badger, dated the Closing Date, stating that: (i) all of the representations and warranties of Badger set forth in this Agreement are true and correct in all material respects with the same force and effect as if all of such representations and warranties were made at the Closing, including the representation and warranty regarding compliance with the Minimum Surplus Ratio requirement under Section 4.13 (provided, however, that to the extent such representations and warranties expressly relate to an earlier date, such representations shall be true and correct on and as of such earlier date); and (ii) Badger has performed or complied in all material respects with all of the covenants and obligations to be performed or complied with by it under the terms of this Agreement on or prior to the Closing; provided, however, that to the extent any representations and warranties, or

performance and compliance with any covenants and obligations, are subject in this Agreement to a standard of Knowledge, materiality, Material Adverse Effect or similar standard, such representations and warranties shall be true and correct in all respects, and Badger shall have performed and complied in all respects with such covenants and obligations, in each case to the extent of the Knowledge, materiality, Material Adverse Effect or similar standard set forth herein;

(vi) Evidence of the Governmental Approvals described on Schedule 2.6(a);

(vii) The Employment Agreements signed by each individual employee and Badger, such agreements to become effective immediately following Closing; and

(viii) Such other documents as Rural or its counsel shall reasonably request.

(c) At the Closing, Rural shall deliver to Badger:

(i) A certificate of the Secretary of Rural attesting to the adoption and continuing effectiveness of each resolution adopted by the Rural Board of Directors: (1) approving and adopting this Agreement and the other Transaction Documents; (2) authorizing consummation of the transactions contemplated by this Agreement and the Transaction Documents; and (3) certifying that all the conditions in Section 6.3 have been met.

(ii) Copies of each resolution adopted by Rural's Board of Directors approving and adopting this Agreement and the other Transaction Documents and authorizing consummation of the transactions contemplated hereby and thereby, certified by Rural's Secretary as being in full force and effect without any amendment;

(iii) The following documents duly executed by Rural:

(1) the Reinsurance Agreement; and

(2) the Management Agreement.

(iv) A certificate executed by the President or other executive officer of Rural, dated the Closing Date, stating that: (i) all of the representations and warranties of Rural set forth in this Agreement are true and correct in all material respects with the same force and effect as if all of such representations and warranties were made at the Closing (provided, however, that to the extent such representations and warranties expressly relate to an earlier date, such representations shall be true and correct on and as of such earlier date); and (ii) Rural has performed or complied in all material respects with all of the covenants and obligations to be performed

or complied with by it under the terms of this Agreement on or prior to the Closing; provided, however, that to the extent any representations and warranties, or performance and compliance with any covenants and obligations, are subject in this Agreement to a standard of Knowledge, materiality, Material Adverse Effect or similar standard, such representations and warranties shall be true and correct in all respects, and Rural shall have performed and complied in all respects with such covenants and obligations, in each case to the extent of the Knowledge, materiality, Material Adverse Effect or similar standard set forth herein;

(v) Evidence of the Governmental Approvals described on Schedule 3.6; and

(vi) Such other documents as Badger or its counsel shall reasonably request.

ARTICLE 2 REPRESENTATIONS AND WARRANTIES OF BADGER

Badger makes the following representations and warranties to Rural, each of which is true and correct at and as of Closing, and shall be unaffected by any investigation heretofore or hereafter made by Rural:

2.1 Corporate Existence and Power. Badger and each of its subsidiaries, if any, is duly organized, validly existing, and in good standing under the laws of their respective states of domicile and have all the corporate power required to own, lease, or otherwise hold and operate their respective properties and assets and to carry on their respective businesses as such businesses were being conducted immediately prior to the Closing Date. Badger and each of its subsidiaries is duly qualified or otherwise authorized to transact business and are in good standing (if applicable) in each jurisdiction in which the ownership, leasing or operation of their respective properties or assets or the nature or conduct of their respective businesses requires such qualification or other authorization under Applicable Law. Badger has all requisite power and authority to execute and deliver each Transaction Document to which it is a party and to perform its obligations thereunder.

2.2 Binding Effect. Except as set forth on Schedule 2.2, the execution, delivery and performance by Badger of this Agreement and the consummation of the Affiliation and the other Transactions, and any other instruments to be executed and delivered by Badger and any of its subsidiaries, as applicable, pursuant hereto have been duly authorized by Badger and each such Badger subsidiary, and, as of immediately prior to the Closing Date, will not require any further authorization or approval by Badger or any Badger subsidiary. Assuming the due authorization, execution and delivery by Rural of this Agreement, this Agreement constitutes the legal, valid and binding obligation of Badger, enforceable against Badger in accordance with all of its terms, except as such enforceability may be limited by (i) bankruptcy, receivership, insolvency, reorganization, moratorium or similar laws affecting or relating to creditors' rights generally and (ii) general principles of equity (together, the "Bankruptcy and Equity Exceptions"). Assuming the due authorization, execution, and delivery by Rural of each other Transaction Document to which it

will be a party, each such Transaction Document will, upon the execution and delivery thereof by Rural, constitute the legal, valid, and binding obligation of Badger and its subsidiaries, as applicable, enforceable against Badger and its subsidiaries, as applicable, in accordance with all of its terms, subject to the Bankruptcy and Equity Exceptions.

2.3 Compliance with Laws. Except as set forth on Schedule 2.3, Badger and each Badger subsidiary and at all times since January 1, 2021, have been in compliance in all material respects with all Applicable Law. Since January 1, 2021, neither Badger nor any Badger subsidiary has received any notice or other communication from any Governmental Body regarding any actual or accused material violation of, or material failure on the part of, Badger or any Badger subsidiary to comply with any Applicable Law. Neither Badger nor any Badger subsidiary is relying on any exemption from or deferral of any Applicable Law that would not be available after the Closing.

2.4 Non-Contravention. Provided that all consents, approvals, non-disapprovals, licenses, permits, orders, qualifications, authorizations, filings, notifications and other actions described in Schedule 2.6(a) have been obtained or taken, and except as set forth on Schedule 2.4, the execution, delivery and performance by Badger of this Agreement, the execution, delivery and performance by Badger of the other Transaction Documents, and the consummation of the Affiliation and the other Transactions do not and will not, as the case may be: (i) violate any provision of Badger's Articles of Incorporation or its Bylaws or the comparable organizational or constituent documents of any Badger subsidiary; (ii) violate or conflict with any Applicable Law; or (iii) violate, conflict with, or result in a material breach of, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or result in the termination of, or accelerate the performance required by, or result in a right of termination or acceleration under, or result in the creation of any Lien upon any assets of Badger or any Badger subsidiary under any of the terms, conditions or provisions of, any Material Contract to which Badger or any Badger subsidiary is a party or to which Badger or any of its assets or any Badger subsidiary or such Badger subsidiary may be subject and, in the case of (iii) above, the effect of which would, individually or in the aggregate, result in a Badger Material Adverse Effect.

2.5 Financial Statements.

(a) Badger has previously made available to Rural or its Representatives true and complete copies of the statutory financial statements of Badger and each insurance company subsidiary of Badger, if any (each, an "Insurance Subsidiary") for the years ended December 31, 2021, December 31, 2022, and December 31, 2023, as filed with the Wisconsin Office of the Commissioner of Insurance ("OCI") (collectively, the "Badger Financial Statements") (the balance sheets of Badger and each Insurance Subsidiary as of December 31, 2023, included in the Badger Financial Statements are referred to, collectively, as the "Most Recent Badger Balance Sheet"). The Badger Financial Statements, including, without limitation, the provisions made therein for investments and the valuation thereof, reserves, policy and contract claims, together with the notes thereto, fairly present in all material respects the statutory financial position, assets, liabilities, surplus, and other funds of Badger (and, if applicable, each Insurance Subsidiary) as of the dates thereof and the results of its operations for the periods indicated in conformity with

statutory accounting principles (“SAP”) as prescribed or permitted by OCI and the National Association of Insurance Commissioners (the “NAIC”). Each such Badger Financial Statement was prepared in compliance with Applicable Law when so filed.

(b) Badger has previously made available to Rural or its Representatives true and complete copies of the audited financial statements or, if there are no audited financial statements, the unaudited financial statements of each non-insurance company subsidiary of Badger, if any, as of December 31, 2021, December 31, 2022, and December 31, 2023 (collectively, the “GAAP Financial Statements”). The GAAP Financial Statements: (i) were prepared in accordance with GAAP consistently applied during the periods involved; (ii) present fairly, in all material respects, the financial position and results of operations and changes in shareholders’ equity and cash flows of each non-insurance company subsidiary of Badger as of the respective dates and for the respective periods referred to in the GAAP Financial Statements; and (iii) were prepared in compliance with Badger’s internal control procedures.

(c) Since December 2021, Badger and each Insurance Subsidiary, if any, has filed all financial statements required to be filed with or submitted to the appropriate Governmental Bodies. Each of the financial statements complied with Applicable Law when so filed. Each such financial statement was prepared in accordance with SAP consistently applied and presents fairly the financial position of Badger or the Insurance Subsidiary, as applicable, as of the date thereof and the results of operations of Badger or the Insurance Subsidiary, as applicable, for the respective periods covered thereby.

2.6 Governmental Approvals; Permits.

(a) No consents, approvals, non-disapprovals, licenses, permits, orders, qualifications or authorizations of, waivers from, or any filings with or notifications to, or registrations or other actions by, any Governmental Body (each, a “Governmental Approval”) are required to be made or obtained at or prior to the Closing by Badger or any Badger subsidiary in connection with the execution, delivery or performance by Badger of this Agreement or by Badger or any Badger subsidiary in connection with the execution, delivery or performance of any other Transaction Documents, as applicable, or to consummate the Affiliation or any other Transactions, except for the Governmental Approvals set forth on Schedule 2.6(a).

(b) Badger and each Badger subsidiary holds and maintains all Governmental Approvals required to transact any insurance business that Badger or such Badger subsidiary is presently transacting in each state in which Badger or such Badger subsidiary is conducting business, as applicable, (the “Badger Permits”) in full force and effect, and each such Badger Permit is valid, not suspended and not subject to any restrictions. Neither Badger nor any Badger subsidiary is the subject of any pending or, to Badger’s Knowledge, threatened action seeking the

revocation, suspension, termination, modification or impairment of any Badger Permit or has received any written notice from any Governmental Body regarding any actual or alleged material violation of, or material failure on the part of Badger or any Badger subsidiary to comply with, any term or requirement of any Badger Permit. Schedule 2.6(b)(i) sets forth a list, as of the date hereof, of the jurisdictions in which Badger and each Insurance Subsidiary, if any, are licensed to write insurance and the types of insurance and other products that it is licensed to write in each such jurisdiction. Schedule 2.6(b)(ii) sets forth a list, as of the date hereof, of the jurisdictions in which any subsidiary of Badger that is an Insurance Producer is licensed to act as an agent, broker or producer.

2.7 Reserves.

(a) The reserves and related actuarial items reflected in the Badger Financial Statements, as of the dates or periods stated therein: (i) were computed, and are fairly stated, in accordance with presently accepted, sound actuarial standards and (ii) meet all requirements of Applicable Law and meet or exceed the minimum aggregate amounts required by Applicable Law.

(b) Prior to the date hereof, Badger has delivered or made available to Rural a true and complete copy of all actuarial reports prepared by actuaries, independent or otherwise, with respect to Badger and each Insurance Subsidiary, if any, from January 1, 2023, through the date of this Agreement, and all attachments, addenda, supplements and modifications thereto (the “Badger Actuarial Analyses”). The information and data furnished by Badger and any Insurance Subsidiary to Badger’s actuaries in connection with the preparation of the Badger Actuarial Analyses were, to Badger’s Knowledge, accurate in all material respects.

2.8 Absence of Certain Events or Changes. Except as set forth on Schedule 2.8, since December 31, 2021, (i) the businesses of Badger and each Badger subsidiary have been operated in all material respects in the Ordinary Course of Business and (ii) there has not occurred any event, occurrence or condition that, individually or in the aggregate, has had, or is reasonably likely to result in, a Badger Material Adverse Effect.

2.9 No Undisclosed Liabilities. Except for liabilities and obligations (including Liens) disclosed or provided for in the Badger Financial Statements or the GAAP Financial Statements, neither Badger nor any Badger subsidiary has any liabilities or obligations (whether absolute or contingent and whether due or not due), except: (i) as set forth on Schedule 2.9; (ii) for contractual liabilities arising in the Ordinary Course of Business; (iii) liabilities incurred after the date of this Agreement without violation of Section 4.1; or (iv) liabilities that, individually or in the aggregate, would not reasonably be expected to result in a Badger Material Adverse Effect.

2.10 Litigation; Governmental Orders. Except as set forth on Schedule 2.10, as of the date hereof:

(a) There are no actions, arbitrations, lawsuits, material claims, suits, proceedings, or investigations, including litigation holds, (collectively, “Legal

Proceedings”) pending or, to Badger’s Knowledge, threatened against or affecting Badger or any Badger subsidiary (including any in which Badger or any Badger subsidiary, as applicable, is the plaintiff or claimant) or their respective properties, assets or businesses, other than threatened claims under the terms of the Insurance Contracts issued by Badger and each Insurance Subsidiary.

(b) There are no actions, arbitrations, lawsuits, material claims, suits, proceedings, or investigations pending or, to Badger’s Knowledge, threatened against or affecting Badger or any Badger subsidiary (including in which Badger or any Badger subsidiary, as applicable, is the plaintiff or claimant) or their respective properties, assets or businesses, that: (i) allege bad faith or any violation of law; or (ii) with respect to which class certification has been granted.

(c) There is no action, suit or other legal or arbitration proceeding pending against, or to Badger’s Knowledge, threatened against, or affecting Badger or any Badger subsidiary, or any of their respective properties, assets or businesses that in any manner challenges or seeks to prevent, enjoin or materially delay the Affiliation or any other transactions contemplated by this Agreement or the other Transaction Documents.

(d) Neither Badger nor any Badger subsidiary is a party to any supervisory agreement, memorandum of understanding, consent order, stipulation, cease and desist order, or any other regulatory order or decree with or by any Governmental Body.

Schedule 2.10 shall identify and list separately, by category, (A) Legal Proceedings pending against or affecting Badger or any Badger subsidiary (including in which Badger or any Badger subsidiary, as applicable, is the plaintiff or claimant) or their respective properties, assets or businesses under the terms of the Insurance Contracts of Badger and each Insurance Subsidiary, and (B) all other Legal Proceedings other than Legal Proceedings that are threatened but not pending under the terms of under the terms of the Insurance Contracts of Badger and each Insurance Subsidiary. Schedule 2.10 shall also include a separate listing of all Legal Proceedings and settlements against or affecting Badger or any Badger subsidiary, as applicable, is the plaintiff or claimant) or their respective properties, assets or businesses, since January 1, 2019 other than claims under the terms of the Insurance Contracts of Badger and each Insurance Subsidiary, if any.

2.11 Material Contracts.

(a) Schedule 2.11(a) sets forth a list, as of the date hereof, of any Contract (including all amendments, extensions, renewals, guaranties, modifications, supplements or other agreements, if any, related thereto) to which Badger or any Badger subsidiary is a party or, to Badger’s Knowledge, has any rights or obligations, or to which any of their respective properties, assets or businesses are subject or that is entered into for the benefit of Badger or any Badger subsidiary that meets any of the following criteria and is not an Insurance Contract (each, a “Material Contract”):

- (i) the performance of which is reasonably expected to involve amounts payable to or by Badger or any Badger subsidiary in excess of \$50,000 in the aggregate during the next twelve (12) months;
- (ii) the performance of which is reasonably expected to involve the delivery or receipt by Badger or any Badger subsidiary of goods or services with a fair market value in excess of \$50,000 in the aggregate during the next twelve (12) months;
- (iii) relates to the incurrence by Badger or any Badger subsidiary of any Indebtedness in an amount in excess of \$50,000;
- (iv) grants a right of first refusal or first offer or similar right or materially restricts or limits Badger's or any Badger subsidiary's or, following the Effective Date, any of their Affiliates', ability to compete with other entities, compete in any geographic region or in any particular medium, market any product or solicit customers, provides for "exclusivity" or any similar requirement or includes a "preferred" or "most favored nation" provision, in each case in favor of any Person other than Badger or any Badger subsidiary;
- (v) contains any keep-wells or guarantees made or supported by Badger or any Badger subsidiary, or is an indemnification agreement, other than as set forth in the articles of incorporation and by-laws of Badger or any of its subsidiaries;
- (vi) is a lease or is a contract for the purchase or sale of real property;
- (vii) is a contract between Badger or any Badger subsidiary on the one hand, and any director, officer, employee or consultant of Badger (other than contracts terminable at the election of Badger or the applicable Badger subsidiary on thirty (30) or fewer calendar days' notice with no termination penalties or fees) or any Badger subsidiary or any Person related by blood or marriage to, or any company owned or controlled by, any such director, officer, employee or consultant, on the other hand (other than contracts terminable at the election of Badger or the applicable Badger subsidiary on thirty (30) or fewer calendar days' notice with no termination penalties or fees);
- (viii) is a partnership, joint venture or limited liability company agreement;
- (ix) relates to the administration, claims, underwriting, investment management or other material functions of Badger or any Badger subsidiary, as applicable;
- (x) relates to any derivatives or hedging transaction;

(xi) is with any Governmental Body;

(xii) is a contract with any agent, broker or producer of Badger and/or an Insurance Subsidiary, if any (each such individual, an “Insurance Producer”) that, (a) in the twelve (12)-month period ended December 31, 2023, produced Insurance Contracts for Badger or an Insurance Subsidiary that resulted in greater than two percent (2%) of Badger’s or such Insurance Subsidiary’s gross written premiums over the course of such period, and/or (b) has produced Insurance Contracts that resulted in at least \$1,000,000 in gross written premiums in the calendar year 2024, or is likely to produce Insurance Contracts that will result in at least \$1,000,000 in gross written premiums in the calendar year 2024 based on current projections;

(xiii) is a material computer systems or software lease; or

(xiv) is an obligation to enter into any of the foregoing.

(b) With respect to each Material Contract: (i) such Material Contract is a legal, valid and binding obligation of Badger or the applicable Badger subsidiary, and, to Badger’s Knowledge, each other party or parties thereto, is enforceable against Badger or such Badger subsidiary, and such other party or parties thereto, in accordance with its terms, and is in full force and effect, subject to the Bankruptcy and Equity Exceptions; (ii) Badger or such Badger subsidiary is not, and, to Badger’s Knowledge, no other party thereto is, in material violation, default or breach in the performance, observance or fulfillment of any obligation, covenant or condition contained in such Material Contract; (iii) to Badger’s Knowledge, no circumstance, event, condition or omission exists that would, with or without notice or lapse of time or both, constitute a material violation, default or breach under any Material Contract or would permit the termination, modification, cancellation or acceleration of the performance, observance or fulfillment of such Material Contract; (iv) no party thereto has provided any notice of any intention to terminate such Material Contract; and (v) no party thereto has repudiated any material provision of such Material Contract.

(c) Copies of each Material Contract (including any amendments, extensions, renewals, guaranties, modifications, waivers, supplements or other agreements, if any, related thereto) have been made available by Badger or its Representatives to Rural prior to the date hereof.

2.12 Reinsurance Contracts.

(a) To Badger’s Knowledge, all Reinsurance Contracts are in full force and effect, and, to Badger’s Knowledge, no reinsurer party to any such Reinsurance Contract is the subject of a rehabilitation, liquidation, conservatorship, bankruptcy or similar proceeding. Since January 1, 2021, through the date hereof, neither Badger nor any Insurance Subsidiary has received any written notice to the effect that: (i) the financial condition of any reinsurer that is a party to any Reinsurance

Contracts is impaired with the result that a material default thereunder may reasonably be anticipated, whether or not such default may be cured by the operation of any offset clause in such agreement; or (ii) any amount of reinsurance ceded by Badger or such Insurance Subsidiary, as applicable, will be uncollectible or otherwise defaulted upon. To Badger's Knowledge, since January 1, 2021, through the date hereof, no reinsurer that is a party to any Reinsurance Contract is in default or has otherwise failed to pay any material amount when due.

(b) All premiums due under the Reinsurance Contracts have been paid in full or were adequately accrued or reserved for by Badger and each Insurance Subsidiary, if any. To the extent credit for reinsurance has been taken by Badger or an Insurance Subsidiary in any Badger Financial Statement pursuant to Applicable Law, Badger or such Insurance Subsidiary was entitled to take such credit for reinsurance in such Badger Financial Statement pursuant to Applicable Law.

(c) None of the Reinsurance Contracts is or, to Badger's Knowledge, would be deemed to be, finite reinsurance, financial reinsurance or such other form of reinsurance that does not meet the risk transfer requirements under Applicable Law. Each of the Reinsurance Contracts has been properly characterized and accounted for in the Badger Financial Statements in accordance with SAP, and no Governmental Body has objected to such characterization and accounting.

(d) Schedule 2.12(d) sets forth a true and correct list of all Liens, collateral or security arrangements, including by means of a credit for reinsurance trust or letter of credit, to or for the benefit of Badger or any Insurance Subsidiary, as applicable, under any Reinsurance Contract.

2.13 Subsidiaries. Badger has no subsidiaries. Badger does not own, directly or indirectly, more than a two percent (2%) equity interest in any corporation, partnership, joint venture or other business association or entity other than the subsidiaries listed in this Schedule 2.13.

2.14 Indebtedness. Except as set forth on Schedule 2.14 or the Badger Financial Statements and the GAAP Financial Statements, neither Badger nor any Badger subsidiary has any Indebtedness, other than Indebtedness incurred in the Ordinary Course of Business. Neither Badger nor any Badger subsidiary is in default, and no waiver of default is currently in effect, in the payment of any principal or interest on any Indebtedness, and no event or condition exists with respect to any Indebtedness that would permit (or that with notice or lapse of time, or both, would permit) one or more Persons to cause any Indebtedness to become due and payable before its stated maturity or before its regularly scheduled date of payment. Neither Badger nor any Badger subsidiary has agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) Badger or such Badger subsidiary, or any of Badger's or such Badger subsidiary's assets or properties, whether now owned or hereafter acquired, to be subject to a Lien (other than a Permitted Lien).

2.15 Owned Real Property.

(a) Schedule 2.15(a) sets forth all real property owned by Badger or any Badger subsidiary, respectively (the “Owned Real Property”). Except as set forth on Schedule 2.15(a), neither Badger nor any Badger subsidiary owns any real property. Neither Badger nor any Badger subsidiary holds any options or rights to acquire any real property, and neither Badger nor any Badger subsidiary is obligated or bound by any options, obligations or rights of first refusal or contractual rights to sell, lease or purchase any real property.

(b)

(i) Except as set forth in Schedule 2.15(b)(i), each parcel of Owned Real Property is in material compliance with all Applicable Laws and properly zoned for its present use, and there are no public or private use or occupancy restrictions applicable to such Owned Real Property and improvements thereon which prevent its continued present use.

(ii) Schedule 2.15(b)(ii) sets forth a list of all parcels of Owned Real Property that are leased to a third party (the “Owned Rental Property”) and the principal terms and the termination date of each such lease.

(iii) Except as set forth on Schedule 2.15(b)(iii), neither Badger nor any Badger subsidiary has received notice of, or been served with, any pending or threatened condemnation, or sale in lieu thereof, with respect to any portion of the Owned Real Property or any access thereto, and, to Badger’s Knowledge, no such action is threatened.

(iv) Except as set forth on Schedule 2.15(b)(iv), the improvements, including any equipment, signs and trade fixtures installed by Badger or any Badger subsidiary on the Owned Real Property, lie wholly within the boundaries and building restriction lines of the Owned Real Property, and no improvements on adjoining properties encroach onto the Owned Real Property.

(c) Badger maintains fully-paid policies of fire and extended coverage and casualty, liability and other forms of insurance relating to the operation of the Owned Real Property and Owned Rental Property in such amounts and against such risks and losses as set forth on Schedule 2.15(c).

2.16 Leased Real Property.

(a) Schedule 2.16(a) sets forth a true and correct list of the addresses of all real property leased, subleased, or licensed or occupied by Badger or any Badger subsidiary as lessee (including the date, if available, and the name of the parties to such lease document), used in connection with the operation of Badger’s or such Badger subsidiary’s business (the “Leased Real Properties”). Either Badger or the applicable Badger subsidiary has, and at the Closing will have, a legal, binding, valid and enforceable leasehold interest with respect to each Leased Real Property, subject to Permitted Liens and to the Bankruptcy and Equity Exceptions, and

neither Badger nor such Badger subsidiary or, to Badger's Knowledge, any other party to any such lease is in default. To Badger's Knowledge, no event has occurred and no condition exists that, with notice or lapse of time, or both, would constitute a default by Badger or any Badger subsidiary under any such lease.

(b) Neither Badger nor any Badger subsidiary has assigned, sublet, transferred, disposed of, or permitted to exist any Lien, except for Permitted Liens, on Badger's or such Badger subsidiary's interest in any lease with respect to any Leased Real Property. With respect to each of the aforementioned leases, neither Badger nor any Badger subsidiary has collaterally assigned or granted any other security interest in any such lease or any interest therein.

(c) The use and operation of the Leased Real Properties in the conduct of business by Badger and any Badger subsidiaries does not violate, in any material respect: (i) any instrument of record or agreement affecting any Leased Real Property; or (ii) any Applicable Law.

2.17 Personal Property.

(a) Badger and each Badger subsidiary are in possession of and have good and valid title to, or otherwise have the right to use, pursuant to a valid and enforceable lease, license or similar contractual arrangement, all of their respective material assets, in each case free and clear of any Lien other than Permitted Liens.

(b) The assets that are owned, licensed or leased by Badger or the Badger subsidiaries constitute all of the material assets used or held for use in the conduct of business by Badger and the Badger subsidiaries as of the date hereof.

(c) All tangible assets which are included in the Badger Financial Statements are in good operating condition and repair, subject only to normal wear and maintenance and obsolescence, are useable in the regular and Ordinary Course of Business and conform to all Applicable Law and authorizations relating to their construction, use and operation. No person other than Badger owns any of the tangible assets necessary to the operation of the insurance business of Badger.

2.18 Examination Reports. Badger has previously made available complete and correct copies of the most recent reports of OCI examinations of Badger and any Badger subsidiary. Except as set forth on Schedule 2.18, since the date of the most recent OCI examinations of Badger and its subsidiaries, neither Badger nor any of its subsidiaries has been the subject of further examination by, and neither Badger nor any of its subsidiaries is currently undergoing examination by, OCI or any other state insurance regulator. Badger has previously delivered to Rural, or provided Rural with access to, all final reports and other documents relating to the most recent OCI examinations of Badger and its subsidiaries in Badger's possession.

2.19 Taxes.

(a) Except as set forth on Schedule 2.19(a): (i) all Taxes (whether or not shown on any Tax Return) for which Badger or any Badger subsidiary may be liable have

been timely paid; (ii) all Tax Returns required to have been filed by or with respect to Badger and each Badger subsidiary have been timely filed; (iii) all such Tax Returns are complete and accurate and disclose all Taxes required to be paid by or with respect to Badger and each Badger subsidiary for the periods covered thereby in all material respects; (iv) no extension of time within which to file any such Tax Return is in effect; and (v) no waiver of any statute of limitations relating to Taxes for which Badger or any Badger subsidiary may be liable is in effect, and no written request for such a waiver is outstanding.

(b) Schedule 2.19(b)(i) sets forth a schedule of the Tax Returns referred to in clause (ii) of Section 2.19(a) with respect to which neither the appropriate Governmental Body has completed its examination (with all issues finally resolved) nor the period for assessment of the associated Taxes (taking into account all applicable extensions and waivers) has expired. Except as set forth in Schedule 2.19(b)(ii): (i) there is no action, suit, investigation, audit, claim or assessment pending or proposed or threatened with respect to Taxes for which Badger or any Badger subsidiary may be liable; (ii) no claim has ever been made by a Governmental Body in a jurisdiction where Badger or any Badger subsidiary has never paid Taxes or filed Tax Returns asserting that Badger or such Badger subsidiary respectively, is or may be subject to Taxes assessed by such jurisdiction; (iii) all deficiencies asserted or assessments made as a result of any examination of the Tax Returns referred to in the first sentence of this Section 2.19(b) have been paid in full or otherwise finally resolved; and (iv) there are no Tax rulings, requests for rulings, or closing agreements relating to Taxes for which Badger or any Badger subsidiary may be liable that could affect Badger's or any Badger subsidiary's liability for Taxes for any taxable period ending after the Closing Date.

(c) Except as set forth on Schedule 2.19(c): (i) neither Badger nor any Badger subsidiary will be required to include or accelerate the recognition of any item in income, or exclude or defer any deduction or other Tax benefit, in each case in any taxable period (or portion thereof) after Closing, as a result of any change in method of accounting, closing agreement, intercompany transaction, installment sale, election under 108(i) of the Internal Revenue Code (the "Code"), Section 807(f) of the Code, or the receipt of any prepaid amount, in each case prior to Closing; (ii) there are no Liens for Taxes upon the assets of Badger or any Badger subsidiary except Liens relating to current Taxes not yet due; (iii) all Taxes which Badger or any Badger subsidiary is required by law to withhold or to collect for payment have been duly withheld and collected and have been paid to the appropriate Governmental Body; (iv) neither Badger nor any Badger subsidiary has been a member of any Company Group other than each Company Group of which it is presently a member; (v) neither Badger nor any Badger subsidiary has any liability for Taxes of another Person under Treasury Regulation § 1.1502-6 (or any similar provision of state, local or foreign law) (other than for Taxes of another Person in the Company Group of which Badger and each Badger subsidiary is a member), under any agreement or arrangement, as a transferee or successor, or by contract or otherwise; and (vi) neither Badger nor any Badger subsidiary has participated in any "listed transaction" within the meaning of Treasury Regulation § 1.6011-

4(b)(2) and, with respect to each transaction in which Badger or any Badger subsidiary has participated that is a “reportable transaction” within the meaning of Treasury Regulation § 1.6011-4(b)(1), such participation has been properly disclosed on IRS Form 8886 (Reportable Transaction Disclosure Statement) and on any corresponding form required under state, local or other law.

2.20 Labor Matters; Employee Benefits.

(a) Except as set forth on Schedule 2.20(a), Badger and each Badger subsidiary, as applicable: (i) have no written or oral contracts of employment with any employee, other than contracts terminable at the election of Badger or the applicable Badger subsidiary on thirty (30) or fewer calendar days’ notice; (ii) have no written or oral contracts with any employee or director providing for severance pay or other compensation to be paid to the employee or director in the event of his or her termination, removal or resignation; and (iii) are not parties to or subject to any collective bargaining agreements.

(b) All material Badger Benefit Plans are set forth on Schedule 2.20(b). With respect to each Badger Benefit Plan, Badger has made available to Rural a true and complete summary of the material terms of such plan. With respect to each Badger Benefit Plan subject to Title IV of ERISA, Badger has made available to Rural a copy of all financial statements and actuarial reports for the three (3) year period prior to the date of this Agreement.

(c) Except as set forth on Schedule 2.20(c), there are no material claims or disputes pending, or, to Badger’s Knowledge, threatened with respect to any Badger Benefit Plan, other than routine claims for benefits in the Ordinary Course of Business.

(d) Except as set forth on Schedule 2.20(d) or to the extent required by COBRA or the terms of a severance benefit plan, policy or agreement, no Badger Benefit Plan provides medical, dental or life insurance coverage or any other welfare benefits after termination of employment.

(e) Neither Badger nor any of its ERISA Affiliates maintains, has ever maintained, contributes to or contributed to, or been required to contribute to any “multiemployer plan” as defined in Section 3(37) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) or a multiple employer plan within the meaning of Sections 4063 and 4064 of ERISA or Section 413(c) of the Code.

(f) Each Badger Benefit Plan that is intended to be qualified under Section 401(a) of the Code is the subject of a favorable determination letter by the Internal Revenue Service and no event has occurred and no condition exists that has adversely affected or would reasonably be expected to adversely affect the Tax qualification of any such Badger Benefit Plan. Each Badger Benefit Plan: (i) has been maintained and administered in all material respects in accordance with its

terms; and (ii) is in compliance in all material respects with all Applicable Laws. All contributions required to be made under each Badger Benefit Plan have been properly accrued and reflected in the financial statements in all material respects. Each Badger Benefit Plan that is subject to Section 409A of the Code has been documented, operated and administered in compliance in all material respects with Section 409A of the Code. There are no pending audits, investigations or inquiries by any Governmental Authorities with respect to any Badger Benefit Plans.

(g) Neither Badger nor any of its ERISA Affiliates have any material liability, whether direct, indirect, contingent or otherwise: (i) on account of any violation of the health care requirements of Part 6 or 7 of Title I of ERISA or Section 4980B or 4980D of the Code; (ii) under Section 502(i) or 502(l) of ERISA or Section 4975 of the Code; or (iii) under Section 4971, Section 4972, Section 4979 or Section 4980 of the Code, and no fact or event exists that would give rise to any such liability.

(h) Except as set forth on Schedule 2.20(h): (i) no steps have been taken to terminate any Badger Benefit Plan that is covered by Title IV of ERISA; and (ii) no termination of any “pension plan” (as defined under Section 3(2) of ERISA) has occurred pursuant to which all liabilities have not been satisfied in full. No proceeding has been initiated by the Pension Benefit Guaranty Corporation to terminate any Badger Benefit Plan or to appoint a trustee to administer any Badger Benefit Plan. Except as set forth on Schedule 2.20(h), with respect to each Badger Benefit Plan subject to Title IV of ERISA: (i) there has been no “reportable event” within the meaning of Section 4043 of ERISA, other than a reportable event that is not subject to a thirty (30) day advance notice requirement; (ii) no plan has applied for or received a waiver of the minimum funding standards or an extension of any amortization period within the meaning of Section 412 of the Code or Sections 302 or 303 of ERISA; and (iii) there has been no determination that any such plan is, or is expected to be, in “at risk” status (within the meaning of Section 303(i)(4) of ERISA or Section 430 of the Code).

(i) None of the assets of any Badger Benefit Plan are the subject of any Lien arising under ERISA or the Code, and neither Badger nor any of its ERISA Affiliates have been required to post any security under ERISA or Section 401(a)(29) or 436 of the Code with respect to any Badger Benefit Plan, and no fact or event exists that might give rise to any such Lien or requirement to post any such security.

(j) Except as set forth in Schedule 2.20(j), neither the execution nor delivery of this Agreement or any other Transaction Document nor the consummation of the transactions contemplated by this Agreement or any other Transaction Document will, either alone or in conjunction with any other event (whether contingent or otherwise): (i) result in any payment or benefit becoming due or payable, or required to be provided, to any officer, employee, director, consultant, agent or independent contractor of Badger or any Badger subsidiary, as applicable; (ii) increase the amount or value of any benefit or compensation otherwise payable or

required to be provided to any such officer, employee, director, consultant, agent or independent contractor; (iii) result in the acceleration of the time of payment, vesting or funding of any such benefit or compensation payable to, or forgiveness of any debt of any officer, employee, director, consultant, agent or independent contractor; or (iv) result in payments under any Badger Benefit Plan that would not be deductible as a result of the application of Section 162(m) of the Code. No amount paid or payable (whether in cash, in property, or in the form of benefits) by Badger or any Badger subsidiary in connection with the transactions contemplated hereby (either alone or in conjunction with any other event) will be an “excess parachute payment” within the meaning of Section 280G of the Code. No Person is entitled to receive any additional payment from Badger or any Badger subsidiary as a result of the imposition of a Tax under Section 4999 of the Code.

(k) To Badger’s Knowledge, there are no organizational campaigns, petitions or other unionization activities focusing on persons who provide services to Badger or its business or to any Badger subsidiary or such Badger subsidiary’s business which seeks recognition of a collective bargaining unit. Neither Badger nor any Badger subsidiary is, nor in the past three (3) years been, subject to any strikes, material slowdowns or material work stoppages pending or, to Badger’s Knowledge, threatened in writing between Badger and any group of the foregoing employees. Badger and its subsidiaries have been in material compliance with all Applicable Law regarding employment, labor and wage and hour matters, including discrimination, sexual harassment, civil rights, immigration, safety and health, workers’ compensation, classification of employees and independent contractors, classification of exempt and non-exempt status for overtime eligibility purposes, plant closing and layoff or other notices, and the collection and payment of withholding Taxes, social security Taxes and similar Taxes. Schedule 2.20(k) sets forth a true and complete list of all complaints filed with or against Badger in the past six (6) years regarding any of the employment, labor and wage and hour matters listed above, and Badger has previously provided Rural with copies or summaries of all such complaints.

(l) Schedule 2.20(l) sets forth a true and complete list of: (i) each employee of Badger and Badger’s subsidiaries, respectively; and (ii) each employee’s job title, base salary rate or hourly rate of pay, location, date of hire, full or part-time status, exempt or non-exempt status, leave status and, if applicable, the type of leave and commencement date of leave.

2.21 Operations Insurance. Schedule 2.21 sets forth a list, as of the date of this Agreement, of all in-force insurance policies, including all liability, property, workers compensation, directors and officers liability, ICPL, cyber liability, and other similar insurance contracts, that insure the respective properties, assets and businesses of Badger and each Badger subsidiary (the “Operations Insurance Policies”). Badger or its Representatives have previously furnished or otherwise made available to Rural copies of all Operations Insurance Policies. All Operations Insurance Policies are in full force and effect and all premiums due and payable thereon have in all material respects been paid in full on a timely basis.

2.22 Insurance Regulatory Matters.

(a) Since January 1, 2021, Badger and each of its subsidiaries have made all filings required to be made by each of them with the state insurance regulator in each state in which they conduct insurance underwriting or insurance brokerage operations, as applicable. Such filings were in material compliance with Applicable Law when filed, and no deficiencies have been asserted by any state insurance regulator in connection with any such filing that have not been corrected or otherwise addressed to the satisfaction of such state insurance regulator.

(b) Since January 1, 2021, Badger and each Insurance Agency, if any, has: (i) timely paid (after giving effect to any grace periods or extensions) all guaranty fund assessments that are due, or claimed or asserted by any state guaranty fund or association or by any state insurance regulator to be due; and (ii) provided for all such assessments in the Badger Financial Statements, to the extent required by SAP.

(c) Since January 1, 2021, all Insurance Contract benefits due and payable by or on behalf of Badger or any Insurance Subsidiary have in all material respects been paid in accordance with the terms of the Insurance Contracts under which they arose, except for such benefits for which Badger or such Insurance Subsidiary, as applicable, believes there is a reasonable basis to contest payment.

(d) Since January 1, 2021, any rates of Badger and each Insurance Subsidiary, if any, that are required to be filed with or approved by a Governmental Body have, in all material respects, been so filed or approved and the rates used by Badger conform thereto.

2.23 Insurance Producers.

(a) Schedule 2.23(a) sets forth a list of each Insurance Producer. Since January 1, 2021: (i) to Badger's Knowledge, each Insurance Producer possesses all Governmental Approvals required to conduct its respective insurance operations as such insurance operations were being conducted immediately prior to the Closing Date, and all such Governmental Approvals are in full force and effect; (ii) to Badger's Knowledge, none of the Insurance Producers are in material violation of the terms of any such Governmental Approvals, and neither Badger nor any Badger subsidiary has received notice of any violation or claimed violation thereof; and (iii) Badger or its Representatives have previously furnished or otherwise made available to Rural true and complete copies of all of Badger's and any Insurance Subsidiary's contracts with the Insurance Producers and all documents relating to commission arrangements.

(b) Since January 1, 2021: To Badger's Knowledge: (i) no Insurance Producer has breached the terms of any contract with Badger or any Insurance Subsidiary in any material respect or violated any policy of Badger in the solicitation, negotiation, writing, sale or production of such business in any material respect; and (ii) no

Insurance Producer has been enjoined, indicted, convicted or made the subject of any consent decree or judgment on account of any violation in any material respect of any Applicable Law in connection with such Insurance Producer's actions in the Insurance Producer's capacity as an agent, broker or producer for Badger, and there exists no pending enforcement or disciplinary proceeding alleging any such violation.

(c) As of the date hereof, there are no outstanding: (i) disputes with Insurance Producers concerning material amounts of commissions or other incentive compensation; (ii) material errors and omissions claims against any Insurance Producer arising from or relating to any Insurance Contract; or (iii) material amounts owed by any Insurance Producer to Badger or an Insurance Subsidiary. For purposes of this subsection 2.23(c), "material" means the dispute involves an amount totaling \$50,000 or more.]

2.24 Investment Assets. Badger has made available to Rural (i) a list of its and each Badger subsidiary's Investment Assets as of December 31, 2023, and June 30, 2024; (ii) all investment management agreements between Badger and its subsidiaries, respectively, and any investment managers in-force as of the date hereof; and (iii) the investment guidelines of Badger and its subsidiaries, respectively, in place as of the date hereof with respect to the investment of Badger's and any of its subsidiary's assets (clause (iii), the "Investment Guidelines"). The composition of Badger's and its subsidiaries' Investment Assets comply in all material respects with the Investment Guidelines, and all such Investment Assets comply with, and are qualified as or are eligible to be admitted assets under Applicable Law.

2.25 Internal Controls. Badger and each Badger subsidiary have devised and maintained a system of internal accounting controls with respect to their respective businesses sufficient to provide reasonable assurances that: (i) transactions are executed according to the management's general or specific authorization; (ii) transactions are recorded as necessary to permit the preparation of the Badger Financial Statements in conformity with SAP and the GAAP Financial Statements in conformity with GAAP, and to maintain accountability for assets; (iii) access to their respective assets is permitted only in accordance with management's general or specific authorization; and (iv) recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Additionally, Badger and each Badger subsidiary complies with Wis. Admin. Code Chapter Ins 50.

2.26 Risk-Based Capital. Badger or its Representatives have previously furnished or otherwise made available to Rural each of the "Risk based capital reports" (as defined in Wis. Admin. Code sec. Ins. 51.01) prepared by Badger and each Insurance Subsidiary, if any, since January 1, 2021. Such Risk based capital reports are true, accurate and complete in all material respects. Since January 1, 2021, neither Badger nor any Insurance Subsidiary has suffered a decrease in its Risk-Based Capital to a "Company action level event" (as defined in Wis. Admin. Code sec. Ins. 51.01).

2.27 Environmental Matters.

(a) Since January 1, 2021, Badger and each Badger subsidiary have complied, and are in compliance in all material respects with, all applicable Environmental Laws pertaining to any Owned Real Property or other properties and assets used by Badger or such Badger subsidiary in the conduct of its business and hold, and are in compliance in all material respects with, all permits, registrations or approvals required under applicable Environmental Laws for their respective assets and operations.

(b) There are no claims, actions or proceedings pursuant to Environmental Laws pending against, and no violation by Badger or any Badger subsidiary of any applicable Environmental Law is being alleged, in each case relating to any Owned Real Property or other properties and assets of Badger or any Badger subsidiary, or the use or ownership thereof, or to the operation of their respective businesses, or relating to any real property and improvements thereon owned by Badger or any Badger Subsidiary within the previous two (2) years.

(c) Badger has previously disclosed and made available to Rural or its Representatives all material information, including, without limitation, all environmental studies, analyses and test results, in the reasonable possession, custody or control of or otherwise known to Badger, relating to: (i) the environmental conditions in, on, under or about the Owned Real Property or other properties or assets owned, leased, operated or used by Badger or any Badger subsidiary or any predecessor in interest thereto at the present time or in the past; and (ii) any hazardous materials present at, or used, managed, handled, transported, treated, generated, stored or released by Badger or any Badger subsidiary or any other Person on, under about or from any Owned Real Property or any real property and improvements thereon owned by Badger or any Badger Subsidiary within the previous [two (2)] years, or otherwise in connection with the use or operation of any of the properties and assets of Badger or any Badger subsidiary or their respective businesses (including any real property and improvements thereon owned by Badger or any Badger Subsidiary within the previous two (2) years).

2.28 Intellectual Property. Schedule 2.28 sets forth a list of all registered copyrights, registered trademarks, issued patents, and pending applications for any of the foregoing, owned by Badger or any Badger subsidiary, respectively (“Registered Intellectual Property”). There is no proceeding pending against Badger or any Badger subsidiary or, to Badger’s Knowledge, threatened against Badger or any Badger subsidiary in the past five (5) years alleging that Badger or such Badger subsidiary is infringing any Intellectual Property rights of any third party and neither Badger nor any Badger subsidiary has made any claims against any third party that remains pending alleging the infringement of any Intellectual Property right of Badger or any Badger subsidiary.

2.29 Related Party Transactions. Except as set forth on Schedule 2.29, neither Badger nor any Badger subsidiary has any ongoing material transactions or contractual relationships with any of their or each other’s executive officers or directors or with any companies that any such executive officer or director serves on the board of or in a management capacity with or that such executive officer or director owns or controls.

2.30 Brokers. Except as set forth on Schedule 2.30, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the Affiliation or any of the other Transactions based upon any arrangements made by or on behalf of Badger.

2.31 Privacy and Security of Information.

(a) Badger and its subsidiaries have implemented reasonable measures consistent with applicable industry standards to ensure the physical and electronic security of any information systems or data owned, used or held by Badger and/or its subsidiaries, from unauthorized disclosure, use or modification. During the five-year period immediately preceding the date of this Agreement, there has been no material breach of security involving any such systems or data.

(b) To the Knowledge of Badger, Badger has complied in all material respects with (i) all Applicable Law regarding data protection and the privacy and security of personal information and (ii) the privacy policies or commitments to its customers and consumers.

2.32 Disputed Claims. Schedule 2.32 sets forth a complete and accurate list of all claims made pursuant to any Insurance Contract issued by Badger or any Insurance Subsidiary that meets any of the following criteria:

(a) that were unpaid as of August 30, 2024, in any case where the amount claimed exceeds \$50,000, or where the aggregate incurred amount of an anticipated claim exceeds \$50,000, or where the aggregate amount of such payment is not determinable and there is a specific reserve established with respect to such claim and the amount of such reserve exceeds \$50,000; or

(b) where the claimant is alleging bad faith or other extracontractual damages, or where Badger or such Insurance Subsidiary believes that a claim alleging bad faith or other extracontractual damages is possible.

2.33 Disclosure. This Agreement and the Badger Disclosure Schedules hereto do not contain any untrue statement of a material fact or omit to state a material fact required to be stated herein or necessary to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF RURAL

Rural makes the following representations and warranties to Badger, each of which is true and correct at and as of Closing, and shall be unaffected by any investigation heretofore or hereafter made by Badger:

3.1 Corporate Existence and Power. Rural and each of its subsidiaries, if any, are duly organized, validly existing and in good standing under the laws of their respective states of domicile and have all the corporate power required to own, lease or otherwise hold and operate their respective properties and assets and to carry on their business as such business was being conducted immediately prior to the Closing Date. Rural and each of its subsidiaries, if any, are duly qualified or otherwise authorized to transact business and are in good standing (if applicable) in each jurisdiction in which the ownership, leasing or operation of their respective properties or assets or the nature or conduct of their respective businesses requires such qualification or other authorization under Applicable Law. Rural has all requisite power and authority to execute and deliver each Transaction Document to which it is a party and to perform its obligations thereunder.

3.2 Binding Effect. Except as set forth on Schedule 3.2, the execution, delivery and performance by Rural of this Agreement and the consummation of the Affiliation and the other Transactions, and any other instruments to be executed and delivered by Rural pursuant hereto have been duly authorized by Rural and, as of immediately prior to the Closing Date, will not require any further authorization or approval by Rural. Assuming the due authorization, execution and delivery by Badger of this Agreement, this Agreement constitutes the legal, valid and binding obligation of Rural, enforceable against Rural in accordance with all of its terms, except as such enforceability may be limited by the Bankruptcy and Equity Exceptions. Assuming the due authorization, execution and delivery by Badger of each other Transaction Document to which it will be a party, each such Transaction Document will, upon the execution and delivery thereof by Badger, constitute the legal, valid and binding obligation of Rural, enforceable against Rural in accordance with all of its terms, subject to the Bankruptcy and Equity Exceptions.

3.3 Compliance with Laws. Rural and each of its subsidiaries, if any, are, and at all times since January 1, 2021, have been, in compliance in all material respects with, all Applicable Law. Since January 1, 2021, neither Rural nor any of its subsidiaries, if any, have received any notice or other communication from any Governmental Body regarding any actual or accused material violation of, or material failure on the part of, Rural or any of its subsidiaries to comply with any Applicable Law. Neither Rural nor any of its subsidiaries are relying on any exemption from or deferral of any Applicable Law that would not be available after the Closing.

3.4 Non-Contravention. Provided that all consents, approvals, non-disapprovals, licenses, permits, orders, qualifications, authorizations, filings, notifications and other actions described in Schedule 3.6 have been obtained or taken, and except as set forth on Schedule 3.4, the execution, delivery and performance by Rural of this Agreement and the other Transaction Documents and the consummation of the Affiliation and the other Transactions do not and will not, as the case may be: (i) violate any provision of Rural's Articles of Incorporation or its Bylaws or the comparable organizational or constituent documents of any of its Subsidiaries; (ii) violate or conflict with any Applicable Law; or (iii) violate, conflict with, or result in a material breach of, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or result in the termination of, or accelerate the performance required by, or result in a right of termination or acceleration under, or result in the creation of any Lien upon any assets of Rural or any of its subsidiaries, if any, under any of the terms, conditions or provisions of, any material contract to which Rural or any such subsidiary is a party or to which Rural or its assets or such subsidiary or such subsidiary's assets may be subject and, in the case of (iii) above, the effect of which would, individually or in the aggregate, result in a Rural Material Adverse Effect.

3.5 Financial Statements.

(a) Rural has previously made available to Badger or its Representatives true and complete copies of Rural's statutory financial statements for the years ended December 31, 2021, 2022 and 2023, as filed with OCI (collectively, the "Rural Financial Statements") (the balance sheet as of December 31, 2023, included in the Rural Financial Statements is referred to as the "Most Recent Rural Balance Sheet"). The Rural Financial Statements, including, without limitation, the provisions made therein for investments and the valuation thereof, reserves, policy and contract claims, together with the notes thereto, fairly present in all material respects the financial position, assets, liabilities, surplus and other funds of Rural as of the dates thereof and the results of its operations for the periods indicated in conformity with SAP as prescribed or permitted by OCI and the NAIC. Each such Rural Financial Statement was prepared in compliance with Applicable Law when so filed.

(b) Since December 2021, Rural has filed all financial statements required to be filed with or submitted to the appropriate Governmental Bodies. Each of the financial statements materially complied with all Applicable Law when so filed. Each such financial statement was prepared in accordance with SAP consistently applied and presents fairly the financial position of Rural as of the date thereof and the results of operations of Rural for the respective periods covered thereby.

3.6 Governmental Approvals. No Governmental Approvals are required to be made or obtained at or prior to the Closing by Rural in connection with Rural's execution, delivery or performance of this Agreement or in connection with its execution, delivery or performance of any other Transaction Documents or to consummate the Affiliation or any other Transactions, except for the Governmental Approvals set forth on Schedule 3.6.

3.7 Risk-Based Capital. Rural or its Representatives have previously furnished or otherwise made available to Badger each of the "Risk based capital reports" (as defined in Wis. Admin. Code sec. Ins. 51.01) prepared by Rural since January 1, 2021. Such Risk based capital reports are true, accurate and complete in all material respects. Since January 1, 2021, Rural has not suffered a decrease in its Risk-Based Capital to a "Company action level event" (as defined in Wis. Admin. Code sec. Ins. 51.01).

3.8 Reserves.

(a) The reserves and related actuarial items reflected in the Rural Financial Statements, as of the dates or periods stated therein: (i) were computed, and are fairly stated, in accordance with presently accepted, sound actuarial standards and (ii) meet all requirements of Applicable Law and meet or exceed the minimum aggregate amounts required by Applicable Law.

(b) Prior to the date hereof, Rural has delivered or made available to Badger a true and complete copy of all actuarial reports prepared by actuaries, independent or otherwise, with respect to Rural from January 1, 2023 through the date of this

Agreement, and all attachments, addenda, supplements and modifications thereto (the “Rural Actuarial Analyses”). The information and data furnished by Rural to Rural’s actuaries in connection with the preparation of the Rural Actuarial Analyses were, to Rural’s Knowledge, accurate in all material respects.

ARTICLE 4 COVENANTS

4.1 Conduct of Business Prior to the Closing Date. Badger hereby covenants and agrees as to itself and each of its subsidiaries (except as otherwise specified below) that, prior to the Closing Date, unless Rural shall otherwise agree in writing (which agreement shall not unreasonably be withheld) or as otherwise expressly contemplated by this Agreement or required by Applicable Law or fiduciary duties, that it shall adhere to each of the restrictions set forth in clauses (a) through (j) of this Section 6.1. If Badger is required to deviate from such adherence in order to comply with any Applicable Law or fiduciary duties, Badger shall: (i) comply with such restriction to every extent possible except as strictly necessary to comply with such Applicable Law or fiduciary duties; (ii) provide immediate written notice to Rural of any such non-compliance; and (iii) use its reasonable best efforts to undertake any actions necessary to comply with such Applicable Law or fiduciary duties in such a way as to allow it to comply fully with such restriction.

(a) The respective businesses of Badger and each of its subsidiaries shall be conducted only in the Ordinary Course of Business;

(b) Badger shall, and shall cause each of its subsidiaries, as applicable, to, use its commercially reasonable best efforts to preserve its relationships with, as applicable, its members, policyholders, insureds, Insurance Producers, reinsurers, suppliers, customers, depositors and any other Persons having business dealings with Badger or any subsidiary to the end that its goodwill and ongoing business shall not be impaired in any material respect;

(c) Other than in the Ordinary Course of Business, Badger shall not make or propose to make, or permit any of its subsidiaries to make or propose to make, any change in its premium rates, dividends, underwriting, investment and other material insurance or business practices or policies in any material respect;

(d) Badger shall not, nor shall it permit any of its subsidiaries to: (i) except as provided in Section 5.1, amend its articles, by-laws, code of regulations or other organizational or constituent documents; (ii) incur any Indebtedness for borrowed money in excess of \$25,000, in the aggregate; (iii) make any material change in any method of accounting or accounting practice or policy, except as required by Applicable Law; (iv) agree to or effect any merger, consolidation, demutualization, redomestication, sale of all or substantially all of its assets, bulk or assumption reinsurance arrangement or similar reorganization, or business combination; (v) enter into any contract that could materially and adversely affect Badger’s ability to perform its obligations under this Agreement; (vi) enter into any contract limiting the ability of Badger or any of its subsidiaries to engage in any business, to compete

with any Person, to do business with any Person or in any location or to employ any Person; (vii) enter into any contract relating to the direct or indirect guarantee of any obligation of any Person (other than Badger subsidiaries or Rural) in respect of Indebtedness for borrowed money or other financial obligations of any Person (other than Badger Subsidiaries); or (viii) modify any contract in existence as of the date hereof in such a way as would violate clauses (i) through (vii) above;

(e) Other than in the Ordinary Course of Business or pursuant to requirements of written agreements set forth on Schedule 4.1(e) or the terms of a Badger Benefit Plan as in effect on the date hereof, neither Badger nor any Badger subsidiary shall: (i) materially increase or materially decrease, or promise, grant or agree to materially increase, take any action to accelerate the vesting or payment or fund or in any other way secure the payment of, the compensation (including bonus, profit sharing or other incentive payments or opportunities) or benefits of any current or former employee, officer, director, consultant, or independent contractor; (ii) enter into any new employment, severance, consulting, or other compensation agreement with any employee, officer, director, consultant or independent contractor or any potential employee, officer, director, consultant or independent contractor other than the Employment Agreements (excluding any job posting existing as of the date first set forth above and the replacement of any employee lost due to resignation, death, or disability); (iii) amend, terminate, extend or renew the term or expiration of any Badger Benefit Plan or adopt any compensation, equity or benefit policy, plan, program, agreement or arrangement that would be a Badger Benefit Plan if in existence on the date hereof; (iv) terminate (other than for cause) the employment or services of any full-time employee, officer, director, consultant or independent contractor; or (v) enter into, adopt or increase any indemnification or hold-harmless arrangements with any directors, officers or other employees or agents of Badger or any Badger subsidiary;

(f) Other than in the Ordinary Course of Business, Badger shall not, nor shall it permit any Badger subsidiary to, make any capital expenditures or commitments for capital expenditures which individually exceed \$25,000;

(g) Other than in the Ordinary Course of Business, Badger shall not, nor shall it permit any of its subsidiaries to, settle or compromise any proceeding (other than claims under Insurance Contracts) which could result in an expenditure in excess of \$25,000;

(h) Badger shall not, nor shall it permit any Badger subsidiary to, enter into or amend, modify, renew, extend, or terminate any Material Contract, excluding Contracts that automatically renew pursuant to their terms upon expiration and that are allowed to renew in the Ordinary Course of Business (“Auto-Renew Contracts”); provided that Rural must approve in writing the renewal of any Auto-Renew Contracts that renew for a term of more than 12 months (provided that such approval shall not be unreasonably withheld).;

(i) Badger shall not, nor shall it permit any Badger subsidiary to, enter into amend, modify, renew, extend or terminate any Reinsurance Contract; provided, however, that Badger shall negotiate Reinsurance Contracts covering losses occurring during the 2025 calendar year. Badger shall consult with Rural promptly and in good faith regarding the proposed terms of such proposed 2025 Reinsurance Contracts prior to Badger's execution of same, and shall not execute such Reinsurance Contracts without Rural's prior agreement in writing (which agreement shall not unreasonably be withheld); and

(j) Badger shall not, nor shall it permit any of its subsidiaries to, agree, in writing or otherwise, to take any of the actions prohibited by the foregoing clauses (a) through (i).

4.2 Employee Matters.

(a) 

(b) Rural does not currently anticipate any change to staffing levels at Badger following the Closing, however, such changes may occur as deemed necessary or prudent by the Reconstituted Badger Board following the Closing in the Ordinary Course of Business. The Reconstituted Badger Board, subject to the terms and conditions of the Employment Agreements, may decide to transition some or all of Badger's employees to become Rural's employees and/or cause some or all of them to provide services to Rural in their capacity as Badger employees and/or change the titles and duties of some or all of the employees. Staffing decisions at Badger will be made pursuant to the procedures applicable at the time.

(c) 

To the extent Affected Employees become eligible to participate in any employee benefit plan, program, policy or arrangement maintained by Rural after the Closing Date, including any vacation, paid time off, or severance plan, policy or arrangement (a "Rural Plan"), for purposes of determining eligibility to participate, level of benefits and vesting under such Rural Plan, each Affected Employee's service with or otherwise credited by Badger or any Badger subsidiary shall be treated as service with Rural, to the same extent credited under comparable Badger Benefit Plans; provided, however, that

such service need not be recognized for accruals under any defined pension plan or to the extent that such recognition would result in any duplication of benefits or would not have been recognized under the comparable Badger Benefit Plan immediately prior to the Closing Date; provided, further, that notwithstanding anything in this Section 4.2 to the contrary, no employees of Badger or its subsidiaries shall be eligible to participate in any “employee benefit plan” of Rural that is closed to new employees.

(d) Rural and Badger shall make commercially reasonable efforts, or shall cause the Badger subsidiaries, as applicable, to make commercially reasonable efforts, to waive, or cause to be waived, any pre-existing condition limitations, exclusions, actively at work requirements and waiting periods under any welfare benefit plan maintained by Rural, Badger, or any of the Badger subsidiaries in which the Affected Employees (and their eligible dependents) will be eligible to participate from and after the Closing Date, except to the extent that such pre-existing condition limitations, exclusions, actively-at-work requirements and waiting periods would not have been satisfied or waived under the comparable Badger Benefit Plan immediately prior to the Closing Date. From and after the Closing Date, Rural and Badger shall make commercially reasonable efforts to recognize, or cause to be recognized, the dollar amount of all co-payments, deductibles and similar expenses incurred by each Affected Employee (and his or her eligible dependents) during the calendar year in which the Closing Date occurs for purposes of satisfying such year’s deductible and co-payment limitations under the relevant welfare benefit plans in which such Affected Employee (and dependents) will be eligible to participate from and after the Closing Date.

(e) Notwithstanding the foregoing, except as otherwise provided in this Agreement or the Employment Agreements, nothing in this Agreement shall: (i) be treated as an amendment of any employee benefit plan or any other arrangement or create any rights or obligations except between the Parties; (ii) give any employee or former employee or any other individual associated therewith or any employee benefit plan or trustee thereof or any other third person any right to enforce the provisions of this Section 4.2 or entitle any Person not a Party to this Agreement to assert any claim hereunder; or (iii) obligate Badger or any of its Affiliates to (A) maintain any particular benefit plan or (B) retain the employment of any particular employee.

(f)



(g)

4.3 Access to Information.

(a) From the date of this Agreement until the Closing, subject to any applicable contractual restrictions and legal privileges, and to the extent Applicable Law would not thereby be violated, Badger hereby covenants and agrees to:

(i) Give Rural and its Representatives reasonable access (including the copying of such materials as may be reasonably requested), upon reasonable prior notice and during normal business hours, to Badger's and its subsidiaries' respective offices, properties and Books and Records;

(ii) Furnish Rural or its Representatives with such financial and operating data and other information relating to the businesses of Badger or any Badger subsidiary as Rural or any such Representative may reasonably request; and

(iii) Instruct its employees and Representatives to reasonably cooperate with Rural in Rural's investigations in connection with the Affiliation and any other Transactions.

(b) If Badger is not required to comply with any covenant in Section 4.3(a) as a result of any applicable contractual restriction or legal privilege, Badger shall: (i) comply with such covenant to every extent possible except as strictly necessary to comply with such contractual restriction or legal privilege; (ii) if legally permitted, provide immediate written notice to Rural of any such non-compliance; and (iii) use its reasonable best efforts to undertake any actions, including, with respect to legal privileges, entering into a joint defense agreement with Rural, to allow Badger to comply fully with this Section 4.3.

4.4 Notices of Certain Events.

(a) The Parties each hereby covenant and agree from the date hereof until the Closing Date to promptly notify the other Party of any of the following:

(i) any notice or other communication received by such Party from any source alleging that the consent of another Person is or may be required in connection with the Affiliation or any other Transactions;

(ii) any notice or communication from or to any rating agency in connection with the Affiliation or the other Transactions or otherwise, and

subject to Applicable Law, from or to any Governmental Authority relating to the Affiliation or any other Transactions;

(iii) any action, suits, claims, investigations or proceedings commenced or, to such Party's Knowledge, threatened against, relating to or involving or otherwise affecting such Party that relate to the consummation of the Affiliation or any other Transactions; and

(iv) any breach of a representation or warranty of the notifying Party or any change or other event which would reasonably be expected to have a Rural Material Adverse Effect or a Badger Material Adverse Effect, as applicable.

(b) Badger hereby covenants and agrees to promptly notify Rural of:

(i) any notice of, or communication relating to, a default or event which, with notice or lapse of time or both, would become a default, received by Badger or any Badger subsidiary subsequent to the date hereof under any Material Contract;

(ii) the termination or attempted termination of a contract between Badger and an Insurance Producer;

(iii) the occurrence of any event which, with notice or lapse of time or both, would result in a default by Badger or any Badger subsidiary or, to Badger's Knowledge, a default by any other Person, under any Material Contract; or

(iv) any action, suits, claims investigations or proceedings commenced or, to such Party's Knowledge, threatened against, relating to or involving or otherwise affecting such Party that, if the same had been pending with respect to Badger or any Badger subsidiary on the date hereof, would have been required to be disclosed in Schedule 2.10.

4.5 Alternative Transactions. Badger hereby covenants and agrees that from the date hereof until the Closing, consistent with the fiduciary obligations of the Badger Board, Badger shall not, and shall cause its subsidiaries and Representatives not to, directly or indirectly: (i) solicit or make any offer or proposal from or to any person other than Rural or its Representatives regarding an actual or possible merger, consolidation, sale of assets, affiliation or other change of control transaction involving Badger; or (ii) discuss in any manner any such transaction with any Person other than Rural or its Representatives. In the event that Badger or any Badger subsidiary or any of Badger's Representatives receives, on or after the date of this Agreement, any inquiry with respect to such a transaction from any Person other than Rural or its Representatives, Badger shall promptly notify Rural of such inquiry, including providing details in respect of the nature of the proposed transaction and the identity of the Person proposing it, unless such disclosure is prohibited by a confidentiality obligation. For clarification, this Section 4.5 does not give Badger or the Badger Board the right to terminate this Agreement.

4.6 Reasonable Best Efforts; Regulatory Approvals.

(a) Upon the terms and subject to the conditions herein provided, each of the Parties agrees to use all reasonable best efforts to take, or cause to be taken, all actions to do, or cause to be done, and to assist and cooperate with the other Party in doing, all things necessary, proper or advisable under Applicable Law to consummate and make effective, in the most expeditious manner reasonably practicable, the Affiliation and the other Transactions, including, but not limited to, obtaining all necessary Governmental Approvals and any other approvals from Governmental Bodies or other Persons and the making of all necessary registrations and filings in connection therewith. Notwithstanding anything to the contrary contained in this Agreement, neither Party shall be obligated to take or refrain from taking, nor agree to it, its Affiliates or its Subsidiaries taking or refraining from, any action nor to suffer to exist any condition, limitation, requirement or restriction on such Party or any of its Affiliates (including, with respect to Rural after the Closing, Badger and any of its subsidiaries) that would be reasonably likely to materially and negatively impact the business or financial condition of such Party or any of its Affiliates (including, with respect to Rural after the Closing, Badger and its subsidiaries) taken as a whole (such condition, limitation, requirement or restriction, a “Burdensome Condition”). In connection with the foregoing, the Parties shall make, and cause their respective Affiliates to make, all filings required by Applicable Law as promptly as reasonably practicable after the date hereof in order to facilitate prompt consummation of the transactions contemplated by this Agreement and shall provide, and shall cause their respective Affiliates to provide, such information and communications to any Governmental Body as such Governmental Body may request. Subject to Applicable Law, each of the Parties shall provide to the other Party copies of all applications or other written communications to Governmental Bodies in connection with this Agreement in advance of the filing or submission thereof. If any Governmental Body requires that a hearing be held in connection with any Governmental Body required for the consummation of the Affiliation or any other Transactions, each Party shall use its reasonable best efforts to arrange for such hearing to be held promptly after the notice that such hearing is required has been received by such Party. Subject to Applicable Law, each Party shall give the other Party reasonable prior written notice of the time and place of any meetings, telephone calls or other conferences that may be held by it with any Governmental Body in connection with the Affiliation and any other transactions contemplated by this Agreement and the other Transaction Documents, and to the extent permitted by such Governmental Body, shall have the right to have a Representative or Representatives attend or otherwise participate in any such meeting, telephone call or other conference held with any Governmental Body.

(b) Without limiting the generality of the foregoing, as soon as reasonably practicable after the date hereof, the Parties shall make all filings and notifications with all Governmental Bodies that may be or may become reasonably necessary proper or advisable under this Agreement and Applicable Law to consummate and

make effective the Affiliation and the other Transactions, including but not limited to a “Form A” application to be filed in the State of Wisconsin.

(c) From and after the date hereof, the Parties shall use their reasonable best efforts, and shall cooperate fully with each other to obtain as promptly as reasonably practicable following the date hereof all required or desired approvals, consents, waivers and authorizations from third parties (other than any Governmental Body) in connection with the consummation of the Affiliation and the other transactions contemplated by this Agreement and the other Transaction Documents, including, but not limited to, all Reinsurer Consents. Notwithstanding the foregoing, nothing in this Section 4.6(c) shall require either Party to pay or commit to pay any amount to (or incur any obligation in favor of) any third party from whom any such approval, consent, waiver or authorization may be required, and no Party shall be required to agree to any conditions or restrictions imposed by any third party that, individually or in the aggregate, in the judgment of such Party, would materially impair (or would reasonably be expected to materially impair) the ability of such Party to consummate the Transactions.

4.7 Further Assurances. From and after the Closing, each Party will, from time to time, at the reasonable request of the other Party and without further consideration (but at the expense of the requesting Party) do, execute, acknowledge, and deliver all such further acts, deeds, assignments, transfers, conveyances, certificates, and assurances as may be reasonably required by such other Party to effect the Affiliation and the other Transactions; provided, however, that in no event shall either Party be required to accept a Burdensome Condition. Without limiting the generality of the foregoing, the Parties will, and will cause their applicable Affiliates to, execute and deliver the Transaction Documents at Closing.

4.8 Public Announcements; Confidentiality. The Parties each hereby covenant and agree that:

(a) From the date of this Agreement until the Closing is consummated, the Parties will consult with each other before issuing any press release or making any public statement with respect to this Agreement, any other Transaction Document or the Affiliation, and except as may be required by Applicable Law or to obtain any Governmental Approval for the Affiliation and other Transactions, will not make any such public statement prior to such consultation.

(b) From and after the date hereof, the Parties may deliver to each other information about themselves and their respective businesses which is nonpublic, confidential, or proprietary in nature, including, but not limited to, this Agreement and the other Transaction Documents. All such information, regardless of the manner in which it is delivered, is referred to as “Proprietary Information.” Proprietary Information does not include information which: (i) is or becomes generally available to the public other than as a result of a disclosure by the other Party; (ii) was available to the other Party on a non-confidential basis prior to its disclosure by the disclosing Party; or (iii) becomes available to the other Party on a non-confidential basis from a person other than by the disclosing Party. From

and after the date hereof, unless otherwise agreed to in writing by the disclosing Party or as contemplated or permitted under any of the other Transaction Documents or as necessary to obtain any Governmental Approval in connection with the Affiliation and the other Transactions, the other Party shall: (i) except as required by Applicable Law, keep all Proprietary Information confidential and not disclose or reveal any Proprietary Information to any Person other than those employed by the other Party, or any Person actively and directly participating in the performance under this Agreement on behalf of the other Party (“Involved Persons”); (ii) cause each Involved Person to keep all Proprietary Information confidential and not disclose or reveal any Proprietary Information to any Person other than another Involved Person; and (iii) not use the Proprietary Information, and ensure that each Involved Person does not use the Proprietary Information, for any purpose other than in connection with the performance of this Agreement. In the event that a Party hereto becomes legally compelled to disclose any of the Proprietary Information, if legally permitted, it shall provide the other Party with reasonable notice so that it may seek a protective order or other appropriate remedy or waive compliance with the provisions of this Section 4.8(b). In the event that such protective order or other remedy is not obtained or that the other Party waives compliance with the provisions of this section, the first Party shall furnish only that portion of the Confidential Information that it is advised by opinion of counsel is legally required and will endeavor to obtain assurance that confidential treatment will be accorded the Proprietary Information so furnished. The terms of this Section 4.8(b) will survive the termination of this Agreement for a period of five (5) years from the date of such termination.

4.9



4.10 Badger Brand Name and Location. The Parties agree that for a period of five (5) years from the Closing Date of the Transactions contemplated herein, notwithstanding anything to the contrary in Badger’s Articles of Incorporation, as amended and restated from time to time, or Badger’s Amended and Restated Bylaws, Badger may not take any of the actions described in Sections 4.10 (a) or (b) below without Supermajority Consent:

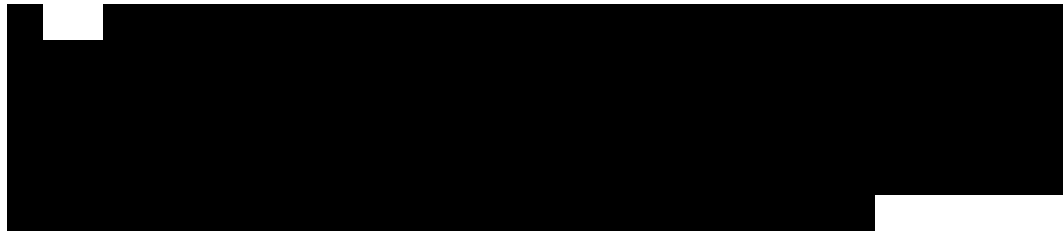
- (a) Change Badger’s name or brand, except as required by Applicable Law or OCI; and
- (b) Close or attempt to close Badger’s headquarters at 1134 N. 9th Street, Suite 150, Milwaukee, Wisconsin except as required by Applicable Law or OCI.

Notwithstanding the foregoing, the Badger Board, by the affirmative vote of a simple majority of the directors, may close the headquarters to the extent that (i) the location on a stand-alone basis is not, or is not reasonably expected to, remain profitable or otherwise support the overall profitability and growth of Badger, based on the then-current financial statements for the location or financial projections; or (ii) a majority of the directors of the Badger Board determines in good faith, consistent with the Board's fiduciary obligations, that closing the headquarters is necessary or prudent based on Badger's surplus adequacy and safety and soundness considerations.

4.11 Specified Reinsurer and Material Contract Consents. Schedule 4.11 lists each (A) reinsurer's consent under the terms of any Reinsurance Contract necessary as a result of the Transactions, and shall identify the applicable Reinsurance Contract ("Specified Reinsurer Consents") and (B) third party consent under the terms any Material Contract necessary as a result of the Transactions, and shall identify the applicable Material Contract ("Material Contract Consents"). Badger has provided Rural with all Reinsurance Contracts and Material Contracts prior to the date hereof. Until the Closing Date, Rural shall have the right to amend Schedule 4.11 to add, respectively, (A) Specified Reinsurer Consents if Rural reasonably determines that, under the terms of any Reinsurance Contract (i) the applicable reinsurer's consent is necessary as a result of the Transactions and (ii) the failure of such reinsurer to pay any amounts owed pursuant to such Reinsurance Contract would cause a Badger Material Adverse Effect, and (B) Specified Material Contract Consents if Rural reasonably determines that, under the terms of any Material Contract, the applicable third party's consent is necessary as a result of the Transactions.

4.12 Fees and Expenses. Except as provided in Section 8.5, Rural and Badger shall each only be responsible for all costs and expenses incurred by themselves in preparing this Agreement, the other Transaction Documents, and OCI filing and in closing and carrying out the Transactions, whether or not the Closing shall occur.

4.13 Minimum Surplus Ratio.



(b) The Minimum Surplus Ratio shall be measured for the Closing in the following manner: (i) if the Closing occurs at year-end, as of one calendar day prior to Closing; and (ii) if the Closing occurs after the end of a calendar quarter that is not a year-end, as of the most recent calendar quarter prior to the Closing (each, a "Target Testing Date" and together the "Target Testing Dates").

(c) Badger shall deliver to Rural its audited financial statements as of each year-end that occurs between the date hereof and the Closing prepared by Strohm Ballweg ("Badger Auditor") and the audited financial statements are the "Badger Audited Financial Statements", in each case, promptly once they are available whether before or after the Closing. Simultaneously, Badger shall also deliver the

independent actuarial opinion of Badger’s IBNR reserves as of such calendar year-end prepared by Milliman (“Badger Actuary”), and any independent reserve opinion prepared by Badger Actuary shall be a “Badger Reserve Opinion”. The Badger Reserve Opinion shall include a recommended point IBNR reserve estimate for the applicable timeframe, as described below.

(d) Badger shall also deliver to Rural its unaudited quarter-end and month-end financial statements prior to Closing (“Badger Unaudited Financial Statements”), in each case, promptly once they are available.

(e) The Badger Audited Financial Statements, Badger Unaudited Financial Statements, and Badger Reserve Opinion shall be prepared consistently with Badger’s past practice (except for changes in Applicable Law or GAAP requirements).

(f) Badger shall promptly deliver to Rural any other information reasonably requested by Rural to evaluate Badger’s surplus to direct written premium ratio.

(g) Closing Occurs at Year-End: If the Closing occurs on January 1, 2025, the following provisions shall apply:

(i) Subject to the provisions of this Section 4.13, Rural shall consummate the Closing on January 1, 2025, if:

(1) All conditions set forth in this Agreement and the other Transaction Documents to Badger’s obligation to consummate the Closing shall have been satisfied or waived by Rural; and

(2) Badger’s surplus to direct written premium ratio is at or above the Critical Surplus Ratio as of November 30, 2024, determined based on the Badger Unaudited Financial Statements as of November 30, 2024.

(ii) As soon as reasonably practicable after the Closing, Rural shall engage an independent actuary (“Rural Actuary”) to prepare an independent actuarial opinion of Badger’s reserves as of December 31, 2024, at Rural’s sole expense. Any independent reserve opinion prepared by Rural Actuary shall be a “Rural-Engaged Reserve Opinion”. The Rural-Engaged Reserve Opinion shall include a recommended point IBNR reserve estimate for the applicable timeframe, as described below. Rural shall deliver any Rural-Engaged Reserve Opinion to Badger promptly upon receipt.

(iii) Rural shall determine Badger’s compliance or non-compliance with the Minimum Surplus Ratio requirements as of December 31, 2024, for the Closing using the Badger Reserve Opinion, the Rural-Engaged Reserve Opinion, and the Badger Audited Financial Statements dated as of December 31, 2024, subject to Subsection 4.13(f)(iv).

(iv) Rural shall determine Badger's compliance or non-compliance with the Minimum Surplus Ratio requirement for December 31, 2024, using an average of the Badger Reserve Opinion point IBNR reserve estimate of Badger's IBNR reserves and the Rural-Engaged Reserve Opinion point IBNR estimate of Badger's IBNR reserves for 2024 year-end. Rural will then utilize the average of the two point-estimate reserves and the Badger Audited Financial Statements as the basis to determine whether Badger has met the Minimum Surplus Ratio Requirement as of December 31, 2024.

(v) If Rural determines that Badger was not in compliance with the Minimum Surplus Ratio as of December 31, 2024, based on such Badger Audited Financial Statements, Badger Reserve Opinion, and Rural-Engaged Reserve Opinion as provided in this Section 4.13, Rural shall have the right to terminate this Agreement under Section 8.3(d), subject to Applicable Law.

(h) Closing Occurs at the End of a Calendar Quarter that is Not a Year-End: If the Closing occurs on a calendar day after the end of a calendar quarter that is not the end of a calendar year, the following provisions shall apply:

(i) Subject to the provisions of this Section 4.13, Rural shall consummate the Closing on the first calendar day after the end of such calendar quarter, if:

(1) Rural, based solely on the December 31, 2024 Badger Audited Financial Statements and Badger Reserve Opinion, determines that Badger has complied with the Minimum Surplus Ratio requirements as of December 31, 2024;

(2) All conditions set forth in this Agreement and the other Transaction Documents to Badger's obligation to consummate the Closing shall have been satisfied or waived by Rural; and

(3) Badger's surplus to direct written premium ratio is at or above the Critical Surplus Ratio as of the end of the month prior to the quarter-end Target Testing Date, determined based on the Badger Unaudited Financial Statements as of such date. For clarification and as an example, if the Closing is scheduled for April 1, 2025, the date for determining whether Badger's surplus to direct written premium ratio is at or above the Critical Surplus Ratio is February 28, 2025.

(ii) As soon as reasonably practicable after the Closing, Rural shall engage Rural Actuary to prepare a Rural-Engaged Reserve Opinion and Badger shall engage Badger Actuary to prepare a separate Badger Reserve Opinion of Badger's IBNR reserves as of the quarter-end Target Testing Date for the Closing, at Rural's sole expense. Both the Badger Actuary and

the Rural Actuary shall prepare a point IBNR reserve estimate of Badger's IBNR reserves as of the quarter-end immediately before Closing. Each Rural-Engaged Reserve Opinion and Badger Reserve Opinion as of the quarter-end Target Testing Date is a "Reserve Opinion." Each Party shall deliver their respective Reserve Opinion to the other promptly upon receipt.

(iii) Rural shall determine Badger's compliance or non-compliance with the Minimum Surplus Ratio requirements as of the quarter-end Target Testing Date for the Closing using the Badger Reserve Opinion, Rural-Engaged Reserve Opinion, and the Badger Unaudited Financial Statements dated as of the quarter-end Target Testing Date, subject to Subsection 4.13(g)(iv).

(iv) The determination of Badger's compliance or non-compliance with the Minimum Surplus Ratio requirement for the quarter-end Target Testing Date shall be determined using an average of the Badger Reserve Opinion point IBNR reserve estimate of Badger's IBNR reserves and the Rural-Engaged Reserve Opinion point IBNR estimate of Badger's IBNR reserves for such quarter-end Target Testing Date. Rural will then utilize that average as the basis to determine whether Badger has met the Minimum Surplus Ratio Requirement as of the quarter-end Target Testing Date.

(v) If Rural determines that Badger was not in compliance with the Minimum Surplus Ratio as of the quarter-end Target Testing Date for the Closing based on such Badger Reserve Opinion, Rural-Engaged Reserve Opinion and Badger Unaudited Financial Statements, as provided in this Section 14.13(g), Rural shall have the right to terminate this Agreement under Section 8.3(d), subject to Applicable Law.

ARTICLE 5

CHANGES TO BADGER'S BOARD OF DIRECTORS AND BOARD OFFICERS, ARTICLES AND BY-LAWS; THE BADGER ADVISORY COUNCIL

5.1 Reconstitution of Badgers' Board of Directors and Board Officers; Adoption of Badgers' Amended and Restated Bylaws.

(a) Prior to the Closing Date, the Badger Board shall adopt and approve Badger's Amended and Restated Bylaws in the form attached as Exhibit A, to be effective immediately following Closing and shall obtain all necessary approvals for such amended and restated governing documents from Governmental Bodies.

(b) On the Closing Date and immediately prior to the Closing (the "Resignation Effective Time"), Badger shall cause all but the three (3) Badger directors whose names are set forth on Exhibit B, subsection (2) (such individuals and their successors, the "Badger-Appointed Directors") to resign from the Badger Board, effective as of the Resignation Effective Time. Immediately following the

resignations of the former directors and simultaneously with the Closing, the Badger-Appointed Directors shall appoint to the Badger Board the eight (8) Rural-Appointed Directors as new directors (by class) to fill vacancies on the Badger Board created by such resignations and/or increased size (such individuals and their successors, the “Rural-Appointed Directors”) for terms lasting until the first annual meeting of the Badger policyholders following Closing where the Rural-Appointed Directors shall be nominated for reelection (the Badger Board after such appointments, the “Reconstituted Badger Board”).

(c) Notice of any change to the identities of the Badger-Appointed Directors set forth on Exhibit B, subsection (2) shall be given to Rural by Badger or its Representatives no later than five (5) Business Days prior to the Closing, provided, however, that such change shall not become effective unless Rural consents to such change in writing, which consent shall not be unreasonably withheld, conditioned, or delayed. Notice of any change to the identities of the Rural-Appointed Directors shall be given to Badger by Rural or its Representatives no later than five (5) Business Days prior to the Closing.

(d) Any change to the Badger-Appointed Directors and designation of new Badger-Appointed Directors after Closing shall be subject to Rural’s consent in writing, which consent shall not be unreasonably withheld, conditioned, or delayed.

(e) Exhibit C lists the Badger officer positions immediately before and after the Closing, including those held by Rural-Appointed Directors.

(f) Eight (8) directors on the Reconstituted Badger Board shall constitute a quorum.

(g) Rural-Appointed Directors shall generally serve two (2) year staggered terms and shall be subject to no term limits, and the Badger-Appointed Directors shall generally serve one (1) year terms and shall be subject to no term limits.

(h) The annual compensation payable to the Directors serving on the Reconstituted Badger Board in the first year after Closing shall be governed by the following, and future compensation shall be determined by the Reconstituted Badger Board in its discretion:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

5.2 Badger's Current Executive Officers. Immediately after the Closing, subject to the vote of the Reconstituted Badger Board, the individuals whose names are set forth on Schedule 5.2 shall hold the executive offices of Badger listed next to their names, subject to the terms of Badger's Articles of Incorporation, as amended and restated from time to time, Badger's Amended and Restated Bylaws, this Agreement, and their respective Employment Agreements, as applicable. After Closing, Badger's CEO shall report directly to the Badger Board President. All other Badger executive officers shall report directly to the CEO, subject to the oversight and governance of the Reconstituted Badger Board. After Closing, the Reconstituted Badger Board shall have the authority to change Badger's executive officer governance structure subject to the Employment Agreements.

5.3 Committees. All current Badger Board Committees shall be eliminated as of the Closing and replaced with an Investment Committee and a Governance Committee established by the Badger Board after the Closing, governed by a Committee Charter adopted by the Badger Board after the Closing.

5.4 Conflicts. To the extent the terms of Badger's Articles of Incorporation, as amended and restated from time to time, and/or Badger's Amended and Restated Bylaws differ from, or conflict with, the terms of this Article 5, the terms of Badger's Articles of Incorporation, as amended and restated from time to time, or Badger's Amended and Restated Bylaws, as applicable, will prevail. Without limiting the generality of the foregoing, to the extent Badger's Articles of Incorporation, as amended and restated from time to time, or Badger's Amended and Restated Bylaws are amended in accordance with their terms, this Agreement shall be deemed amended to the extent this Agreement will conflict with any such amendments to Badger's Articles of Incorporation, as amended and restated from time to time, or Badger's Amended and Restated Bylaws, as applicable.

**ARTICLE 6
CONDITIONS TO CLOSING**

6.1 Conditions to Obligations of Rural and Badger. The obligations of Rural and Badger to consummate the Closing are subject to the satisfaction of the following conditions:

(a) All of the Governmental Approvals listed on Schedules 2.6(a) and 3.6 shall have been obtained and shall be in full force and effect and no order, injunction, or decree issued by any Governmental Body or other legal restraint or prohibition preventing the consummation of any material aspect of any of the Transactions shall be in effect. No proceeding initiated by any Governmental Body seeking such an order, injunction, or decree against any of the Transactions shall be pending.

(b) The conditions set forth in this Agreement and the other Transaction Documents shall have been satisfied.

6.2 Conditions to Obligations of Rural. The obligation of Rural to consummate the Closing is subject to the satisfaction of the following further conditions:

(a) The Badger representations and warranties set forth in this Agreement are true and correct in all respects as of the date of this Agreement and shall be true and correct as of the Closing Date as though made on and as of the Closing Date.

(b) Badger shall have delivered to Rural updated Badger Disclosure Schedules that are true and accurate as of the Closing Date and do not contain any untrue statement of a material fact or omit to state a material fact required to be stated herein or necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

(c) Badger shall have delivered to Rural in form and substance satisfactory to Rural, as determined in Rural's sole discretion, evidence that Badger's Reinsurance Contracts for 2025 ("2025 Reinsurance Tower") provide reinsurance to Badger that is substantially similar to the aggregate reinsurance in place for Badger as of January 1, 2024, and Rural has either: (i) reasonably determined that the 2025 Reinsurance Tower is substantially similar to Badger's 2024 aggregate reinsurance or (ii) has approved in writing the 2025 Reinsurance Tower.

(d) Since the date of the last Badger Financial Statement provided by Badger pursuant to this Agreement, no event, occurrence, development, circumstances, or facts have occurred which have had a Material Adverse Effect on the business of Badger.

(e) Badger shall have performed and complied in all respects with all agreements, covenants, obligations, and conditions required by this Agreement and by the other Transaction Documents to be performed or complied with by Badger on or prior to the Closing Date.

(f) Badger shall have complied with all Minimum Surplus Ratio requirements under Section 4.13 as of the Closing Date.

(g) The Badger Board of Directors will have adopted the Amended and Restated Bylaws attached hereto as Exhibit A and such Amended and Restated Bylaws will have been filed with the OCI and will have become effective as of the Closing Date.

(h) The current directors of Badger who will not be Rural-Appointed Directors or Badger-Appointed Directors have submitted their resignations to be effective on the Closing Date, and the eight Rural-Appointed Directors set forth on Exhibit B, subsection (2) shall have been appointed for the initial term set forth next to the name of each such individual to the Reconstituted Badger Board, by the Badger Board of Directors remaining in office at a meeting of the Badger Board of Directors or unanimous written consent effective immediately before the Closing.

(i) Rural will have received certified copies of resolutions duly adopted by the Badger Board of Directors approving this Agreement and the other Transaction Documents to which Badger is a party.

(j) The receipt of: (i) all Specified Reinsurer Consents set forth on Schedule 4.11; and (ii) all Specified Material Contract Consents set forth on 4.11 each of (i) and (ii) above in a form reasonably satisfactory to Rural.

6.3 Conditions to Obligations of Badger. The obligation of Badger to consummate the Closing is subject to the satisfaction of the following further conditions:

(a) The representations and warranties of Rural set forth in this Agreement are true and correct as of the date of this Agreement and will be true and correct as of the Closing Date as though made on and as of the Closing Date.

(b) Rural shall have performed and complied in all respects with all agreements, covenants, obligations, and conditions required by this Agreement and by the other Transaction Documents to be performed or complied with by Rural on or prior to the Closing Date.

(c) Badger will have received certified copies of resolutions duly adopted by the Board of Directors of Rural approving this Agreement and the other Transaction Documents to which Rural is a party.

ARTICLE 7 SURVIVAL AND DISPUTE RESOLUTION

7.1 Survival of Obligations.

(a) All certifications, representations and warranties made herein by Badger and Rural and their obligations to be performed pursuant to the terms hereof, shall survive the Closing Date through and including the 24-month anniversary of the Closing Date, notwithstanding any notice of any inaccuracy, breach or failure to perform not waived in writing and notwithstanding the consummation of the transactions contemplated herein with Knowledge of such inaccuracy, breach or failure; except that the representations and warranties contained in (i) Sections 2.1, 2.2, 2.6(a), 3.1, 3.2 and 3.6 shall survive the Closing indefinitely; (ii) Section 2.19 shall survive the Closing through and including the expiration of the applicable tax statute of limitations with respect to the relevant taxable period; and (iii) Section

2.10 shall survive the Closing through and including the expiration of the applicable statute of limitations.

(b) All of the covenants and other agreements of the Parties contained in this Agreement shall survive until fully performed or fulfilled, unless and to the extent only that non-compliance with such covenants or agreements is waived in writing by the Party entitled to such performance.

7.2 Dispute Resolution.

(a) The Parties shall endeavor to resolve all disputes arising out of this Agreement in an amicable manner, in accordance with Paragraph (b). All material disputes between the Parties arising out of or resulting from this Agreement shall be resolved as provided in this Section 7.2.

(b) The parties shall attempt in good faith to resolve any dispute arising out of the making or performance of or otherwise relating to this Agreement promptly by negotiations between executives who have authority to settle the controversy. Any Party may give the other Party written notice of any dispute not resolved in the normal course of business. Within 20 days after delivery of said notice, executives of both Parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within 60 days after the disputing Party's notice, or if the Parties fail to meet within 20 days, either Party may initiate arbitration under Paragraph (c) hereof. If a negotiator intends to be accompanied at a meeting by an attorney, the other negotiator shall be given at least 7 days' notice of such intention and may also be accompanied by an attorney. All negotiations pursuant to this Paragraph (b) are confidential and will be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and any comparable state provision.

(c) In the event that any dispute arising out of this Agreement is not resolved under Paragraph (b) hereof, such dispute must be submitted to binding arbitration under this Paragraph (c). Either Party may institute arbitration under this Paragraph (c) by making written demand on the other Party.

(i) In the event that a demand by either Party is made in writing on the other, each Party shall appoint an individual as arbitrator and the two so appointed shall then appoint a third arbitrator. If either Party refuses or neglects to appoint an arbitrator within 30 days of receipt of a written notice of demand for arbitration, the other Party may appoint the second arbitrator. If the two arbitrators do not agree on a third arbitrator within 30 days of their appointment, each of the arbitrators shall nominate three individuals. Each arbitrator shall then decline two of the nominations presented by each of the other arbitrators. The third arbitrator shall then be chosen from the remaining two nominations by drawing lots. The arbitrators shall be active or former officers of property and casualty insurance or reinsurance

companies. The arbitrator shall not have a personal or financial interest in the result of the arbitration.

(ii) The arbitration hearings shall be held in Madison, Wisconsin, or such other place as may be mutually agreed. Each side shall submit its case to the arbitrators within 30 days of the selection of the third arbitrator or within such longer period as may be agreed by the arbitrators. The arbitrators shall not be obliged to follow judicial formalities or the rules of evidence except to the extent required by governing law, that is, the state law of the situs of the arbitration as herein agreed; they shall make their decisions according to the practice of the property and casualty insurance business. The decision rendered by a majority of the arbitrators shall be final and binding on both sides. Such decision shall be a condition precedent to any right of legal action arising out of the arbitrated dispute which any side may have against the others. Judgment upon the award rendered may be entered in any court having jurisdiction thereof.

(iii) Each Party shall pay: (1) the fees and expenses of its own arbitrator; (2) one-half of the fee and expenses of the third arbitrator; and (3) one-half of any other expenses that the Parties jointly incur directly related to the arbitration proceedings. Other than as set forth above, each Party shall bear its own costs in connection with any such arbitration including, without limitation: (1) all legal, accounting, and other professional fees and expenses; and (2) all other costs and expenses each Party incurs to prepare for such arbitration.

(iv) Except as provided above, arbitration shall be based, insofar as applicable, upon the Commercial Arbitration Rules of the American Arbitration Association.

ARTICLE 8 TERMINATION

8.1 Grounds for Termination Prior to Closing. With written notice to the non-terminating party (as applicable), accompanied by a copy of a resolution of the terminating Party's board of directors authorizing the termination, this Agreement may be terminated at any time prior to the Closing by:

(a) Mutual written agreement of Rural and Badger.

(b) Rural if the Closing shall not have been consummated on or before January 1, 2025 and by Badger if the Closing shall not have been consummated by June 30, 2025; provided, however, that a Party may not exercise the right to terminate this Agreement under this Paragraph (b) if the failure to consummate the Closing was a result of a breach by that Party of any of its obligations under this Agreement.

(c) Either Rural or Badger, if there has been a material breach by the other Party of any representation, warranty, covenant, or agreement contained in this

Agreement which would preclude the consummation of the Closing (absent a waiver by the terminating Party) and the breach is not curable or, if curable, is not cured within 15 days after written notice of such breach is given by the terminating Party to the other Party.

(d) Either Rural or Badger, if any Governmental Body has denied a Governmental Approval that is required for the consummation of the Affiliation or any of the other Transactions and such denial has become final and nonappealable, if any Governmental Body (including a court of competent jurisdiction) shall have issued a final nonappealable order permanently enjoining or otherwise prohibiting the consummation of the Affiliation or any other Transactions, or if any Governmental Approval required to consummate any of the Transactions contains a Burdensome Condition and the terms of such Governmental Approval have become noncontestable and nonappealable.

(e) Either Rural or Badger if the other Party is under the jurisdiction of “title 11 or a similar case” within the meaning of Section 368(a)(3)(A) of the Internal Revenue Code of 1986, as amended, generally meaning a case under title 11 of the United States Code.

(f)



8.2 Effect of Termination Prior to Closing. In the event of the termination of this Agreement, and except for the other provisions of this section and Article 4, this Agreement will become void and of no effect with no liability under this Agreement on the part of any Party (or any of their respective directors, officers, employees, agents, legal, and financial advisors, or other Representatives); provided, however, that, except as otherwise provided in this Agreement, no such termination will relieve any Party of any liability or damages resulting from any willful and material breach of any covenant or obligation set forth in this Agreement.

8.3 Grounds for Termination After Closing. With written notice to the non-terminating Party (as applicable), accompanied by a copy of a resolution of the terminating Party’s board of directors authorizing the termination this Agreement, may be terminated at any time after the Closing as follows:

(a) By written notice to the non-terminating Party (as applicable), this Agreement may be terminated at any time after to the Closing by:

(i) Mutual written agreement of Rural and Badger.

(ii) Either Party, upon the termination of the Reinsurance Agreement.

(iii) Either Party, if there has been a material breach by the other Party of any covenant, or agreement contained in this Agreement, the Management Agreement or the Reinsurance Agreement and the breach is not curable or, if curable, is not cured within 15 days after written notice of such breach is given by the terminating Party to the other Party.

(iv) Either Party if the other Party is subject to a liquidation proceeding initiated by the OCI pursuant to Wis. Stat. § 645.41.

(b) After the Closing, this Agreement may be terminated by Rural by written notice to Badger: (i) in the event that the Rural-Appointed Directors no longer make up eight (8) of the eleven (11) seats on the Badger Board; (ii) in the event that any Rural-Appointed Directors are removed from office at any time (other than for fraud or willful misconduct); (iii) in the event that any Rural-Appointed Directors who are up for re-election fail to be elected or reappointed; or (iv) in the event that the number of seats on the Badger Board is increased or decreased without Rural's prior written approval (each of (i)-(iv), a "Rural Termination Event").

Notwithstanding the foregoing, Rural shall have no right to terminate the Agreement pursuant to this Section 8.3(b) if such Rural Termination Event was caused by Rural's or the Rural-Appointed Directors' commission or omission, including, but not limited to: (i) Rural or the Rural-Appointed Directors' failure to nominate or appoint, or cause the nomination or appointment of, the Rural-Appointed Directors; (ii) removal of a Rural-Appointed Director by Rural or the Rural-Appointed Directors; or (iii) failure of the Rural-Appointed Directors to use their votes on the Badger Board or any Board committee in a manner to ensure that there are eight (8) Rural-Appointed Directors at all times (*e.g.*, promptly replacing a Rural-Appointed Director after the resignation, removal, death or disability of such Rural-Appointed Director). Upon the occurrence of a Rural Termination Event, Badger shall have sixty (60) calendar days to cure such Rural Termination Event and the Rural Directors shall cooperate in good faith to cure such Rural Termination Event. If, after such sixty (60) day period, the Rural Termination Event is not cured, Rural may terminate this Agreement upon written notice to Badger.

(c) If any inaccuracy or breach of any representation or warranty in this Agreement is discovered during the period after the Closing until the date that is twenty-four (24) months after the Closing Date ("Determination Period"), this Agreement may be terminated by written notice to the non-terminating Party (as applicable): (i) by Rural, if the inaccuracy or breach of any representation or warranty made by Badger in this Agreement or in any certificate delivered by Badger at the Closing constitutes a Badger Material Adverse Effect and such breach is not curable or, if curable, is not cured within ninety (90) calendar days after Rural provides written notice of such breach to Badger; or (ii) by Badger, if the inaccuracy or breach of any representation or warranty made by Rural in this Agreement or in any certificate delivered by Badger at the Closing constitutes a Rural Material Adverse Effect and such breach is not curable or, if curable, is not cured within

ninety (90) calendar days after Badger provides written notice of such breach to Rural. If, after any applicable cure period, and as applicable (i) the Rural Material Adverse Effect is not cured, Badger may terminate this Agreement upon written notice to Rural, and (ii) the Badger Material Adverse Effect is not cured, Rural may terminate this Agreement upon written notice to Badger. For the purposes of determining whether any representation or warranty has been breached or is inaccurate for the purposes of this Section 8.3(c), any written notice provided by a Party to the other Party prior to the Closing Date supplementing any Schedule in their respective Disclosure Schedules hereunder shall modify the relevant representation or warranty as of the Closing Date. For the avoidance of doubt, any such written notice shall have no effect on the representations and warranties made by either Party as of the date hereof.

(d) [REDACTED]

(e) After the Closing, this Agreement may be terminated by either Party if the Reinsurance Agreement is terminated in accordance with its terms.

8.4 Effect of Termination After Closing. In the event of the termination of this Agreement after the Closing, other than the provisions of this Section 8.4, the Parties shall cooperate in good faith to achieve an orderly separation of Rural and Badger and shall cause the following to occur:

(a) The Reinsurance Agreement shall terminate in accordance with the terms and conditions contained therein.

(b) The Management Agreement shall terminate in accordance with the terms and conditions contained therein.

(c) Upon the termination of the Reinsurance Agreement in accordance with the terms and conditions contained therein, the Rural-Appointed Directors then in office shall promptly submit their written resignations to the Reconstituted Badger Board, to be effective five (5) Business Days following the issuance of the resignations.

8.5 Badger Termination Payments. If this Agreement is terminated by

(a) Rural pursuant to Section 8.3(a)(iii) or

(b) by Badger and it is determined by a final unappealable judgment of a court of competent jurisdiction that such termination constituted a breach of this Agreement by Badger, or a breach of Badger's duty of good faith and fair dealing with respect to this Agreement,

provided that Rural is in material compliance with all of its material obligations under this Agreement, then Badger shall pay to Rural an amount equal to [REDACTED]

[REDACTED] incurred by Rural in connection with this Agreement and the Transactions (including for preparing this Agreement, the other Transaction Documents, the OCI filing, and costs and expenses incurred to prosecute the breach of contract action against Badger, if applicable), payable within (i) in the case of subsection 8.5(a), five (5) Business Days after such termination; and (ii) in the case of subsection 8.5(b), five (5) Business Days after the issuance of the applicable final unappealable judgment. The sums payable by Badger pursuant to this Section 8.5 shall constitute liquidated damages, and, upon receipt of such payment by Badger, Badger shall not have any further obligations or liabilities to Rural with respect to this Agreement or the transactions contemplated in this Agreement other than the obligations in Article 7.

ARTICLE 9 MISCELLANEOUS

9.1 Actions Subsequent to Closing. From and after the Closing, each Party will, from time to time, at the reasonable request of the other Party and without further consideration (but at the expense of the requesting Party) do, execute, acknowledge, and deliver all such further acts, deeds, assignments, transfers, conveyances, certificates, and assurances as may be reasonably required by such other Party to effect the Transactions.

9.2 Entire Agreement. This Agreement and the other Transaction Documents, including all schedules and exhibits thereto, constitute the entire agreement between the Parties and there are no other agreements or understandings other than as expressed in this Agreement and the other Transaction Documents.

9.3 No Third-Party Beneficiaries. There are no third-party beneficiaries of this Agreement and nothing in this Agreement, express or implied, is intended to confer on any person other than the Parties hereto (and their respective successors and permitted assigns), any rights, remedies, obligations or liabilities.

9.4 Binding Effect. This Agreement will apply to and inure to the benefit of and be binding upon and enforceable against each Party and their respective successors and permitted assigns.

9.5 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of any such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, that provision will be interpreted to be only so broad as is enforceable.

9.6 Waivers and Amendments. The Agreement and the Exhibits attached hereto may only be amended or modified, and the terms hereof may only be waived, by a writing, signed by each Party or, in the case of a waiver, by the Party entitled to the benefit of the terms being waived.

9.7 Assignment. Neither this Agreement nor any rights or obligations hereunder may be assigned or otherwise transferred, in whole or in part, by any Party without the prior written consent of the other Party.

9.8 Governing Law. This Agreement is hereby deemed to have been made under and governed by the laws of the State of Wisconsin, without giving effect to the conflict of law principles of that or any other jurisdiction.

9.9 Notices. All notices and other communications under this Agreement will be in writing and will be delivered personally or sent by confirmed facsimile transmission or nationally recognized overnight delivery service. Any such notice or other communication will be deemed given upon actual delivery, in each case to the following addresses:

(a) if to Rural:

Ariella Schreiber
Vice President of Claims and General Counsel
1241 John Q. Hammons Drive, Suite 2
Madison, WI 53705
aschreiber@ruralins.com

(b) if to Badger:

Joanna Glaser, Corporate Counsel
1134 N. 9th Street, Suite 150
Milwaukee, WI 53233
JGlaser@badgermutual.com
With a copy to legal@badgermutual.com

9.10 Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

9.11 Captions. The captions of the various sections of this Agreement are not part of the context of the Agreement but are only labels to assist in locating those sections and shall be ignored in construing this Agreement.

9.12 Interpretation. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting an instrument or causing any instrument to be drafted. The Schedules and Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

9.13 Non-Waiver. No failure by any Party to insist upon strict compliance with any term of this Agreement, to exercise any option, enforce any right, or seek any remedy upon any default of any other Party shall affect, or constitute a waiver of, the first Party's right to insist upon such strict compliance, exercise that option, enforce that right, or seek that remedy with respect to that default or any prior, contemporaneous, or subsequent default, nor shall any custom or practice of

the Parties at variance with any provision of this Agreement affect, or constitute a waiver of, any Party's right to demand strict compliance with all provisions of this Agreement.

9.14 Specific Performance. Each Party acknowledges and agrees the breach of this Agreement would cause irreparable damage to the other Party hereto and that neither Party will have an adequate remedy at law. Therefore, the obligations of the parties under this Agreement, including the Parties' obligation to enter into the affiliation Transactions, shall be enforceable by a decree of specific performance issued by any court of competent jurisdiction, and appropriate injunctive relief may be applied for and granted in connection therewith. Such remedies shall, however, be cumulative and not exclusive and shall be in addition to any other remedies which any Party may have under this Agreement or otherwise.

9.15 Certain Definitions. For purposes of this Agreement, the following terms shall have the meanings specified in this Section 9.15:

"Affiliate" means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Person specified.

"Applicable Law" means all laws, statutes, common law, treaties, conventions, rules, regulations, ordinances, codes, directives, standards, statutes, judgments, injunctions, Governmental Orders, decrees and consents of each and every Governmental Body applicable to the Person, place and situation in question.

"Badger Benefit Plan" means each "employee benefit plan" (within the meaning of Section 3(3) of ERISA) and all other material employee compensation and benefits plans, policies, programs, arrangements or payroll practices, whether written or unwritten, including multiemployer plans (within the meaning of Section 3(37) of ERISA), and each other pension, profit sharing, stock purchase, stock ownership, stock option, restricted stock, severance, retention, employment, consulting, change-of-control, collective bargaining, bonus, incentive, deferred compensation, employee loan, vacation pay, sickness, paid time off, medical, health, life insurance, disability, death or other welfare benefit, health care reimbursement, dependent care reimbursement, fringe benefit and other benefit plan, agreement, program, policy, commitment or other arrangement, whether or not subject to ERISA (including any related award agreements and any related funding mechanism now in effect or required in the future), in each case sponsored, maintained, contributed or required to be contributed to by Badger or any Badger subsidiary or under which Badger or any Badger subsidiary has any current or potential liability.

"Badger Disclosure Schedules" means the Disclosure Schedule attached as Exhibit F, as updated from time to time.

"Books and Records" shall mean all accounting, financial reporting, Tax, business, marketing, corporate, and other files, documents, instruments, papers, books, and records of a specified Person, including financial statements, budgets, projections, ledgers, journals, deeds, titles, policies, manuals, minute books, stock certificates and books, stock transfer ledgers, contracts, franchises, permits, agency lists, policyholder lists, supplier lists, complaint lists, underwriting manuals, correspondence files, marketing and sales materials, reports, computer files, retrieval programs, operating data or plans, and environmental studies or plans.

“Business Day” means any day other than a Saturday, Sunday or any other day on which banking institutions are authorized or required by law or executive order to close in Madison, Wisconsin.

“Company Group” means any “affiliated group” (as defined in Section 1504(a) of the Code without regard to the limitations contained in Section 1504(b) of the Code) that, at any time on or before the Closing Date, includes or has included Badger or any Badger subsidiary or any direct or indirect predecessor of Badger or any Badger subsidiary, or any other group of corporations filing Tax Returns on a combined, consolidated or unitary basis that, at any time on or before the Closing Date, includes or has included Badger or any Badger subsidiary or any direct or indirect predecessor of Badger or any Badger subsidiary.

“Contract” means any written or oral contract, subcontract, undertaking, agreement, indenture, note, bond, mortgage, loan, deed or trust, instrument, lease, license, commitment or contractual arrangement, including, without limitation, an Insurance Contract.

“Critical Surplus Ratio” shall mean a surplus to direct written premium ratio below 0.2:1.

“Director Resignations” means the resignations of the current Badger directors who will not be directors on the Reconstituted Badger Board.

“Environmental Laws” means all laws, including common law, relating to the protection of the environment and human health and safety, or to any environmental activity, including, without limitation: (i) all laws regulating or otherwise pertaining to reporting, licensing, permitting, investigation or remediation of emissions, discharges, releases or threatened releases of hazardous materials into the indoor or outdoor air, surface water, groundwater or land, or relating to the manufacture, processing, distribution, use, sale, treatment, receipt, storage, disposal, transport or handling of hazardous materials; and (ii) all other requirements pertaining to the protection of the health and safety of employees or the public in respect of exposure to hazardous materials, including asbestos containing materials and mold.

“ERISA Affiliate” means a corporation or other trade or business that, together with any entity, at the relevant time is or would have been treated as a single employer with such entity under Section 414 of the Code or Section 4001 of ERISA.

“GAAP” means Generally Accepted Accounting Principles.

“Governmental Body” means any government or governmental or regulatory body thereof (including any domestic insurance regulator), or political subdivision thereof, whether federal, national, provincial, territorial, state, local, domestic or foreign, or any agency, instrumentality or authority thereof, or any self-regulatory organization, commission, tribunal or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of law), or any arbitrator (public or private), court or tribunal of competent jurisdiction, or any department, branch or representative of any of the foregoing.

“Governmental Order” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Body.

“Hazardous Substances” means any toxic, radioactive, caustic or otherwise hazardous substance, including petroleum and its derivatives and by-products, or any substance having any constituent elements displaying any of the foregoing characteristics, regulated under environmental laws.

“Health and Safety Requirements” means all federal, state, local and foreign statutes, regulations, ordinances and other provisions having the force and effect of law, all judicial and administrative orders and determinations, all contractual obligations and all common law concerning public health and safety, worker health and safety, including without limitation those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, labeling, testing, processing, discharge, release, threatened release, control or cleanup of any hazardous materials, substances or wastes, chemical substances or mixtures, pesticides, pollutants, contaminants, toxic chemicals, petroleum products or byproducts, asbestos, polychlorinated biphenyls or noise, each as amended or hereinafter in effect.

“Indebtedness” shall mean, with respect to any Person: (a) all obligations for borrowed money; (b) any other obligations owed by such Person under any credit agreement or facility, or evidenced by any note, bond, debenture or other debt security or instrument made or issued by such Person; (c) all obligations for the deferred purchase price of property or services with respect to which such Person is liable, contingently or otherwise, as obligor or otherwise (but shall not include any accounts payable); (d) all operating leases, capitalized lease obligations, synthetic lease obligations and sale leaseback obligations, whether secured or unsecured; (e) all obligations under interest rate cap, swap, collar or similar transactions or currency or commodity hedging transactions (valued at the termination value thereof); (f) all obligations under conditional sale or other title retention agreements relating to any purchased property; (g) all letters of credit or performance bonds issued for the account of such Person; (h) all guarantees of such Person with respect to any of the foregoing of any other Person; (i) all interest, premium and prepayment penalties due and payable in respect of any of the foregoing; and (j) all indebtedness referred to in clauses (a) through (i) above secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in property (including accounts and contract rights) owned by such Person, even though such Person may not have assumed or become liable for the payment of such indebtedness, and including in clauses (a) through (i) above any accrued and unpaid interest or penalties thereon.

“Insurance Contract” means any insurance policy, Contract, binder or slip or reinsurance treaty, contract, binder or slip, or other agreement of insurance, including all riders, amendments and applications thereto issued by Badger or any Insurance Subsidiary.

“Intellectual Property” means: (i) trademarks, service marks, Internet domain names, logos, trade dress, trade names, corporate names and any and every other form of trade identity or indicia of origin, and the goodwill associated therewith and symbolized thereby; (ii) inventions, discoveries and patents, and the improvements thereto; (iii) published and unpublished works of authorship and the copyrights therein and thereto (including databases and other compilations of information, computer and electronic data processing programs and software, in both source code

and object code); (iv) any trade secrets, confidential business and technical information, proprietary information and any other confidential information (including ideas, research and development, know-how, formulae, calculations, algorithms, models, designs, processes, business methods, customer lists and supplier lists); (v) all rights in data and data bases; (f) all other intellectual property or similar proprietary rights; and (vi) any applications, registrations and renewals for the foregoing.

“Investment Assets” means any bonds, notes, debentures, mortgage loans, collateral loans and all other instruments of indebtedness, stocks, partnership interests and other equity interests (including equity interests in Subsidiaries), real estate and leasehold and other interests therein, certificates issued by or interests in trusts, cash on hand and on deposit, personal property and interests therein and all other assets acquired for investment purposes.

“Knowledge” or any other similar knowledge qualification, means the actual knowledge of any director or officer of the Party after due inquiry by such director or officer.

“Lien” means any lien, mortgage, deed to secure debt, pledge, conditional or installment sale agreement, covenant, restriction, option, right of first refusal, easement, security interest, right-of-way, encroachment, community property interest, lease, sublease, charge, claim, levy or other encumbrance of any kind, whether voluntarily incurred or arising by operation of law.

“Material Adverse Effect” means, with respect to any Party, any change, state of facts, circumstance, event or effect that is materially adverse to the financial condition, properties, assets, liabilities, obligations (whether accrued, absolute, contingent or otherwise), businesses or results of operations of such Party, or the ability of such Party to perform its obligations under this Agreement or to consummate the transactions contemplated hereby on a timely basis, excluding any such change, state of facts, circumstance, event or effect to the extent caused by or resulting from:

- (a) the execution, delivery, announcement and pendency of this Agreement and the transactions contemplated hereby;
- (b) changes in economic, market, business, regulatory or political conditions generally in the United States or any other jurisdiction in which such Party operates or in U.S. or global financial markets;
- (c) the commencement, continuation or escalation of acts of war, armed hostilities, sabotage, acts of terrorism or other man-made disaster;
- (d) changes, circumstances or events, including weather-related events, generally affecting the property and casualty insurance and reinsurance industry in similar geographic areas and product markets in which such Party operates;
- (e) any action or failure to act required to be taken by a Party in compliance with the express terms of this Agreement;

except in the case of the foregoing clauses (b), (c), (d) and (e) to the extent those changes, state of facts, circumstances, events, or effects have a materially disproportionate effect on such Party

taken as a whole relative to other similarly situated Persons in the property and casualty insurance and reinsurance industry.

“Ordinary Course of Business” means an action taken by a Person if the action:

(a) is consistent with past practices of such Person and is taken in the ordinary course of the normal day-to-day operations of such Person;

(b) is not required to be authorized by the board of directors of such Person;
and

(c) is similar in nature and magnitude to actions customarily taken, without any authorization of the board of directors or by any Person, in the ordinary course of normal day-to-day operations of other Persons that are in the same line of business as such Person.

“Other Reinsurance” means all liabilities or other obligations ceded by Badger or an Insurance Subsidiary, if any, to third-party reinsurers prior to the Closing Date.

“Other Reinsurance Agreements” means the reinsurance treaties, contracts, binders, agreements or endorsements thereon documenting the Other Reinsurance.

“Other Reinsurers” means the third-party reinsurers that are parties to the Other Reinsurance Agreements.

“Permitted Lien” means, as to a Party: (a) all Liens approved in writing by the other Party; (b) materialmen’s, mechanics’, construction, carriers’, workmen’s and repairmen’s liens and other similar liens arising in the Ordinary Course of Business; (c) Liens for Taxes, assessments and governmental charges or levies which are not yet due or delinquent, which are being contested in good faith; (d) easements, rights-of-way, encroachments, restrictions, conditions and other similar Liens which, individually or in the aggregate, do not materially impair the use or value of the applicable real property; (e) statutory landlords’ liens and liens granted to landlords under any lease; (f) Liens required by this Agreement or any Transaction Document; (g) licenses of Intellectual Property made in the Ordinary Course of Business; and (h) statutory Liens arising out of operation of law with respect to a liability which are incurred in the Ordinary Course of Business of such Party or any of its Subsidiaries and are not delinquent and can be paid without interest or penalty or for which appropriate reserves have been established in accordance with SAP, as set forth on the applicable Badger Financial Statements.

“Permits” means (i) all certificates of authority to do an insurance business and (ii) all other licenses, permits, orders, consents, approvals, registrations, authorizations, declarations, filings, notifications, exemptions, certificates and qualifications with and under all laws or issued by Governmental Bodies or industry or other non-governmental self-regulatory organizations.

“Person” means an individual, corporation, partnership, association, joint stock company, Governmental Entity, business trust, unincorporated organization or other legal entity.

“Reinsurance Contract” shall mean any reinsurance or retrocession treaty or agreement, including any amendments, extensions, renewals, guaranties, modifications, waivers, supplements

or other agreements, if any, related thereto, to which Badger or any Insurance Subsidiary is a party or under which Badger or any Insurance Subsidiary has any existing rights or liabilities.

“Reinsurer Consent” shall mean a consent acceptable to Rural in its reasonable discretion, affirming the commitment of an Other Reinsurer to abide by the terms and conditions of the applicable Other Reinsurance Agreement[s], notwithstanding the Affiliation and the other transactions contemplated the Transaction Documents.

“Representatives” shall mean, with respect to any Person, such Person’s officers, directors, administrators, employees, agents, attorneys, accountants, actuaries or other representatives.

“Resignation” means a letter to the Badger Board of Directors signed by each Badger director who will not be a director on the Reconstituted Badger Board stating that such Badger director has resigned from the Badger Board of Directors effective as of immediately prior to the Closing.

“Risk-Based Capital” means minimum amount of capital required to support insurance business operations and to underwrite coverage.

“Rural Disclosure Schedules” means the Disclosure Schedules attached as Exhibit G, as updated from time to time.

“SAP” means, with respect to any insurer or reinsurer, the statutory accounting principles prescribed or permitted by the insurance regulatory authorities of the jurisdiction in which such insurance company is domiciled and otherwise authorized or accredited.

“Supermajority Consent” shall mean the consent of a majority of the directors on the Reconstituted Badger Board but only if such majority includes at least one Badger-Appointed Director.

“Tax” (and, with correlative meaning, “Taxes”) means: (i) any federal, state, local or foreign net income, gross income, gross receipts, windfall profit, severance, property, production, sales, use, license, excise, franchise, employment, payroll, withholding on amounts paid to or by any Person, alternative or add-on minimum, ad valorem, value-added, transfer, stamp, or environmental tax (including taxes under Code Section 59A), escheat payments or any other tax, custom, duty, governmental fee or other like assessment or charge of any kind whatsoever, together with any interest or penalty, addition to tax or additional amount imposed by any Governmental Body; and (ii) any liability for the payment of amounts determined by reference to amounts described in clause (i) as a result of being or having been a member of any group of corporations that files, will file, or has filed Tax Returns on a combined, consolidated or unitary basis, as a result of any obligation under any agreement or arrangement (including any tax sharing arrangement), as a result of being a transferee or successor, or by contract or otherwise.

“Tax Return” means any return, report or similar statement required to be filed with respect to any Tax (including any attached schedules), including any information return, claim for refund, amended return or declaration of estimated Tax.

“Transaction Documents” means:

- (a) this Agreement;
- (b) the Reinsurance Agreement;
- (c) the Management Agreement; and
- (d) the Amended and Restated Bylaws of Badger.

9.16 Terms Defined Elsewhere in this Agreement. For purposes of this Agreement, the following terms have meanings set forth in the sections indicated:

“2025 Reinsurance Tower” has the meaning set forth in Section 6.2(c).

“Affected Employee” has the meaning set forth in Section 4.2(c).

“Agreement” has the meaning set forth in the preamble.

“Badger” has the meaning set forth in the preamble.

“Badger Actuary” has the meaning set forth in Section 4.13(c).

“Badger-Appointed Directors” has the meaning set forth in Section 5.1(b).

“Badger Audited Financial Statements” has the meaning set forth in Section 4.13(b).

“Badger Auditor” has the meaning set forth in Section 4.13(c).

“Badger Financial Statements” has the meaning set forth in Section 2.5(a).

“Badger Reserve Opinion” has the meaning set forth in Section 4.13(c).

“Badger Unaudited Financial Statements” has the meaning set forth in Section 4.13(d).

“Bankruptcy and Equity Exceptions” has the meaning set forth in Section 2.2.

“Burdensome Condition” has the meaning set forth in Section 4.6(a).

“Closing” has the meaning set forth in Section 1.2.

“Closing Date” has the meaning set forth in Section 1.2.

“Code” has the meaning set forth in Section 2.19(c).

“Confidential Information” has the meaning set forth in Section 4.11.

“Determination Period” has the meaning set forth in Section 8.3(c).

“Employment Agreements” as the meaning set forth in Section 4.2(a).

“ERISA” has the meaning set forth in Section 2.20(e).

“GAAP Financial Statements” has the meaning set forth in Section 2.5(b).”

“Governmental Approval” has the meaning set forth in Section 2.6(a).

“Insurance Producer” has the meaning set forth in Section 2.11(a)(xii).

“Insurance Subsidiary” has the meaning set forth in Section 2.5(a).

“Investment Guidelines” has the meaning set forth in Section 2.24.

“Involved Persons” has the meaning set forth in Section 4.8(b).

“Leased Real Properties” has the meaning set forth in Section 2.16(a).

“Legal Proceedings” has the meaning set forth in Section 2.10.

“Material Contract” has the meaning set forth in Section 2.11.

“Minimum Surplus Ratio” has the meaning set forth in Section 4.13(a).

“Most Recent Badger Balance Sheet” has the meaning set forth in Section 2.5(a).

“Most Recent Rural Balance Sheet” has the meaning set forth in Section 3.5(a).

“OCI” has the meaning set forth in Section 2.5.

“Owned Real Property” has the meaning set forth in Section 2.15(a).

“Owned Rental Property” has the meaning set forth in Section 2.15(b).

“Party” or “Parties” has the meaning set forth in the preamble.

“Proprietary Information” has the meaning set forth in Section 4.8(b).

“Reconstituted Badger Board” has the meaning set forth in Section 5.1(b).

“Resignation Effective Time” has the meaning set forth in Section 5.1(b).

“Rural” has the meaning set forth in the preamble.

“Rural Actuarial Analyses” has the meaning set forth in Section 3.8(b).

“Rural Actuary” has the meaning set forth in Section 4.13(g)(ii).

“Rural-Appointed Directors” has the meaning set forth in Section 5.1(b).

“Rural-Engaged Reserve Opinion” has the meaning set forth in Section 4.13(g)(ii).

“Rural Financial Statements” has the meaning set forth in Section 3.5(a).

“Rural Plan” has the meaning set forth in Section 4.2(c).

“Rural Termination Event” has the meaning set forth in Section 8.3(b).

“Specified Material Contract Consents” has the meaning set forth in Section 4.11.

“Specified Reinsurer Consents” has the meaning set forth in Section 4.11.

“Target Testing Date” and “Target Testing Dates” have the meanings set forth in Section 4.13(b).

“Transactions” has the meaning set forth in Section 1.1.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officers of Rural and Badger as of the date first above written.

RURAL MUTUAL INSURANCE COMPANY

By: Daniel J. Merk
Daniel J. Merk, Executive Vice President and CEO

BADGER MUTUAL INSURANCE COMPANY

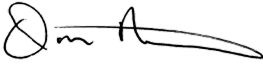
By: _____
Daniel Nigro, President and Chief Executive Officer

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officers of Rural and Badger as of the date first above written.

RURAL MUTUAL INSURANCE COMPANY

By: _____
Daniel J. Merk, Executive Vice President and CEO

BADGER MUTUAL INSURANCE COMPANY

By:  _____
Daniel Nigro, President and Chief Executive Officer

EXHIBITS

- A. Badger A&R Bylaws
- B. Badger Board of Directors Immediately Before and After Closing
 - 1. Badger Board of Directors Immediately Before Closing
 - 2. Badger Board of Directors Immediately After Closing
- C. Badger Officers Immediately Before and After Closing
 - 1. Badger Officers Immediately Before Closing
 - 2. Badger Officers Immediately After Closing
- D. Reinsurance Agreement
- E. Management Agreement
- F. Badger Disclosure Schedule
- G. Rural Disclosure Schedule
- H. List of Badger Employees Receiving Employment Agreements
- I. Executed Employment Agreements

EXHIBIT A
BADGER A&R BYLAWS

[see attached]

EXHIBIT B

BADGER BOARD OF DIRECTORS IMMEDIATELY BEFORE AND AFTER CLOSING

1. Badger Board of Directors immediately before the effective time on the Closing Date:

| Name | Title (other than director, if any) |
|------------------------|-------------------------------------|
| Santino Rosario Cicero | Chairman |
| Scott Anthony Henkel | - |
| Vincent Purnell Lyles | - |
| Joseph Thomas Packee | - |
| Stephen James Streff | - |
| Doralice Mceuen Graff | - |
| Steven Charles Klima | - |
| Daniel Nigro | - |
| Lori Linda Stortz | - |

2. Badger Board of Directors as of and after the effective time on the Closing Date:

| | Name | Designation | Class* | Initial Term** |
|---|----------------|--|----------|----------------|
| 1 | Daniel J. Merk | Rural-Appointed Director / Rural Executive Vice President and CEO | Class I | two (2) years |
| 2 | TBD | Rural-Appointed Director / Rural Board President | Class I | two (2) years |
| 3 | TBD | Rural-Appointed Director / Rural Board Vice President | Class I | two (2) years |
| 4 | Kevin Krentz | Rural-Appointed Director | Class II | two (2) years |
| 5 | David Daniels | Rural-Appointed Director | Class II | two (2) years |

| | | | | |
|----|------------------------|---------------------------|----------|---------------|
| 6 | Gail Luedke | Rural-Appointed Director | Class I | two (2) years |
| 7 | Peter Pelizza | Rural-Appointed Director | Class II | two (2) years |
| 8 | Michael Ruder | Rural-Appointed Director | Class II | two (2) years |
| 9 | Daniel Nigro | Badger-Appointed Director | N/A | one (1) year |
| 10 | Santino Rosario Cicero | Badger-Appointed Director | N/A | one (1) year |
| 11 | Steve Albinger | Badger-Appointed Director | N/A | one (1) year |

* Badger-Appointed Directors generally serve one (1) year terms and are therefore not divided up into separate classes.

**Rural-Appointed Directors generally serve staggered two (2) year terms. The initial terms of all Rural-Appointed Directors will end at the first annual Badger policyholder meeting following Closing. At such policyholder meeting, Rural-Appointed Directors will be nominated and reelected to create a staggered Badger Board. The second term of Class I Rural-Appointed Directors ends at the second annual Badger policyholder meeting after Closing. The second term of Class II Rural-Appointed Directors ends at the third annual Badger policyholder meeting after Closing.

EXHIBIT C

BADGER OFFICERS IMMEDIATELY BEFORE AND AFTER CLOSING

1. Badger officers immediately before the effective time on the Closing Date:

| Name | Title |
|-----------------------|-------------------------------------|
| Daniel William Nigro | President & Chief Executive Officer |
| Darrin Allen Groendal | VP-Treasurer & CFO |
| Kathy Ann Bubeck | VP-Claims & Secretary |
| Andrew John Thiede | VP-Information Technology |
| Brian Edward Wiza | VP-Underwriting |

2. Badger officers as of and after the effective time on the Closing Date:

| Name | Title |
|-----------------------|---------------------------|
| Daniel J. Merk | President |
| TBD | Chairperson |
| TBD | Vice President |
| Lou Korth | Treasurer |
| Bradley Uken | Secretary |
| Daniel William Nigro | Chief Executive Officer |
| Darrin Allen Groendal | CFO & VP-Accounting |
| Kathy Ann Bubeck | VP-Claims |
| Brian Edward Wiza | VP-Underwriting |
| Andrew John Thiede | VP-Information Technology |
| Dan Wolfgram | COO |

EXHIBIT D
REINSURANCE AGREEMENT

[see attached]

REINSURANCE AGREEMENT

THIS REINSURANCE AGREEMENT (this “Agreement” or “Reinsurance Agreement”), dated as of January 1, 2025 (the “Effective Date” or “Inception Date”), is entered into by and between Badger Mutual Insurance Company, a Wisconsin domiciled mutual insurance company (the “Company”), and Rural Mutual Insurance Company, a Wisconsin domiciled mutual insurance company (the “Reinsurer”), and any and all companies which are now or hereafter come under the same ownership or management as Company or Reinsurer that sign a joinder agreement and thereby become a party to this Agreement. The Company and the Reinsurer shall each be deemed a “Party” and together, the “Parties”.

WHEREAS, the Company and the Reinsurer, concurrently with this Agreement, will enter into a transaction, whereby the Company will affiliate with Reinsurer pursuant to that certain Affiliation Agreement and Management Agreement, each dated [REDACTED], 2024, as amended;

WHEREAS, pursuant to, and as a condition of, the Affiliation Agreement, Company and Reinsurer wish to enter into this Agreement. Under this Agreement, the Company shall cede to the Reinsurer and the Reinsurer agrees to accept 100% of the Company’s Net Liability arising under the Policies (as defined herein);

NOW, THEREFORE, in consideration of the mutual and several promises and undertakings contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and the Reinsurer agree as follows:

ARTICLE I - BUSINESS COVERED

- A. This Agreement is to indemnify the Company on a one hundred percent (100%) quota share basis with respect to the Company’s Net Liability in connection with: (i) the Policies in force at the Inception Date and/or Policies issued or renewed by the Company on or after the Inception Date, (ii) losses occurring under the Policies in force on the Inception Date and Policies issued or renewed by the Company after the Inception Date, and (iii) development of loss reserves reported by the Company as of December 31, 2024, subject to the terms and conditions contained herein.
- B. This Agreement is solely between the Company and the Reinsurer, and nothing contained in this Agreement shall create any obligations or establish any rights against the Company or the Reinsurer in favor of any person or entity not a Party hereto.
- C. This indemnity for reinsured loss applies to all lines of business written by the Company (for the avoidance of doubt, such loss will be net of any recoveries under reinsurance which inures to the benefit of this Agreement).
- D. Capitalized terms used but not defined in this Agreement shall have the meanings set forth in the Affiliation Agreement or the Management Agreement.

- E. Handling of Expenses, Investment Income or Loss, Other Income, and Policyholder Dividends:
For clarity, the Parties agree as follows:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

ARTICLE II- TERM AND CANCELLATION

- A. This Agreement shall become effective 12:01 a.m., Central Standard Time, on the Closing Date as defined in that certain Affiliation Agreement by and between Company and Reinsurer and shall continue in force thereafter until terminated.
- B. Termination of this Agreement may occur with one hundred eighty days' (180) prior notice, initiated by either Party, in writing by certified or registered U.S. mail, confirmed facsimile transmission, electronic mail, or nationally recognized overnight delivery service.

- C. Upon termination of this Agreement, the reinsurance afforded under this Agreement shall remain in effect for all Policies: (i) in effect at this Agreement's Effective Date and to which this Agreement attached; (ii) with an inception date that occurred while this Agreement was in effect and to which this Agreement attached; and (iii) in force on this Agreement's termination date and to which this Agreement attached, until their cancellation, non-renewal, or natural expiration, whichever occurs first.
- D. This Agreement provides for termination on a run-off basis. The relevant provisions of this Agreement shall apply to the business being run-off and shall survive the termination of this Agreement, and the Reinsurer shall not be relieved of or released from any of its obligations created by or under this Agreement. The run-off period shall be a separate Agreement Year.
- E. For the avoidance of doubt, any election to terminate (by either Party) shall be initiated only by resolution of a majority of the board of directors of the terminating Party.

ARTICLE III - LIABILITY OF REINSURER

- A. The Reinsurer shall indemnify the Company on a one hundred percent (100%) quota share basis in respect of the Company's Net Liability that the Company may pay as a result of losses arising under Policies in effect during this Agreement term ("Reinsured Losses"), subject to the terms and conditions contained herein.
- B. All reinsurance for which the Reinsurer shall be liable, by virtue of this Agreement, shall be subject to the same terms, rates, conditions, and waivers, and to the same modifications, interpretations, alterations, and cancellations as the respective Policies of the Company, subject to this Agreement. The liability of Reinsurer shall follow the liability of the Company in accordance with the conditions of the Policies and shall be subject to the same risks, conditions, and modes of settlement, it being the intention of this Agreement that Reinsurer shall follow the fortunes of the Company in all respects on the insurance ceded herein.
- C. The Reinsurer's obligations shall attach obligatorily and simultaneously with that of the Company.
- D. The Reinsurer's liability as set forth above shall apply irrespective of the number of Policies affected or number of hazards in one Policy and regardless of the number of lines of business involved.
- E. The Reinsurer shall be liable to the Company for all third-party reinsurance that is not collected by Company. Notwithstanding the foregoing, it is agreed and understood that: 1) Company shall promptly request any reimbursements due from any of Company's Insurers and/or Company's Third-Party Reinsurers and shall diligently pursue any amounts owed from any such Insurers and/or Third-Party Reinsurers; and 2) the Reinsurer shall be liable to the Company for all amounts not collected from any of Company's Insurers and/or Third-Party Reinsurers after Company's diligent attempts at recovery.

"Insurers" means any primary insurance policy issued to Company, including, but not limited to, Company's ICPL, D&O, or E&O policies.

“Third-Party Reinsurers” means any company other than Reinsurer to which Company cedes all or a portion of its liabilities and obligations arising out of the Reinsured Losses.

- F. If a verdict, award or judgment is ultimately compromised, reduced, or revised on appeal, the Reinsurer shall indemnify the Company for the Allocated Loss Adjustment Expenses incurred in obtaining such reduction or reversal in the ratio that the benefit the Reinsurer derives from such reduction, reversal or compromise bears to the total benefit derived therefrom.
- G. All subrogation recoveries, salvage recoveries, or any other payments recovered or received subsequent to a loss settlement under this Agreement shall be applied as if recovered or received prior to the aforesaid settlement and the Parties shall make all necessary adjustments hereto.
- H. Nothing in this Article shall be construed to mean that Reinsured Losses are not recoverable hereunder until the Company has ascertained its Net Liability.

ARTICLE IV - EXTRA CONTRACTUAL OBLIGATIONS and EXCESS POLICY LIMITS

- A. This Agreement shall indemnify the Company for Extra Contractual Obligations or Excess Policy Limits. Recoveries from any form of insurance or reinsurance that protects the Company against Extra Contractual Obligations or Excess Policy Limits shall inure to the benefit of this Agreement.
- B. The date on which an Excess Policy Limits is incurred by the Company shall be deemed, in all circumstances, to be the date of the original accident, casualty, disaster, loss occurrence, or catastrophe.
- C. The date on which an Extra Contractual Obligation is incurred by the Company shall be deemed to be the date on which the Company breached the Policy or Policies at issue, which date may be outside the term of this Agreement. If outside the term of this Agreement, then this Agreement does not apply to such Extra Contractual Obligation.

ARTICLE V - REINSURANCE PREMIUM

- A. The Company shall cede to Reinsurer its exact proportion of the Net Written Premium collected by the Company. Such amounts shall be settled in accordance with the terms of Article VII - Claims, Losses and Responsibilities.

ARTICLE VI - REPORTING AND FUNDS WITHHELD

- A. Within sixty (60) days after the end of each calendar year and forty-five (45) days after the end of each other calendar quarter the Company shall report to the Reinsurer:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- D. The Company shall furnish the Reinsurer with all necessary data respecting losses for as long as one of the Parties hereto has a claim against the other arising from this Agreement.

ARTICLE VII - CLAIMS, LOSS, AND RESPONSIBILITIES

- A. The Company shall promptly notify the Reinsurer of each claim that may involve any third-party reinsurance that inures to the benefit of this Agreement and of all subsequent developments relating thereto, stating the amount claimed, an estimate of the Company's Net Liability including Allocated Loss Adjustment Expenses, and shall notify the Reinsurer upon settlement of such claims. Reporting of subsequent developments shall occur as such developments occur, but the Reinsurer shall be apprised never less frequently than quarterly after any initial reports.
- B. The Company shall provide all administrative, accounting, claims administration, payment and processing duties required to service the Policies, including, without limitation, the following:
 - 1. Effect existing and new agent licensing and appointments;

2. Preparation of all policies, certificates, and other forms necessary for the issuance service of the Policies;
3. Pay agent commissions on the Policies;
4. Pay claims and losses;
5. Prepare and forward pertinent data relative to the Policies to Reinsurer for annual and quarterly statement purposes and income tax returns, and provide Reinsurer with such information as needed to complete such reports or returns or other such information as may be reasonably required.

ARTICLE VIII - SALVAGE AND SUBROGATION

- A. The Reinsurer shall be subrogated, as respects any loss for which the Reinsurer shall actually pay or become liable, but only to the extent of the amount of payment by or the amount of liability to the Reinsurer, to all the rights of the Company against any person or other entity who may be legally responsible in damages for such loss. The Company hereby agrees to enforce such rights, but in case the Company shall refuse or neglect to do so, the Reinsurer is hereby authorized and empowered to bring any appropriate action in the name of the Company or its policyholders, or otherwise to enforce such rights. In the event that Company refuses to enforce such rights in a claim where Reinsurer issued a claim payment, Company shall notify Reinsurer within 30 days of the applicable statute of limitations to enable Reinsurer to enforce such rights if it so desires.
- B. If there are any subrogation recoveries, salvage recoveries, or reimbursements recovered subsequent to a loss settlement, the Parties agree that if the expenses incurred in obtaining salvage or other recoveries are less than the amount recovered, such expenses shall be borne by each Party in the proportion that each Party benefits from the recoveries; otherwise, the amount recovered shall first be applied to the reimbursement of the expense of recovery and the remaining expense shall be borne by the Company and the Reinsurer in proportion to the liability of each Party for the loss before such recovery had been obtained. Expenses hereunder shall exclude all office expenses of the Company and all salaries and expenses of Company's officials and employees.

ARTICLE IX - RESERVES AND TAXES

- A. The Reinsurer shall maintain legal and/or regulatory reserves with respect to claims hereunder.
- B. Taxes:
 1. The Reinsurer shall be liable for all taxes on premiums paid to the Reinsurer by Company under this Agreement and Reinsurer shall indemnify and hold the Company harmless for any taxes which the Company may become obligated to pay on business reinsured pursuant to this Agreement.
 2. In consideration of the terms under which this Agreement is issued, Company shall not claim a deduction in respect of the premium hereon when making tax returns, other

than income or profits tax returns, to any state or territory of the United States of America, the District of Columbia or Canada.



ARTICLE X - OFFSET

Each Party hereto shall have, and may exercise at any time and from time to time, the right to offset any balance or balances, whether on account of premiums or on account of losses or otherwise, due from such Party to the other Party hereto under this Agreement or under any other reinsurance agreement heretofore or hereafter entered into by and between them, and may offset the same against any balance or balances due or to become due to the former from the latter under the same or any other reinsurance agreement between them; and the Party asserting the right of offset shall have and may exercise such right whether the balance or balances due or to become due to such Party from the other are on account of premiums or on account of losses or otherwise and regardless of the capacity, whether as assuming insurer or as ceding insurer, in which each Party acted under the agreement or the different agreements involved, provided however, that, in the event of the insolvency of a Party hereto, offsets shall only be allowed in accordance with the provisions of Wis. Stat. § 645.56.

ARTICLE XI - ERRORS OR OMISSIONS

Errors or omissions on the part of the Company shall not invalidate the reinsurance under this Agreement.

ARTICLE XII - INSOLVENCY

- A. Notwithstanding any other provision to the contrary, in the event of insolvency of the Company, the reinsurance provided by this Agreement shall be payable by the Reinsurer on the basis of the liability of the Company for the business reinsured hereunder, without diminution because of such insolvency, directly to the Company or its liquidator, receiver or statutory successor, except where the Reinsurer, with the consent of the direct insured or insureds, has assumed such policy obligations of the Company as direct obligations of the Reinsurer to the payees under such policies and in substitution for the obligations of the Company to such payees.
- B. The Company shall give Reinsurer written notice of the pendency of each claim or loss that may involve the reinsurance provided by this Agreement within thirty (30) days after such claim or loss is filed in the insolvency proceeding. The Reinsurer shall have the right to investigate each such claim or loss and interpose, at its own expense, in the proceeding where the claim or loss is to be adjudicated, any defense available to the Company, its liquidator, receiver, or statutory successor. The expense thus incurred by the Reinsurer shall be chargeable, subject to court approval, against the insolvent Company as part of the expense of liquidation to the extent of a proportionate share of the benefit, which may accrue to the Company solely as a result of the defense undertaken by the Reinsurer.

- C. Nothing contained in this Article XII is intended to change the relationship of the Parties to this Agreement or to enlarge upon the rights or obligations of either Party hereunder except as provided herein, to wit, to pay the statutory successor of the Company on the basis of the amount of liability determined in the liquidation or receivership proceeding rather than on the basis of the actual amount of loss paid by the liquidator, receiver or statutory successor to allowed claimants.

ARTICLE XIII - Definitions

- A. “Agreement Year” means the period from January 1, 2025, through December 31, 2025, and each respective 12-month period thereafter that this Agreement continues in force shall be a separate Agreement Year.
- B. “Allocated Loss Adjustment Expense” means: (i) claims related expenses sustained in connection with adjustment, including defense, settlement, and litigation of specific claims and suits, satisfaction of judgments, resistance to or negotiations concerning a loss, but shall not include any salaries of employees or normal overhead expenses of the Company; (ii) Declaratory Judgment Expenses; (iii) all interest on verdicts, awards or judgments; and (iv) expenses sustained to obtain subrogation recoveries, salvage recoveries, or other reimbursements, or to secure the reversal or reduction of a verdict, award, or judgment.

“Allocated Loss Adjustment Expense” shall exclude any part of the Company’s underwriting expenses, including but not limited to office expenses and any officers’ and/or employees’ salaries. “Allocated Loss Adjustment Expense” shall include expenses for such staff adjusters, field persons, or other employees who diverted from their normal duties to the service of field adjustment, but shall not include any part of those employees’ salaries.

It is agreed and understood that in no event shall recoveries under this Agreement for Allocated Loss Adjustment Expenses and recoveries under any Management Agreement between the Parties exceed 100% of the originally incurred expenses.

- C. “Declaratory Judgment Expenses” means legal expenses and costs incurred in connection with coverage questions regarding specific claims and legal actions, including declaratory judgment actions, connected thereto.
- D. “Extra Contractual Obligations” means those liabilities not covered under any provision of this Agreement which arise from the handling of any claim on business covered hereunder, such liabilities arising because of, but not limited to, the following: failure by the Company to settle within the policy limit, or by reason of alleged or actual negligence, fraud or bad faith in rejecting an offer of settlement or in the preparation of the defense or in the trial of any action against its insured or in the preparation of an appeal consequent upon such action.
- E. “Excess Policy Limits” means those damages payable in excess of the policy limit as a result of alleged or actual negligence, fraud, or bad faith in failing to settle and/or rejecting a settlement within the policy limit, in the preparation of the defense, in the trial of any action against the insured or reinsured, or in the preparation or prosecution of an appeal consequent upon such action.

F. “Net Liability” means the Company’s gross liability remaining after making deductions for all subrogation recoveries, salvage recoveries, and all cessions, if any, to Company’s other insurers or reinsurer(s), which directly inure to Company’s benefit and are collected by the Company.

“Net Liability” shall include: (i) all Allocated Loss Adjustment Expenses; (ii) 100% of any Extra Contractual Obligations; and/or (iii) 100% of any Excess of Policy Limits, after making deductions for all subrogation recoveries, salvage recoveries, and all cessions, if any, to Company’s other insurers or reinsurer(s), but only with respect to the business covered under this Agreement.

G. “Net Written Premium” means the Company’s gross written premium, less cancellation and return premium, and less premium ceded by the Company for third-party reinsurance which inures to the benefit of this Agreement.

H. “Policies” means each of the Company’s binders, policies and contracts of insurance or reinsurance on the lines of business covered hereunder for risks produced by the Company.

ARTICLE XIV- MISCELLANEOUS

A. Territory. This Agreement applies to Policies issued by the Company within the United States of America, including its territories and possessions, and Canada (if applicable). This Agreement shall apply to losses covered hereunder wherever occurring.

B. Notices. All notices and other communications under this Agreement will be in writing and will be delivered personally or sent by certified or registered U.S. mail, confirmed facsimile transmission, electronic mail, or nationally recognized overnight delivery service. Any such notice or other communication will be deemed given upon actual delivery, in each case to the following addresses:

If to the Reinsurer:

Troy Jeske
[Title]
Rural Mutual Insurance Company
1241 John Q Hammons Drive, Suite 200
Madison, WI 53717
PO Box 5555
Madison, WI 53705
tjeske@ruralins.com

If to the Company:

[Name]
[Title]
Badger Mutual Insurance Company
1134 N. 9th Street
Milwaukee, WI 53233

- C. Choice of Law. This agreement shall be construed and enforced according to the laws of the State of Wisconsin.
- D. Entire Agreement. This Agreement constitutes the entire agreement of the Parties to this Agreement with respect to its subject matter, supersedes all prior agreements, if any, of the Parties to this Agreement with respect to its subject matter and may not be amended except in accordance with this Article XIII, Paragraph F. This Agreement does not provide a guarantee of profit, directly or indirectly, from the Reinsurer to the Company or from the Company to the Reinsurer.
- E. No Third-Party Beneficiaries. This Agreement is solely between the Company and the Reinsurer, and nothing contained in this Agreement shall create any obligations or establish any rights against the Company or the Reinsurer in favor of any person or entity not a Party hereto.
- F. Amendment. This Agreement may be amended by mutual consent of the Parties expressed in an addendum and such addendum, when executed by both Parties, shall be deemed to be an integral part of this Agreement and binding on the Parties hereto.
- G. Severability. If any provision of this Agreement shall be rendered illegal or unenforceable by the laws, regulations or public policy of any state, such provision shall be considered void in such state, but this shall not affect the validity or enforceability of any other provision of this Agreement or the enforceability of such provision in any other jurisdiction.
- H. Inspection of Records. Upon the reasonable request and upon reasonable notice from either Party, the requesting Party shall be permitted at the disclosing Party's location and during normal business hours to inspect such records, including but not limited to the financial records, as pertain to this Agreement.
- I. Arbitration. Should any dispute occur between the Parties arising out of or related to this Agreement, or their rights and responsibilities to each other, the disputing Party shall provide to the other Party written notice of the disputed action or non-action. In the event that the Parties cannot resolve the dispute within twenty (20) days of receipt of the notice of dispute, or such extended time to which the Parties mutually agree, the matter shall be settled and determined by arbitration proceedings. The Arbitrator shall be selected pursuant to Section 6, entitled, "Appointment and Composition of Neutral Panel" of the 2018 ARIAS U.S. Neutral Panel Rules for the Resolution of U.S. Insurance Reinsurance Disputes, published by the Insurance and Reinsurance Dispute Resolution Task Force. The decision and award of the arbitrator shall be final and binding and the award so rendered may be entered in any court having jurisdiction thereof. The arbitration shall be held in a mutually agreed upon location in Milwaukee, Wisconsin. Notwithstanding the foregoing, any claim for a payment due under this Agreement may be enforced in any court within the State of Wisconsin having jurisdiction over the Parties to this Agreement.
- J. Intermediaries. Neither Party hereto has utilized the services of a reinsurance intermediary for any actions taken with regard to the negotiation, drafting, and/or execution of this Agreement or any payments to be made hereunder. The Reinsurer accepts all credit risks of the Company relating to payments to or from the Company.

[Signature page follows]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives this _____ day of _____, 2024.

REINSURER

RURAL MUTUAL INSURANCE COMPANY

By: _____
Name: Daniel J. Merk
Title: Executive Vice President & CEO

COMPANY

BADGER MUTUAL INSURANCE COMPANY

By: _____
Name: _____
Title: _____

31507185.10
31815371.3

EXHIBIT E
MANAGEMENT AGREEMENT

[see attached]

MANAGEMENT AGREEMENT

This Management Agreement (the “Agreement”) is entered into effective as of _____, 2025 (“Effective Date”), between Rural Mutual Insurance Company, a Wisconsin domestic mutual insurance company (“Rural”), and Badger Mutual Insurance Company, a Wisconsin domestic mutual insurance corporation (“Badger”), and any and all companies that are now or hereafter come under the same ownership or management as Rural or Badger that sign a joinder agreement and thereby become a party to this Agreement, with reference to the following background:

A. Pursuant to that certain Affiliation Agreement by and between Rural and Badger, dated [●] [●], 2024 (“Affiliation Agreement”), Rural and Badger (together sometimes referred to herein as the “Parties” and singly as the “Party”) agreed to become affiliates, as more fully described in the Affiliation Agreement.

B. As a condition to closing the transactions contemplated in the Affiliation Agreement, the Parties are entering into the Reinsurance Agreement between Rural and Badger of even date herewith (the “Reinsurance Agreement”), under which Badger is the cedent and Rural is the reinsurer, all pursuant to the terms and conditions of the Reinsurance Agreement.

C. As a condition to closing the transactions contemplated in the Affiliation Agreement, the Parties desire to enter into this Management Agreement, on the terms and conditions more fully set forth below.

D. Capitalized terms used but not defined in this Agreement shall have the meanings set forth in the Affiliation Agreement or the Reinsurance Agreement.

NOW, THEREFORE, in consideration of the foregoing background recitals and the mutual promises and covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties hereto agree as follows:

1. **Authority and Duties of the Parties.**

(a) Services. The Parties may provide to each other, from time to time and either directly or through third parties, the following services (“Services”):

- (i) reinsurance pricing and procurement;
- (ii) investment services;
- (iii) actuarial analysis;
- (iv) underwriting;
- (v) human resources services and employee benefits administration;

- (vi) policyholder services;
- (vii) legal services;
- (viii) corporate and tax accounting;
- (ix) record keeping and financial reporting;
- (x) information technology services;
- (xi) marketing;
- (xii) compliance and strategic planning;
- (xiii) premium collection and refunds;
- (xiv) claims management and settlement; and
- (xv) such other services as the Parties mutually agree.
- (xvi) [REDACTED]

(b) Standard of Care. The Party providing the Services (the “Service Provider”) will act in good faith, in a commercially reasonable manner, and in accordance with customary industry standards and applicable laws for the provision of the Services. For clarity, the Party receiving the Services is the “Receiving Party”.

(c) Board Oversight. Provision of the Services shall at all times be subject to oversight by the receiving Party’s board of directors, which shall direct and control the business that is being carried out by the Service Provider, including the control and direction of the Service Provider’s employees in the performance of Services.

- (i) Any actions taken by Rural as the Service Provider may not be used as grounds for termination under Section 5 if those actions were performed at the direction of, or with the approval of, a majority of the Badger Board of Directors.
- (ii) Any actions taken by Badger as the Service Provider may not be used as grounds for termination under Section 5 if those actions were performed at the direction of, or with the approval of, a majority of the Rural Board of Directors.

2.

[REDACTED]

3. **Reimbursable Expenses.**

(a) Rural as Service Provider: In the event that Rural performs Services for Badger and, in the performance of same, advances any funds or incurs any expenses in performing the Services or in fulfilling other duties or obligations under this Agreement.

[REDACTED]

(b) Badger as Service Provider: In the event that Badger performs Services for Rural and, in the performance of same, advances any funds or incurs any expenses in performing the Services or other duties or obligations under this Agreement, Badger shall itemize such expenses and submit said expenses to Rural. All costs and expenses incurred by Badger for employees, equipment, facilities, and other items in connection with performance of the Services or in fulfilling other duties and obligations under this Agreement shall be considered Reimbursable Expenses.

(c) The Parties shall apportion Reimbursable Expenses in accordance with applicable Statements of Statutory Accounting Principles. The books and records of Badger and Rural shall be maintained in a way that clearly and accurately disclose the nature and details of the Services, including such accounting information as is necessary to support the expenses apportioned to the respective parties.

(d) All payments and/or reimbursements made by the Receiving Party to the Service Provider hereunder are intended to approximate the costs and expenses incurred by the Service Provider in performing its services hereunder. All of the advances, costs and expenses to be paid or reimbursed by the Receiving Party to the Service Provider pursuant to Section 3 or otherwise in this Agreement are collectively referred to as the "Reimbursable Expenses."

(e)

[REDACTED]

4. [REDACTED] Payment for Services.

(a) [REDACTED]

(b) Payment for Services: Within 30 days following the end of each calendar quarter in which Badger provides Services to Rural, Badger shall prepare a statement showing the total Reimbursable Expenses incurred. Rural shall pay Badger the full amount of the Reimbursable Expenses within 45 days following the end of each calendar quarter.

5. Termination.

(a) This Agreement may be terminated as follows:

(i) By mutual agreement of the Parties in writing;

(ii) By either Party if the other Party has materially breached any material term of this Agreement and has not corrected such breach within 60 days after receipt of written notice of such breach. Notwithstanding the foregoing, if a failure by its nature cannot be corrected within a 60-day period, then there shall be no right to terminate this Agreement if the correcting Party substantially begins correction within such 60-day period and thereafter expeditiously corrects such breach.

(iii) By Rural, at its option, upon at least 30 days' written notice given at any time after: (A) the Rural-Appointed Directors (as defined in the Affiliation Agreement); or (B) successors to the Rural-Appointed Directors nominated by Rural to the Badger board of directors do not constitute a majority of the members on the Badger board of directors;

(iv) By either Party upon giving at least 30 days' written notice to the other Party if the Reinsurance Agreement is terminated;

(v) By either Party if the Parties are no longer affiliated;

(vi) Automatically if either Rural or Badger applies for or consents to the appointment of a receiver, conservator, rehabilitator or liquidator, makes a general assignment for the benefit of creditors, admits in writing its inability to pay debts as they mature, files a petition or answer seeking a reorganization or arrangement with creditors under any insolvency law, files an answer admitting the material allegations in a petition filed in a liquidation, rehabilitation or receivership proceeding, or if a liquidation, rehabilitation or receivership proceeding is commenced by any governmental authorities, or if a decree of any court is entered adjudging the Party to be insolvent or approving a reorganization or arrangement under any insolvency law.

In the event a Party terminates this Agreement by written notice under any subsection under this Section 5(a), such written notice must be accompanied by accompanied by a copy of a resolution of the terminating Party's board of directors authorizing the termination this Agreement.

(b) In the event of this Agreement's termination: (i) the Service Provider shall promptly arrange, at the Receiving Party's cost, for the return or transfer to a successor service provider, if any, of all of the books and records of the Receiving Party that were provided to or created by the Service Provider pursuant to the Service Provider's responsibilities under this Agreement; (ii) the Service Provider shall cooperate with the Receiving Party in the return or transfer; (iii) if Rural has received Services under this Agreement, Rural shall promptly reimburse Badger for such Services under Section 3 to the extent such Reimbursable Expenses have not been paid as of the termination date;

[REDACTED] This Section 5(b) survives the termination of this Agreement.

(c) In the event of this Agreement's termination, the Service Provider shall continue to provide Services for the period reasonably necessary to transfer the Services to a new party (the "Transition Period").

[REDACTED] If Rural is receiving Services from Badger hereunder during the Transition Period, Rural shall continue to reimburse Badger as the Service Provider for such Services as provided in Section 3. This Section 5(c) survives the termination of this Agreement.

6. Confidentiality – Proprietary Information.

(a) Proprietary Information. "Proprietary Information" includes the pricing, methods, processes, financial data, provider or customer lists, statistics, software, systems or equipment, programs, research, development, strategic plans, operating data, or related information of each of the Parties and/or its or their policyholders, concerning past, present, or future business activities of each Party. Proprietary Information includes all non-public information disclosed by either Party to the other prior to the execution of this Agreement.

(b) Confidentiality. Except as otherwise provided in this Agreement, each Party shall maintain the Proprietary Information of the other Party in strict confidence; will use such Proprietary Information only for purposes of fulfilling its obligations under this Management Agreement, the Reinsurance Agreement, and/or the Affiliation Agreement; and will not disclose such Proprietary Information to any person or entity, except with the prior written consent of the other Party. Each Party shall take reasonable precautions to prevent the disclosure of Proprietary Information.

(c) Permissive Disclosures. Nothing contained in this Agreement may be construed as prohibiting either Party's disclosure of Proprietary Information (other than to known actual competitors of the other Party):

(i) to its employees, officers, directors, agents, representatives, or any of the foregoing of a subsidiary of such Party on a need-to-know basis;

(ii) other persons (including consultants or third-party service providers) in need of access to the information for purposes specifically related to either Party's responsibilities under this Agreement.

(d) Information Lawfully Received.

(i) Neither Party has any obligation or liability with respect to the other's information to the extent that the information:

(A) is already known by the receiving Party on the date of this agreement, free from any obligation to keep such information confidential;

(B) is or becomes publicly known through no wrongful act of the receiving Party;

(C) is lawfully received by the receiving Party from a third party without restriction and without breach of any obligation of the third party; or

(D) must be disclosed pursuant to a court order or as required by any governmental or administrative authority or authorized regulatory agency, in which event the disclosing Party shall notify the other Party in advance of any such disclosure.

(e) Survival. This Section 6 shall survive the termination of this Agreement.

7. Privacy.

(a) Definitions. The following terms, when used in this section shall have the meanings indicated:

(i) "Nonpublic Personal Information" means "nonpublic personal information" as defined in Title V of the Financial Modernization Act (the Gramm-Leach-Bliley Act) and related applicable Law, as well as protected health information as defined in Health Insurance Portability and Accountability Act (HIPPA) of 1996, the Health Information Technology for Economic and Clinical Health Act and related applicable Law.

(ii) "Personal Information" means any information about an individual, in whatever form received or created, whether prepared by Rural, Badger or otherwise, that contains or otherwise reflects information that identifies or about which there is a reasonable basis to believe can be used to identify the individual. Personal Information includes Nonpublic Personal Information.

(b) Acknowledgment. The Parties acknowledges that they may have access to Personal Information in connection with the performance of their duties under this Agreement and that Personal Information is protected by applicable Law.

(c) Use and Disclosure. The Parties agree to use and disclose the Personal Information only: (i) as required to perform their duties and obligations under this Agreement; (ii) for any lawful purpose related to this Agreement; and (iii) as permitted by applicable Law.

(d) Privacy Protection Protocol. The Parties shall at all times maintain a privacy protection protocol that is reasonably sufficient to assure compliance with applicable Law.

(e) Security Precautions. The Parties shall take all reasonable security precautions to maintain the confidentiality and security of all Personal Information, take all steps reasonably necessary to protect unauthorized access to Personal Information, and to protect against any anticipated threats or hazards to the security of such information. Among other things, the Parties shall: (i) limit access to Personal Information to those actually performing Services; (ii) limit access of personnel performing Services to that Personal Information actually required for the performance of Services; (iii) take all reasonable and necessary steps to ensure that Personal Information is transmitted only in a secure manner including by encryption or equivalent means; and (iv) take all reasonable and necessary steps to ensure that Personal Information is minimally disclosed, combined, amended, deleted, or otherwise altered by the Service Provider so as to maintain its integrity and accuracy.

(f) Privacy Breach. If the Service Provider breaches the provisions of this section, the Service Provider agrees to promptly notify the Party receiving the Services and cooperate in mitigating any potential damages by, at the Service Provider's expense:

(i) immediately endeavoring to recover all Personal Information from the unauthorized recipient, if known, and instructing the unauthorized recipient to cease and desist from any use of the improperly disclosed Personal Information;

(ii) at the request of the Party receiving the Services, returning within 30 days all Personal Information provided to the Service Provider pursuant to this section;

(iii) at the request of the Party receiving the Services, deleting from the Service Provider's electronic systems and physical records within 30 days all Personal Information provided and providing certification that such deletion has occurred;

(iv) assisting and cooperating with any demand forwarded by the Party receiving the Services to the Service Provider as a result of a court order imposed by, or from a Government body having jurisdiction over, the Party receiving the Services; and

(v) assisting with taking any other remedial steps reasonably required by the Party receiving the Services.

(vi) assuming the liability for any expense of any consumer notice or other requirements imposed upon the Party Receiving the Services by law or taken by such Party, in its reasonable discretion, to protect its business interests.

(g) Survival. This Section 7 shall survive the termination of this Agreement.

8. **Ownership of and Access to Records**. Each Party shall retain title to its own general corporate books and records. Each Party shall retain the right of continuing access to the books and records of the other Party sufficient to permit the Parties to fulfill all of their respective duties and obligations under this Agreement, subject to the provisions of Sections 5 and 6. The Parties acknowledge that state departments of insurance lawfully entitled to access to books and records of a Party shall be given reasonable access to such books and records during normal business hours and upon reasonable advance notice.

9. **Miscellaneous**.

(a) Entire Agreement; Amendment; Governing Law; Successors and Assigns. This Agreement, the Affiliation Agreement, and the Reinsurance Agreement together (i) constitute the entire and only agreement of the parties with respect to its subject matter and supersedes and replaces all prior agreements and understandings; (ii) may be amended from time to time but only by a written instrument duly executed by both parties; (iii) shall be construed under Wisconsin law without giving effects to the choice or conflicts of law provisions of that or any other jurisdiction; and (iv) shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns.

(b) Governing Law. This Agreement is hereby deemed to have been made under and governed by the laws of the State of Wisconsin, without regard to any choice or conflict of law principles of that or any other jurisdiction.

(c) Severability. In case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein unless the deletion of such provision or provisions would result in such a material change as to cause continued performance of this Agreement as contemplated herein to be unreasonable or materially and adversely frustrate the objectives of the parties as expressed in this Agreement. In the event of a holding of invalidity so fundamental as to prevent the accomplishment of the purposes of this Agreement, the parties shall immediately commence negotiations in good faith to reach agreement on a mutually acceptable successor provision.

(d) Assignment. Except as otherwise specified in this Agreement, neither Party may assign this Agreement, or any of its rights or obligations whether by operation of law or other without the prior written consent of the other Party, which the other Party may grant or withhold in its sole discretion. In the event of a permitted assignment by a Party, this Agreement shall inure to the benefit of such Party; otherwise, any other assignment or purported assignment by such Party shall be null and void.

(e) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

(f) No Third-Party Beneficiaries. This Agreement is only for the benefit of the Parties and does not confer any right, benefit, or privilege upon any person or entity not a party to this Agreement.

(g) Non-waiver. No failure by either Party to insist upon strict compliance with any term of this Agreement, to exercise any option, enforce any right, or seek any remedy upon any default of the other Party shall affect, or constitute a waiver of, the first Party's right to insist upon such strict compliance, exercise that option, enforce that right, or seek that remedy with respect to that default or any prior, contemporaneous, or subsequent default, nor shall any custom or practice of the Parties at variance with any provision of this Agreement affect, or constitute a waiver of, either Party's right to demand strict compliance with all provisions of this Agreement.

(h) Waivers and Amendments. The Agreement and the Exhibits attached hereto may only be amended or modified, and the terms hereof may only be waived, by writing, signed by each Party or, in the case of a waiver, by the Party entitled to the benefit of the terms being waived.

(i) Binding Effect. This Agreement will apply to and inure to the benefit of and be binding upon and enforceable against each Party and their respective successors and permitted assigns.

(j) Construction; Interpretation. All pronouns and any variations thereof refer to the masculine, feminine, or neuter, singular, or plural, as the context may require. The captions and headings of the various sections of this Agreement are not part of this Agreement but are only labels to assist in locating those sections and shall be ignored in construing this Agreement.

9. Notices. All notices and other communications under this Agreement will be in writing and will be delivered personally or sent by confirmed facsimile transmission or nationally recognized overnight delivery service. Any such notice or other communication will be deemed given upon actual delivery, in each case to the following addresses:

If to Rural:

Ariella Schreiber
Vice President of Claims and General Counsel
1241 John Q. Hammons Drive, Suite 2
Madison, WI 53705
aschreiber@ruralins.com

If to Badger:

Joanna Glaser
Corporate Counsel
1134 N 9th Street
Milwaukee, WI 53233
jglaser@badgermutual.com

with a copy to:
legal@badgermutual.com

[Signature page follows]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officers of Rural and Badger as of the date first above written.

RURAL MUTUAL INSURANCE COMPANY

By: _____
Daniel J. Merk
Executive Vice President and CEO

BADGER MUTUAL INSURANCE COMPANY

By: _____
Daniel Nigro
CEO
31744668.4

EXHIBIT F
BADGER DISCLOSURE SCHEDULE

[see attached]

EXHIBIT G
RURAL DISCLOSURE SCHEDULE

[see attached]

EXHIBIT I

EXECUTED EMPLOYMENT AGREEMENTS

[see attached]

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this “Agreement”) is made and entered into as of _____, 2024 with an effective date as set forth below, by and among Badger Mutual Insurance Company (“BMIC”), and _____ (“Executive”).

RECITALS

WHEREAS, Executive wishes to be employed by BMIC; and

WHEREAS, BMIC desires for Executive to serve BMIC on the terms and conditions set forth in this Agreement;

NOW, THEREFORE, for and in consideration of the mutual promises and undertakings of the parties as set forth in this Agreement, the parties covenant and agree as follows:

AGREEMENT

- 1. Effective Date and Employment.** The effective date of this Agreement shall be the Closing Date as defined in that certain Affiliation Agreement by and between BMIC and Rural Mutual Insurance Company (“Effective Date”). As of the Effective Date, Executive shall be employed as an Executive with BMIC. Executive shall perform such services for BMIC as may reasonably be assigned to Executive by BMIC’s CEO and Board of Directors from time to time upon the terms and conditions hereinafter set forth.

Executive shall devote Executive’s full business time, attention, and energies to BMIC’s business interests. Executive will work out of BMIC’s primary location in Milwaukee, Wisconsin, or any other location, including remotely, as approved by BMIC’s CEO. Executive shall comply with all policies, standards and regulations of BMIC now or hereafter promulgated, and shall perform their duties under this Agreement to the best of their abilities and in accordance with standards of conduct applicable to BMIC’s executive officers. Executive shall report to the BMIC CEO and the BMIC CEO shall conduct an annual review of Executive in the first sixty days of 2026.

- 2. Term.** Unless otherwise terminated under Section 7 of this Agreement, the term of Executive’s employment under this Agreement shall commence on the Effective Date and shall continue for a period of one (1) year after the Effective Date (the “Employment Term”). Thereafter, if Executive continues to provide services to BMIC as an employee following the expiration of the Employment Term, such post-expiration employment shall be deemed to be performed on an “at-will” basis and either party may thereafter terminate such employment with or without notice and for any or no reason and without any obligations of severance pay or otherwise as set forth in this Agreement.

3. Compensation.

- A. Base Salary. During the Employment Term, Executive shall be paid an initial annual base salary of _____, payable on a biweekly basis and on such other terms and installments as the parties may from time to time mutually agree upon (“Base Salary”).
- B. Profit-Sharing Plan. Executive may participate in any profit-sharing program established in the discretion of the BMIC Board of Directors. Any such profit-sharing plan will be subject to change or elimination at the end of any applicable year and subject to the terms and conditions outlined therein.
- C. Deductions and Withholding. BMIC shall withhold state and federal income taxes, social security taxes, and such other payroll deductions as may from time to time be required by law or agreed upon in writing by Executive and BMIC. BMIC shall also withhold and remit to the proper party any amounts agreed to in writing by BMIC and Executive for participation in any BMIC sponsored benefit plans for which a contribution is required.

4. Benefit Plans. Executive shall be eligible to participate in any health, life insurance, disability, dental, and any other similar insurance plans or arrangements presently or hereafter made available by BMIC to its executive officers (collectively, the “Benefit Plans”), subject to and on a basis consistent with the terms, conditions, amendments to and overall administration of such Benefit Plans.

5. Expense Reimbursement. BMIC shall reimburse Executive for reasonable and customary business expenses incurred in the conduct of BMIC’s business and consistent with BMIC’s policy on expense reimbursement. Executive agrees to timely submit records and receipts of reimbursable items consistent with BMIC ’s established policy.

6. Paid Vacation and Sick Time. Executive shall be entitled to paid time off in accordance with BMIC’s Time-Off Policy. BMIC reserves the right to modify this and any other personnel policy in its discretion from time to time, provided; however, in no event shall Executive’s annual paid time off entitlement be reduced below Executive’s paid time off entitlement for calendar year 2024 during the Employment Term. All other changes to Executive’s paid time off or other benefits will be administered in accordance with BMIC’s Time-Off Policy.

7. Termination.

A. Definitions.

- (1) Disability. The term “Disability” shall have the same definition contained in Executive’s disability insurance plan if such plan is in effect as of the date of this Agreement or as of such time thereafter as BMIC implements such plan, and if there is no such plan, then “Disability” shall mean becoming

“disabled” as defined under Code Section 409A and the regulations under it.

- (2) Cause. “Cause” shall be determined by the BMIC Board of Directors, in the exercise of good faith and reasonable judgment, and shall mean: (i) the continued failure by Executive for a period of thirty (30) days to substantially perform Executive’s duties with BMIC (other than a failure resulting from Executive’s incapacity due to Disability or physical or mental illness) after a written demand for substantial performance is delivered to Executive by BMIC, which demand specifically identifies the manner in which BMIC believes that Executive has not substantially performed Executive’s duties; (ii) any act of negligence or misconduct by Executive which is materially injurious to BMIC, monetarily or otherwise; (iii) any materially fraudulent or dishonest act with respect to BMIC or its affiliates; or (iv) any criminal conviction of Executive for the commission of any crime that substantially relates to Executive’s job.
- (3) Good Reason. “Good Reason” means, without Executive’s consent, the occurrence of any one or more of the following:
 - a. BMIC requiring Executive to permanently relocate to an office more than 50 miles from BMIC’s current primary office location; or
 - b. any breach by BMIC of any material provision of this Agreement; or
 - c. a material diminution by BMIC of Executive’s title, duties, or responsibilities.

Any termination of this Agreement by Executive for “Good Reason”, pursuant to any provision of this Agreement, shall require prior written notice to BMIC’s CEO by Executive, which notice shall specifically identify the manner in which Executive believes there is “Good Reason” and provides BMIC a reasonable opportunity to cure of not less than sixty (60) days.

- (4) Termination Date. The “Termination Date” is the effective date of termination of Executive’s employment.

B. Termination. Executive’s employment under this Agreement may be terminated, subject to payment of the compensation and other benefits described below, upon the occurrence of any of the events described below.

- (1) Termination Due to Death or Disability. Notwithstanding the existence of an Employment Term, Executive’s employment shall terminate immediately upon Executive’s death or Disability. In the event of

termination due to death or Disability, BMIC shall pay Executive, or the personal representative of Executive's estate, accrued salary and benefits according to BMIC's policies and plans through the Termination Date and no further compensation or benefits shall be due except as provided by law.

- (2) Termination for Cause. Notwithstanding the existence of an Employment Term, BMIC may terminate Executive's employment under this Agreement for Cause at any time upon written notice. In the event of termination for Cause, BMIC shall pay Executive accrued salary and benefits according to BMIC's policies and plans through the Termination Date and no further compensation or benefits shall be due except as provided by law.
- (3) Termination due to Executive's Voluntary Termination. Notwithstanding the existence of an Employment Term, Executive may voluntarily terminate their employment under this Agreement at any time by giving at least fourteen (14) days', but no more than thirty (30) days', written notice to the BMIC CEO and the BMIC Board of Directors Chairperson.

In the event Executive voluntarily resigns from employment with BMIC, other than a resignation under Subparagraph (4), BMIC shall pay Executive accrued salary and benefits according to BMIC's policies and plans through the Termination Date and no further compensation or benefits shall be due except as provided by law. Should Executive give notice of voluntary termination of their employment under this paragraph, BMIC may elect not to use the services of Executive after such notice is given, but such election shall not relieve BMIC of the obligation to pay Executive in accordance with the notice period.

- (4) Termination by BMIC Without Cause or by Executive for Good Reason. Notwithstanding the existence of an Employment Term, BMIC may terminate Executive's employment under this Agreement at any time without Cause or Executive may terminate Executive's employment for Good Reason. In the event that BMIC terminates Executive's employment without Cause or Executive terminates for Good Reason during the Employment Term, BMIC shall, conditioned on Executive's compliance with the terms of this Agreement and execution and non-revocation of a Release, (i) pay Executive as severance pay Executive's then-current Base Salary for the remaining period of the Employment Term and (ii) reimburse Executive for the full cost of Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") for Executive and Executive's family, as applicable, until the earliest of: (i) the end of the Employment Term or (ii) the date on which Executive becomes eligible to receive health benefits from another employer. Such payments will be subject to all applicable payroll taxes and withholding and paid out according to BMIC's normal payroll schedule and shall not count as compensation for purposes of any qualified or non-qualified retirement, profit-sharing, or welfare benefit plan.

C. Prohibited Compensation.

- (1) Regardless of any provision in this Agreement, BMIC is not required to compensate Executive according to the terms of this Agreement if the compensation is prohibited or limited by a federal or state regulatory agency acting under applicable federal or state law or regulation, but shall compensate Executive according to the terms of this Agreement to the extent compensation is not prohibited or limited by a federal or state regulatory agency acting under applicable federal or state law or regulation.
- (2) In the event that payments to Executive made pursuant to this Agreement, along those made pursuant to any other agreement or arrangement to which Executive is a party, would result in “parachute payments” (as defined in Section 4960(c)(5)(B) of the Internal Revenue Code of 1986, as amended (the “Code”), as determined by legal counsel selected by BMIC) without regard to the reduction of payments as provided under this section, such payments shall be automatically reduced, eliminated or postponed in such amounts as are required, to the extent possible, to reduce the aggregate “present value” (as defined in Section 4960(c)(5)(E) of the Code) of such payments to an amount equal to 2.99 times Executive’s “base amount” (as defined in Section 4960(c)(5)(D) of the Code), with the intent that no tax shall apply to BMIC under Section 4960 of the Code with respect to an “excess parachute payment” (as defined in Section 4960(c)(5) of the Code). If payments are to be reduced, BMIC shall reduce the payments to be made under this Agreement (that is, prior to reducing payments under any other Agreement) and shall do so by first reducing payments payable in cash and then by reducing non-cash payments.

D. Other Limitations on Severance Benefits. If Executive’s employment under this Agreement terminates for a reason that would entitle Executive to severance benefits under this Agreement, no compensation or benefits as set forth in this Agreement will be provided to Executive unless: (i) Executive executes a general release of all liability of BMIC, its officers, directors, shareholders, and affiliates (the “Release”) within twenty-one (21) days following termination of employment; and (ii) Executive does not revoke the Release. Executive shall have seven (7) days to revoke such Release after execution. If the period during which Executive has to sign and revoke the Release straddles any two taxable years, the payment shall commence in the second taxable year, regardless of when the Release is signed. In addition, BMIC offers these severance benefits in exchange for Executive’s promises to comply with the restrictions set forth in Paragraph 8 and would not offer such pay and severance benefits but for Executive’s agreement to such restrictions. Should Executive violate any such provision, all severance payments shall immediately cease, BMIC may recoup severance payments made to date, and BMIC may pursue any damages or other remedies at law or in equity to which BMIC may be entitled by reason of such violation.

8. Non-Solicitation Restrictions; Confidentiality. General. Executive agrees that BMIC's relationships with its employees and members and its confidential information and trade secrets are established and maintained at great expense. Executive further agrees that, by virtue of Executive's employment with BMIC, Executive will have unique and extensive personal contact with and confidential knowledge about BMIC, BMIC's employees and members, and that Executive will have established unique relationships with those employees and members that would enable Executive to harm BMIC if those relationships were interfered with. Therefore, as an inducement to BMIC to provide the payments and benefits described in this Agreement as well as other rights identified in this Agreement, and in order to protect BMIC from harm, Executive agrees to the restrictions in this Section 8. The provisions in this Section 8 survive termination of this Agreement and termination of Executive's employment with BMIC.

- A. Non-Solicitation of Employees. During the Employment Term and for twelve (12) months thereafter, Executive shall not, directly or indirectly, contact or solicit, or attempt to contact or solicit, a Restricted Employee for the benefit of an entity other than BMIC to provide products or services that compete with BMIC. For purposes of this Agreement, a "Restricted Employee" is any BMIC employee who is employed in an executive, managerial, underwriting, claims, or IT capacity.
- B. Non-Disclosure. Executive agrees that, except as otherwise necessary for the effective performance of Executive's job duties, during Executive's employment Executive shall retain the confidentiality of and shall not duplicate, transfer, disclose or use any Confidential Information or Trade Secrets. Following the termination of Executive's employment, for whatever reason, Executive shall retain the confidentiality of and shall not duplicate, transfer, disclose or use any Confidential Information or Trade Secrets for the following duration: (1) with respect to Trade Secret information, for as long as such information remains a trade secret; (2) with respect to all other Confidential Information, for a period of twenty-four (24) months following the termination of Executive's employment with BMIC, in any location that could cause competitive harm to BMIC.

"Confidential Information" means proprietary or non-public information relating to BMIC's employees, products, business strategies, pricing, members, technology, programs, costs, compensation, marketing plans, development plans, computer programs, computer software and systems. Confidential Information shall not include information or material that: (a) was in the public domain prior to the Effective Date or that subsequently comes into the public domain through no fault of Executive; (b) Executive can show through tangible evidence was known to Executive at the time of disclosure and not acquired directly or indirectly as a consequence of Executive's relationship with BMIC; (c) Executive can show was lawfully received by Executive from a third party free of any obligation of confidentiality; (d) consists of Executive's general background, knowledge and expertise relating to the business of BMIC; or (e) is required to be disclosed in a judicial or administrative proceeding or by a governmental or regulatory authority,

domestic or foreign. Unless Executive is prohibited from doing so under applicable law, Executive shall promptly give BMIC notice of any request for a disclosure described in the preceding clause.

“Trade Secret” means information that derives independent economic value, actual or potential, from not being generally known to, and not readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use and is the subject of efforts to maintain its secrecy that are reasonable under the circumstances.

Notwithstanding Executive’s confidentiality obligations in regard to Trade Secrets, pursuant to 18 U.S.C. § 1833(b), Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a Trade Secret if that disclosure is made: (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

- C. Other Applicable Laws. Executive understands that the disclosure and misappropriation of Trade Secrets and Confidential Information may be prohibited by laws, including the Uniform Trade Secrets Act and other financial and business privacy laws, which may contain greater restrictions than are set forth in this Agreement. Executive understands that any obligations under any such laws are in addition to Executive’s obligations under this Agreement and that BMIC may pursue full enforcement under any such laws in addition to enforcing the terms of this Agreement.
- D. Reasonableness and Consideration; Survival of Provisions. Executive agrees that the above restrictions are reasonable and necessary to protect BMIC’s business and that Executive will be able to, without any hardship whatsoever, pursue Executive’s career and earn sufficient compensation without breaching any of the restrictions contained in this Section 8. Executive acknowledges that Executive has received adequate consideration for Executive’s agreement to this Section 8. The provisions of this Section 8 shall survive termination of this Agreement and Executive’s employment and remain in full force for the respective time periods stated herein.
- E. Amendment of Restrictions. If any court shall determine the duration or any other aspect of any restriction contained in this Section 8 is unenforceable, it is the intention of the parties that the restrictions set forth in this Section 8 shall not thereby be terminated, but shall be deemed amended to the extent required to render them valid and enforceable, such amendment to apply only with respect to the operation of this Section 8 in the jurisdiction of the court which has made such adjudication.
- F. Specific Performance and Damages. The parties acknowledge and agree that breach by Executive of the restrictions contained in this Section 8 above would cause irreparable damage to BMIC and that monetary damages alone would not provide

BMIC with an adequate remedy for such breach. Therefore, if any controversy arises concerning the rights or obligations under this Section 8, such rights or obligations shall be specifically enforced by an injunction or order issued by a court of competent jurisdiction. Such remedy, however, shall be cumulative and nonexclusive and shall be in addition to any other remedy to which BMIC may be entitled. In addition, the payment of severance benefits under this Agreement is conditioned on Executive's compliance with all provisions of this Agreement, including but not limited to compliance with the provisions of Section 8. In the event of a violation by Executive of one or more provisions of this Agreement, BMIC will have the right to recoup from Executive all severance paid under this Agreement, in addition to other damages to which BMIC may be entitled.

9. **Binding Effect/Assignability.** This Agreement shall be binding upon and inure to the benefit of BMIC and Executive, their respective heirs, legal representatives, executors, administrators, successors and assigns, but neither this Agreement, nor any of the rights hereunder, shall be assignable by Executive or any beneficiary or beneficiaries designated by Executive. BMIC will require any successor (whether direct or indirect, by purchase, consolidation or otherwise) to all or substantially all of BMIC's business or assets, by agreement in form and substance reasonably satisfactory to Executive, to expressly assume and agree to perform this Agreement in its entirety.
10. **Governing Law.** This Agreement shall be subject to and construed in accordance with the laws of the State of Wisconsin, without regard to that body of law known as choice of law, except to the extent governed by the laws of the United States of America in which case federal laws shall govern. Any litigation arising out of or related to this Agreement shall only be brought exclusively in in Dane County, Wisconsin. Each party (i) consents to the personal jurisdiction of said courts, (ii) waives any venue or inconvenient forum defense to any proceeding maintained in such courts, and (iii) agrees not to bring any proceeding arising out of or relating to this Agreement in any other court.
11. **Severability of Provisions.** The invalidity or unenforceability of any particular provision of this Agreement shall not affect the validity or enforceability of any other provisions hereof, which shall remain in full force and effect according to their terms.
12. **Notices.** Any and all notices, designations, consents, offers, acceptance or any other communications provided for herein shall be given in writing and shall be deemed properly delivered if delivered in person or by registered or certified mail, return receipt requested, addressed in the case of BMIC to its registered office or in the case of Executive to his last known address.
13. **Entire Agreement.**
 - A. This Agreement and the Release constitute the entire agreement among the parties with respect to the subject matter hereof and supersedes any and all other agreements, either oral or in writing, among the parties hereto with respect to the subject matter hereof.

- B. This Agreement may be executed in one or more counterparts, each of which shall be considered an original copy of this Agreement, but all of which together shall evidence only one agreement.
14. **Amendment and Waiver.** This Agreement may not be amended except by an instrument in writing signed by or on behalf of each of the parties hereto. No waiver of any provision of this Agreement shall be valid unless in writing and signed by the person or party to be charged.
15. **Case and Gender.** Wherever required by the context of this Agreement, the singular or plural case and the masculine, feminine, and neuter genders shall be interchangeable.
16. **Captions.** The captions used in this Agreement are intended for descriptive and reference purposes only and are not intended to affect the meaning of any Section hereunder.
17. **Tax Consequences.** BMIC makes no representations or warranties with respect to the tax consequences of the payments and any other consideration provided to Executive or made on his behalf under the terms of this Agreement. Executive agrees and understands that they are responsible for payment, if any, of local, state, and/or federal taxes on the payments and any other consideration provided hereunder by BMIC and any penalties or assessments thereon. Executive further agrees to indemnify and hold BMIC harmless from any claims, demands, deficiencies, penalties, interest, assessments, executions, judgments, or recoveries by any government agency against BMIC for any amounts claimed due on account of (a) Executive's failure to pay or delayed payment of federal or state taxes, or (b) damages sustained by BMIC by reason of any such claims, including attorneys' fees and costs.
18. **Compliance with Regulatory Restrictions.** Notwithstanding anything to the contrary herein, and in addition to any restrictions stated above, any compensation or other benefits paid to Executive shall be limited to the extent required by any federal or state regulatory agency having authority over BMIC. Executive agrees that compliance by BMIC with such regulatory restrictions, even to the extent that compensation or other benefits paid to Executive are limited, shall not be a breach of this Agreement by BMIC.

[continued on next page]

IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed on the date first above written.

EXECUTIVE

BADGER MUTUAL INSURANCE COMPANY

By:

Dan Nigro
CEO