

CONVERSION

of

**ASHLAND COUNTY TOWN INSURANCE COMPANY,
a Chapter 612 mutual insurance company,**

**DARLINGTON MUTUAL INSURANCE COMPANY,
a Chapter 612 mutual insurance company,**

**LIBERTY MUTUAL FIRE INSURANCE COMPANY,
a Chapter 612 mutual insurance company,**

**PRICE COUNTY TOWN MUTUAL INSURANCE COMPANY,
a Chapter 612 mutual insurance company,**

**RIVER FALLS MUTUAL INSURANCE COMPANY,
a Chapter 612 mutual insurance company,**

and

**STOCKHOLM TOWN MUTUAL INSURANCE COMPANY,
a Chapter 612 mutual insurance company,**

with and into

**RIVER VALLEY MUTUAL INSURANCE COMPANY,
a Chapter 612 mutual insurance company,**

which shall convert into

**RIVER VALLEY MUTUAL INSURANCE COMPANY,
a Chapter 611 mutual insurance company**

RESOLUTIONS OF THE BOARD OF DIRECTORS OF LIBERTY MUTUAL

Filed with the Wisconsin Office of the Commissioner of Insurance

November 2, 2023

**RESOLUTIONS OF THE
BOARD OF DIRECTORS OF
LIBERTY MUTUAL FIRE INSURANCE COMPANY**

The following resolutions were passed at a meeting of the board of directors (the "Board") of Liberty Mutual Fire Insurance Company, a Wisconsin town mutual insurance corporation (the "Company"), held on October 27, 2023:

WHEREAS, the Company presently maintains statutorily and administratively required reinsurance coverage pursuant to Wis. Stat. § 612.33 and Wis. Admin. Code § INS 13.09 from Wisconsin Reinsurance Corporation, a property and casualty reinsurance company ("WRC"). On June 21, 2023, the Wisconsin Office of the Commissioner of Insurance (the "Commissioner") placed WRC into rehabilitation;

WHEREAS, On June 28, 2023, as a result of the WRC rehabilitation and the Company's status as a WRC policyholder for 2023, the Commissioner issued an order to the Company notifying the Company that it must find alternative reinsurance coverage for 2024 or take other action to maintain its certificate of authority and compliance with Wisconsin law including, without limitation, merging with another company or converting to a Chapter 611 mutual insurance corporation (the "OCI Order");

WHEREAS, the Board has been presented with an agreement and plan of conversion (the "Plan") for the Company to convert into a Chapter 611 mutual insurance corporation pursuant to Wis. Stat. § 612.23 (the "Conversion"), together with River Valley Mutual Insurance Company, a Wisconsin town mutual insurance corporation ("River Valley"), Ashland County Town Insurance Company, a Wisconsin town mutual insurance corporation ("Ashland"), Darlington Mutual Insurance Company, a Wisconsin town mutual insurance corporation ("Darlington"), Price County Town Mutual Insurance Company, a Wisconsin town mutual insurance corporation ("Price"), River Falls Mutual Insurance Company, a Wisconsin town mutual insurance corporation ("River Falls"), and Stockholm Town Mutual Insurance Company, a Wisconsin town mutual insurance corporation ("Stockholm," and together with the Company, River Valley, Ashland, Darlington, Price, and River Falls, the "Constituent Corporations"), pursuant to which the Constituent Corporations will convert from separate town mutual insurance corporations organized under Chapter 612 of the Wisconsin Statutes ("Chapter 612 Corporations") into a single mutual insurance corporation organized under Chapter 611 of the Wisconsin Statutes whereby the separate existence of the Company, Ashland, Darlington, Price River Falls, and Stockholm shall thereupon cease and River Valley shall continue as the surviving company under Chapter 611 of the Wisconsin Statutes (at times referred to herein as the "Converted Corporation");

WHEREAS, the Board has determined that the Conversion will result in greater access and improved financial strength for the Converted Corporation than the Constituent Corporations currently possess independently and therefore greater access to reinsurance and flexibility in establishing a reinsurance program that is not subject to the requirements of Chapter 612 Corporations;

WHEREAS, the Board has determined that the Conversion will (i) provide greater security to the members of the Constituent Corporations by combining the Constituent Corporations' resources, assets, reserves and capabilities, (ii) result in an increased ability to compete in the market, (iii) spread the risk of loss through the eventual expansion of the Converted Corporation's authorized territory, and (iv) allow the Company to issue nonassessable policies;

WHEREAS, the Board has determined that it is in the best interest of the Company and its members to authorize the execution, delivery, and performance of the Plan pursuant to which the Company shall, along with the other Constituent Corporations, (i) convert under Wis. Stat. § 612.23 from a Chapter 612 Corporation into the Converted Corporation, a domestic mutual insurance corporation governed by Chapter 611 of the Wisconsin Statutes, (ii) adopt new articles of incorporation (as provided in Exhibit C to the Plan) and bylaws (as provided in Exhibit D to the Plan) (the "Converted Corporation Organizational Documents") for the Converted Corporation, and (iii) nominate and elect directors to the board of directors of the Converted Corporation, as provided in Exhibit F to the Plan (the "Converted Corporation Board"); and

WHEREAS, the Board has reviewed the Plan and has determined that (i) the Plan is reasonable, fair and equitable to the members of the Company, (ii) the effectuation of the Conversion pursuant to the Plan is necessary for the Company's ability to obtain qualifying reinsurance in satisfaction of Wisconsin law and requirements of the OCI Order, and (iii) it is advisable for the Company to enter into the Plan and effectuate the transactions contemplated therein.

NOW, THEREFORE, BE IT RESOLVED, that the Company be, and it hereby is, authorized, approved and directed to enter into, and consummate the Conversion, and such other transactions contemplated by the Plan;

BE IT FURTHER RESOLVED, that the officers of the Company be, and each of them hereby is, authorized and directed to execute and deliver the Plan in the name and on behalf of the Company substantially in the form authorized by the Board, and any additional certificates, agreements, instruments or documents contemplated, required, necessary or appropriate for the effectuation of the transactions contemplated by the Plan (such other certificates, agreements, instruments and documents are referred to collectively with the Plan as the "Transaction Documents"), with such changes therein and additions thereto as the officers who shall execute the Transaction Documents shall approve, and to deliver counterparts of the Transaction Documents, so executed, to the other Constituent Corporations against delivery to the Company of one or more counterparts to the Transaction Documents executed on behalf of the other Constituent Corporations;

BE IT FURTHER RESOLVED, the Board hereby establishes that the special meeting of the members of the Company to approve the Conversion pursuant to the Plan, including adopting the Converted Corporation Organizational Documents and electing the Converted Corporation Board shall be held on December 12, 2023, at 7 p.m., at the Youth

and Agriculture Building, 916 E Elm Street in Lancaster, Wisconsin (the “Special Meeting”) or such other date, time, and location as designated by the President of the Company, and the record date to determine the policyholders entitled to notice of and to vote at the special meeting shall be a date as determined by the President;

BE IT FURTHER RESOLVED, that the Board hereby (i) approves the (1) Notice of Special Policyholder Meeting, (2) Summary of Conversion, (3) Policyholder Resolution Ballot, and (4) Mail Vote Policyholder Resolution Ballot, each substantially in the form hereby presented to the Board and (ii) authorizes and directs the officers of the Company to finalize the foregoing materials with such revisions deemed necessary or advisable by the officers of the Company consistent with these resolutions, and directs that such materials be sent to the policyholders as soon as possible, but not less than 30 days prior to the date of the Special Meeting, and (iii) recommends that the members of the Company approve the Conversion pursuant to the Plan and Conversion, including, approving the Converted Corporation Organizational Documents and the Converted Corporation Board;

BE IT FURTHER RESOLVED, that the officers of the Company be, and each of them hereby is authorized and empowered to take all actions and execute and deliver all documents, agreements, certificates and instruments as may be necessary or proper to fully carry out and implement the Conversion pursuant to the Plan, including obtaining all necessary regulatory approvals; and

BE IT FURTHER RESOLVED, that all actions of any kind heretofore taken by the officers of the Company in connection with the transactions and matters contemplated by the foregoing resolutions are hereby adopted, confirmed, ratified and approved in all respects as the acts and deeds of the Company.

[Remainder of Page Intentionally Left Blank, Signature Page Follows]

CERTIFICATION OF RESOLUTION

The undersigned hereby certifies that (i) he or she is the duly elected and qualified Secretary of Liberty Mutual Fire Insurance Company (the "Company") and the keeper of the Company's records and (ii) the resolutions of the Board of Directors of the Company for which this certification is attached are the true and correct resolutions adopted at a meeting of the Board of the Directors of the Company held in accordance with the Company's bylaws on the 27th day of October, 2023; and that the resolution is now in full force and effect.

Dated this 27th day of October, 2023.

LIBERTY MUTUAL FIRE INSURANCE
COMPANY

By: 
Name: Tracy Brunton
Title: Secretary/Treasurer