



**Insure carefully, dream fearlessly.**

**POLICYHOLDER**

**INFORMATION**

**BOOKLET**

**Date: September 30, 2016**

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AMERICAN FAMILY MUTUAL INSURANCE COMPANY  
6000 American Parkway  
Madison, Wisconsin 53783-0001

Notice of Special Meeting of Members  
To be held on December 7, 2016

**TO MEMBERS OF AMERICAN FAMILY MUTUAL INSURANCE COMPANY:**

**NOTICE IS HEREBY GIVEN THAT** a Special Meeting of Members of American Family Mutual Insurance Company (“AFMIC” or the “Company”) will be held at the Company’s headquarters at 6000 American Parkway, Madison, Wisconsin, on December 7, 2016 at 2:00 p.m. Central Time (the “Special Meeting”), for the following purpose:

To consider and vote upon a proposal to approve the Mutual Holding Company Plan of American Family Mutual Insurance Company (the “Plan”) and the transactions contemplated thereby, including the amendment and restatement of the Articles of Incorporation of the Company.

The full text of the Plan and the proposed Second Amended and Restated Articles of Incorporation of the Company, together with all exhibits to the Plan, are included in the Policyholder Information Booklet which accompanies this Notice. The Members will also consider and vote upon any matters as may properly come before the meeting, or any adjournments or postponements thereof.

**THE BOARD OF DIRECTORS OF AFMIC HAS UNANIMOUSLY APPROVED THE PLAN AND THE TRANSACTIONS CONTEMPLATED THEREBY AND BELIEVES THAT THE MUTUAL HOLDING COMPANY CONVERSION TRANSACTION PROVIDED FOR IN THE PLAN (THE “MHC CONVERSION”) IS FAIR AND EQUITABLE TO THE POLICYHOLDERS OF AFMIC AND WILL BENEFIT AFMIC AND ITS POLICYHOLDERS. THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE MEMBERS OF AFMIC VOTE FOR APPROVAL OF THE PLAN AND THE TRANSACTIONS CONTEMPLATED THEREBY.**

Under Wisconsin law, the Wisconsin Commissioner of Insurance (the “Wisconsin Commissioner”) must approve the Plan before it can take effect. Wisconsin law further provides that the Wisconsin Commissioner shall approve the Plan unless the Wisconsin Commissioner finds that the Plan violates the law, is not fair and equitable to policyholders, or is contrary to the interests of policyholders or the public. **Any such approval by the Wisconsin Commissioner is neither an endorsement of the Plan nor a recommendation to vote in favor of the Plan.**

Your vote must be cast in person at the Special Meeting or by a duly appointed proxy, in accordance with the instructions which accompany this Notice.

***To Cast Your Vote by Proxy:** To appoint a proxy to vote on your behalf at the Special Meeting, please complete, sign, and return the enclosed proxy card in the postage-paid envelope provided.*

***To Vote In Person:** You may vote in person at the Special Meeting. Submitting a proxy will not prevent a Member from attending the Special Meeting and voting in person. If you attend the Special Meeting and cast your vote in person, any proxy you previously submitted will be invalidated.*

**YOUR VOTE IS IMPORTANT. IF YOU DO NOT PLAN TO ATTEND THE SPECIAL MEETING, PLEASE COMPLETE AND RETURN THE PROXY CARD AS SOON AS POSSIBLE.**

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU CAST YOUR VOTE “FOR” THE PROPOSAL TO APPROVE THE PLAN.**

Proxies must be received no later than 12:00 a.m. on December 2, 2016 in order to be voted at the Special Meeting.

By Order of the Board of Directors

/s/ David C. Holman

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David C. Holman, Secretary

Madison, Wisconsin  
September 30, 2016

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In the Matter of the Restructuring of American  
Family Mutual Insurance Company

NOTICE OF HEARING

by

American Family Mutual Insurance Company

Petitioner

Case No. 16-C41471  
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\*\*\* PRE-HEARING  
CONFERENCE IS  
SCHEDULED

DATE: November 1, 2016, at 10:00 a.m. (C.D.S.T.)  
[Unless continued by the Hearing Examiner]

PLACE: Office of the Commissioner of Insurance  
125 South Webster Street  
Madison, Wisconsin 53703

\*\*\* CLASS 1 HEARING IS  
SCHEDULED

DATE: November 16, 2016, at 1:00 p.m. (C.D.S.T.)  
[Unless continued by the Hearing Examiner]

PLACE: Office of the Commissioner of Insurance  
125 South Webster Street  
Madison, Wisconsin 53703

\*\*\*PUBLIC HEARING IS  
SCHEDULED

DATE: November 16, 2016, at 2:00 p.m. (C.D.S.T.)  
[Unless continued by the Hearing Examiner]

PLACE: Office of the Commissioner of Insurance  
125 South Webster Street  
Madison, Wisconsin 53703

**\*\*\*PLEASE READ THIS NOTICE CAREFULLY\*\*\***

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**NOTICE OF HEARINGS AND INVITATION FOR PUBLIC COMMENT**

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**Pre-Hearing Conference**

A class 1 hearing under s. 611.72 and chs. 227 and 617, Wis. Stat., will be held before J.P. Wieske, duly appointed hearing examiner, on November 16, 2016 regarding American Family Mutual Insurance Company's proposed Mutual Holding Company Plan and transactions contemplated thereby.

A pre-hearing conference will be held on November 1, 2016 to consider any pre-hearing and procedural matters pursuant to s. Ins 5.33, Wis. Adm. Code. The failure to raise pre-hearing matters at the pre-hearing conference may act as a waiver of those rights at the class 1 hearing.

### **Class 1 Contested Case Administrative Hearing**

A Class 1 contested case hearing on the proposed mutual holding company plan under chs. 227 and ss. 644.07 and 601.62, Wis. Stat., will be conducted on November 16, 2016 at 1:00 p.m. before J.P. Wieske, the duly appointed Hearing Examiner (unless previously concluded, continued, or extended at the direction of the Hearing Examiner).

All motions in the Class 1 hearing, other than motions that must be made at the hearing, shall be filed with the Hearing Examiner no later than **November 1, 2016**. Only persons admitted as parties to the Class 1 proceeding may participate in this Class 1 administrative hearing. However, attendance by policyholders of American Family Mutual Insurance Company and the public is welcome.

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### **Public Hearing**

A public hearing on the proposed mutual holding company plan, and the transactions contemplated thereby, under chs. 227 and ss. 601.62 and 644.07, Wis. Stat., will be conducted on November 16, 2016, at the above-designated location in Madison, Wisconsin, commencing immediately after the Class 1 administrative hearing, at approximately 2:00 p.m., unless the pre-hearing conference or Class 1 administrative hearing is continued or extended by the Hearing Examiner.

American Family Mutual Insurance Company's policyholders and members of the public are invited to testify at the public hearing. Since time for oral testimony may be limited by the Hearing Examiner to accommodate the number of speakers, American Family Mutual Insurance Company's policyholders and members of the public are invited to submit written comments, as well as, or in lieu of, oral testimony.

Interested persons are encouraged to submit written comments to the Hearing Examiner at any time prior to the Public Hearing, and for an additional week after the Public Hearing (up until, but no later than **November 25, 2016**).

Written comments may be directed to the attention of:

**American Family MHC Restructuring Comments**  
**Office of the Commissioner of Insurance**  
**PO Box 7873**  
**Madison, WI 53707-7873**

Comments may also be emailed to OCI at: [OCIAmFamMHCPlan@wisconsin.gov](mailto:OCIAmFamMHCPlan@wisconsin.gov).

### **Issues to be Considered at the Hearings**

The issues to be considered at the hearings are as follows:

1. The plan for the restructuring of American Family Mutual Insurance Company to a mutual holding company and stock insurance company (the “Plan”).
2. The names, addresses, and interrelationships of all affiliates and principals of the Petitioner at the time of the filing and after the request is granted if the Plan is approved.
3. Whether or not, under s. 644.07, Wis. Stat.:
  - a) The Plan would violate the law or be contrary to the interest of the insureds of AMERICAN FAMILY MUTUAL INSURANCE COMPANY, the converting domestic corporation.
  - b) The Plan would be unfair or inequitable to the policyholders of AMERICAN FAMILY MUTUAL INSURANCE COMPANY.
  - c) The Plan would be contrary to the interests of policyholders or the public, including the Wisconsin insureds of any participating nondomestic corporation.
  - d) The proposed restructuring would be detrimental to the safety and soundness of the converting insurance company, AMERICAN FAMILY MUTUAL INSURANCE COMPANY, or to the contractual rights and reasonable expectations of its policyholders on the effective date of the restructuring.
4. Whether the Petitioners have complied with the filing requirements of s. 644.07, Wis. Stat.

### **How to Obtain information**

Any policyholder of American Family Mutual Insurance Company may inspect a complete copy of the mutual holding company plan, with all of its exhibits, and the Policyholder Information Statement, with all of its exhibits, before the public hearing by visiting the home office of American Family Mutual Insurance Company at 6000 American Parkway, Madison, WI 53783- 0001, during normal business hours, Monday through Friday (except for days on which American Family Mutual Insurance Company is closed for business), or by calling (866) 521- 4219.

The public may inspect the records related to this case by visiting the Office of the Commissioner of Insurance, 125 South Webster Street, Madison, WI 53703. Anyone wishing to obtain a copy of the mutual holding company plan, the Policyholder Information Statement, or pertinent correspondence and any other statutorily required information concerning this case is encouraged to download it from the Office of the Commissioner of Insurance's website at: <https://oci.wi.gov/Pages/Companies/MrgsAcquConvRedom.aspx#Restructurings> [Click on the "American Family Mutual Insurance Company to a Mutual Holding Company and Stock Insurance Company" hyperlink.]

Dated at Madison, Wisconsin, this 30th day of September, 2016

/s/ Richard Wicka

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Richard Wicka  
Deputy Chief Legal Counsel



## FREQUENTLY ASKED QUESTIONS

Below are brief answers to frequently asked questions about the proposed mutual insurance holding company (also referred to as a “mutual holding company” or “MHC”) conversion (the “MHC Conversion”) of American Family Mutual Insurance Company (“AFMIC” or the “Company”). You should carefully review the more detailed discussion about the proposed MHC Conversion that follows in the Policyholder Information Statement, which qualifies all of the information presented in these brief answers.

### **1. What is the change being proposed for AFMIC?**

The Board of Directors of AFMIC is proposing that AFMIC change its organizational structure from a mutual insurance company to a mutual holding company-owned stock insurance company. Under this structure, AFMIC would convert to a stock insurer, to be re-named American Family Mutual Insurance Company, S.I. (“Converted AFMIC”), and would become an indirect, wholly-owned subsidiary of the newly-organized mutual holding company. AFMIC policyholders, who are currently the members of AFMIC, would no longer be members of AFMIC but would instead become members of the new mutual holding company, with comparable member rights. There would be no change in AFMIC’s insurance policies (except that they would confer membership in the mutual holding company rather than AFMIC) and those policies would remain obligations of Converted AFMIC as a stock insurance company. The MHC Conversion would take place in accordance with the Mutual Holding Company Plan (the “Plan”) which has been unanimously approved by AFMIC’s Board of Directors and which you and the other policyholders of AFMIC are being asked to approve at the Special Meeting of Members (the “Special Meeting”), of which you are being notified in the attached Notice of Special Meeting of Members.

### **2. What is a mutual insurance holding company? Have other mutual insurance companies adopted this form of organization?**

A mutual insurance holding company is a legal entity organized under state law to serve as the parent company (*i.e.*, the controlling shareholder) of an insurance company that has been converted from a mutual company to a stock company. In the mid-1990s, mutual insurance holding companies began to appear in the laws of various states as a means for a mutual insurance company to address certain disadvantages of the mutual insurance company organizational form by converting to a stock company, while still preserving policyholder ownership and control of the enterprise. Mutual insurance holding companies were first made available under Wisconsin law in 1997. Ten of the 50 largest (measured by written premium as of December 31, 2015) mutual life and/or property and casualty insurance organizations in the United States have adopted, and continue to operate in, the mutual insurance holding company structure. See also “**THE MHC CONVERSION TRANSACTION—The Mutual Insurance Holding Company Organizational Form**” on page 3 of the Policyholder Information Statement.

### **3. What are my current rights as a policyholder of AFMIC, and how would the proposed MHC Conversion affect those rights?**

As a policyholder of AFMIC, you have two types of interest in AFMIC: (i) contract rights arising from your insurance policy with AFMIC and (ii) voting rights and rights in surplus arising from your status as a member of AFMIC.

Your contract rights will not be affected in any way by the proposed MHC Conversion. Your insurance policy with AFMIC will become a contractual obligation of Converted AFMIC and there will be no changes to your insurance coverage, claims payments, premiums, or benefits as a result of the MHC Conversion.

On the effective date of the MHC Conversion, you will cease being a member of AFMIC and you will instead become a member of the new mutual holding company. You will be entitled to voting rights and rights to participate in distributions of surplus by the mutual holding company which are comparable to the rights that you now have in AFMIC, except that the proposed Articles of Incorporation of the mutual holding company can be amended by the vote of the lesser of: (i) two-thirds of the members present and voting in person or by proxy at a meeting at which a quorum is present; or (ii) a majority of the voting power held by the members, which is the minimum voting threshold required by the applicable Wisconsin law, as opposed to a vote of three-fourths of the members present and voting in person or by proxy at such a meeting, as is required in AFMIC's current Articles of Incorporation. See also "**THE MHC CONVERSION TRANSACTION—Effects of the MHC Conversion—Effect On Contract Rights and Voting Rights/Rights in Surplus of AFMIC Members/Policyholders**" on pages 14 and 15 of the Policyholder Information Statement.

As described in FAQ #4, the MHC Conversion will result in policyholders of certain AFMIC subsidiaries, who were not members of AFMIC at the time of the MHC Conversion, becoming members of the new mutual holding company. This will immediately result in the dilution of the aggregate voting control held by AFMIC's members by approximately 13% (based on an assumed 1/1/17 effective date for the MHC Conversion and the admission of all policyholders of such subsidiaries on the effective date).

**4. Will anyone other than current AFMIC policyholders be members of the new mutual holding company?**

All policyholders of AFMIC's two subsidiaries which currently offer products comparable to those offered by AFMIC—American Family Insurance Company ("AFIC") and American Standard Insurance Company of Ohio ("ASICO") (AFIC and ASICO, together with AFMIC, constituting the "American Family Member Companies")—will become members of the mutual holding company, along with the policyholders of AFMIC. It is estimated that, of the total number of members of the mutual holding company immediately after the MHC Conversion, approximately 87% will be persons who were AFMIC policyholders immediately before the MHC Conversion, and approximately 13% (based on an assumed 1/1/17 effective date for the MHC Conversion and the admission of the policyholders of AFIC and ASICO on the effective date) will be persons who were AFIC and/or ASICO policyholders, and not AFMIC policyholders, immediately before the MHC Conversion.

The Board of Directors will have the authority to grant member status to the policyholders of other subsidiaries of the mutual holding company in the future.

**5. How will the inclusion of policyholders of AFIC and ASICO as members of the mutual holding company affect my voting rights?**

After the MHC Conversion, you will have a smaller percentage of the total voting power in the new mutual holding company than you had in AFMIC immediately prior to the MHC Conversion, as a result of the inclusion of the AFIC and ASICO policyholders as members of the mutual holding company. It should be noted that growth in AFMIC's membership over time would also have a dilutive effect on voting power.

Your voting rights as a member of AFMIC generally consist of the right to cast one vote on any matter which is subject to a vote of the members, including the right to vote for the election of directors and on any proposed conversion of the Company from a mutual

company to a stock company without simultaneously creating a mutual holding company as a parent (also known as “demutualization”), voluntary dissolution of the company, or amendment of the articles of incorporation.

After the MHC Conversion, each member of the new mutual holding company will have substantially these same voting rights, except as noted in FAQ #3. Each policyholder of an American Family Member Company will have the same mutual holding company member voting rights as each other policyholder of an American Family Member Company.

**6. How will the inclusion of policyholders of AFIC and ASICO as members of the mutual holding company affect my rights in surplus?**

The inclusion of policyholders of AFIC and ASICO as members of the mutual holding company will not have a material effect on your rights in surplus. See “**THE MHC CONVERSION TRANSACTION—Effects of the MHC Conversion—Effect On Contract Rights and Voting Rights/Rights in Surplus of AFMIC Members/Policyholders**” on pages 14 through 17 of the Policyholder Information Statement.

**7. Will the proposed MHC Conversion affect the terms of my insurance policy with AFMIC?**

No. All insurance policies issued by AFMIC will continue as obligations of Converted AFMIC as a stock insurance company after the MHC Conversion. Your rights under your existing insurance policy, including your coverage, claims payments, premiums, and benefits, will not be changed as a result of the MHC Conversion. See also the information presented under the heading “Policy Rights” in the table found on page 16 of the Policyholder Information Statement.

**8. How will the proposed MHC Conversion benefit AFMIC and its policyholders?**

AFMIC’s Board of Directors believes that the MHC Conversion of AFMIC is desirable at the present time and will enhance AFMIC’s ability to grow and respond to future needs, challenges, and opportunities in a rapidly changing insurance industry, while preserving mutuality and the ability to operate with a focus on the long-term interests of policyholders.

Specifically, the Board of Directors believes the new mutual holding company structure will benefit AFMIC and its policyholders by: (i) giving the Company the opportunity to pursue product and state expansion through subsidiary companies while maintaining its mutuality; (ii) enhancing the Company’s ability to acquire and grow ancillary or non-insurance businesses; (iii) enhancing the Company’s ability to pursue mergers with and acquisitions of other mutual insurance companies; and (iv) giving the Company enhanced access to capital and other forms of financing. See also “**THE MHC CONVERSION TRANSACTION—Benefits of Conversion to a Mutual Holding Company Structure**” on pages 9 through 11 of the Policy Information Statement.

**9. Has AFMIC’s Board of Directors approved the proposed MHC Conversion, and does it have a recommendation for policyholders on voting?**

After careful consideration and thorough deliberation in a series of meetings over the past four years, the AFMIC Board of Directors has unanimously approved the Plan and the transactions contemplated thereby. Accordingly, the AFMIC Board of Directors unanimously recommends that policyholders vote FOR the Plan at the Special Meeting. See also “**THE MHC CONVERSION TRANSACTION—Recommendation of Board of Directors**” on page 13 of the Policyholder Information Statement.

**10. Did the Board consider any alternatives to the MHC Conversion?**

The Board of Directors considered, but rejected, other structural alternatives to the proposed MHC Conversion, including demutualization of AFMIC. The Board of Directors determined not to pursue any of these alternatives and has no plans to do so following the MHC Conversion. In addition, the proposed MHC Conversion does not involve any changes to the existing workforce, operations, or office locations of AFMIC and its subsidiaries, and the Board of Directors has no plans to make any such changes after the MHC Conversion. See also “**THE MHC CONVERSION TRANSACTION—Consideration of Alternatives**” on pages 12 and 13 of the Policyholder Information Statement.

**11. Will AFMIC be regulated differently if the MHC Conversion is completed?**

AFMIC is currently regulated by the Office of the Commissioner of Insurance for the State of Wisconsin (the “Wisconsin Commissioner”). After the MHC Conversion, Converted AFMIC will continue to be regulated by the Wisconsin Commissioner; in addition, the mutual holding company will be subject to the Wisconsin Commissioner’s oversight. Certain anticipated differences between the current regulation of AFMIC and the future regulation of the mutual holding company are described under the heading “**REGULATION**” on page 30 of the Policyholder Information Statement.

**12. Does AFMIC plan to issue stock following the proposed MHC Conversion?**

No. AFMIC does not have any plans to issue stock in any entity after the proposed MHC Conversion is completed.

Given that one of the advantages of the proposed MHC Conversion is the option to sell stock in Converted AFMIC or an intermediate stock holding company to raise capital, it is possible that voting (up to 49%) or nonvoting stock might be sold to investors at some time in the future to raise capital in response to changed circumstances or new opportunities. Note that an initial sale of voting stock would require the prior approval of the Wisconsin Commissioner and the members of the new mutual holding company.

**13. Will the proposed MHC Conversion result in any changes in the compensation of AFMIC’s directors or officers?**

No. The proposed MHC Conversion will not result in any changes in the compensation of AFMIC’s directors and officers.

**14. Will any AFMIC director or officer receive any stock or stock options as a result of the MHC Conversion?**

No. AFMIC’s directors and officers will not receive any stock or stock options in Converted AFMIC, the new intermediate stock holding company, or any other entity.

**15. Are there any potential disadvantages or risks in adopting the proposed mutual holding company structure?**

There are potential disadvantages and risks associated with the proposed MHC Conversion that are discussed in greater detail under the heading “**THE MHC CONVERSION TRANSACTION—Special Considerations and Risk Factors**” on pages 24 through 28 of the Policyholder Information Statement.

**16. What approvals are required before AFMIC can complete the proposed MHC Conversion?**

The Plan must be approved by the Wisconsin Commissioner and potentially also by other state insurance regulators in those states in which an AFMIC subsidiary insurance company is domiciled.

Additionally, the Plan must be approved by three-quarters (3/4) of AFMIC members as of the record date for the Special Meeting of Members who are present and voting in person or by proxy at the Special Meeting. See also “**CONDITIONS TO CLOSING OF MHC CONVERSION**” on page 29 of the Policyholder Information Statement.

**17. If I vote at the Special Meeting by proxy, will the proxies have authority to vote on any matter other than the approval of the MHC Conversion?**

The proxies will have authority to vote only on those matters which are germane to the purpose of the Special Meeting as stated in the Notice of Special Meeting. For example, in addition to casting votes “For” and “Against” the approval of the MHC Plan, the proxies would have authority to vote on a proposal to adjourn the Special Meeting and reconvene at a later date.

**18. When will the proposed MHC Conversion be completed, if all conditions are satisfied?**

Provided the Plan has been approved by the Wisconsin Commissioner and by AFMIC’s policyholders at the Special Meeting, it is expected that the MHC Conversion will be completed in the first quarter of 2017.

**19. How can I vote on the Plan?**

AFMIC policyholders are being asked to vote on the Plan at the Special Meeting to be held at 2:00 p.m. local time on December 7, 2016 at the Company’s offices at 6000 American Parkway, Madison, Wisconsin. Your vote must be cast in person at the Special Meeting, or by a duly appointed proxy.

To cast your vote by proxy:

*Please complete, sign and return the enclosed proxy card in the postage-paid envelope provided.*

In lieu of appointing a proxy, you may vote in person at the Special Meeting.

Submitting a proxy will not prevent a member from attending the Special Meeting and voting in person. If you attend the Special Meeting and vote in person, any previously submitted proxy will not be counted.

Proxies must be received no later than 12:00 a.m. on December 2, 2016 in order to be voted at the Special Meeting.

**20. What should I do if I have other questions about the proposed MHC Conversion?**

If your question is not answered in these Frequently Asked Questions, the Policyholder Information Statement or the additional available information described in the Policyholder Information Statement, please visit our website ([www.amfamplan.com](http://www.amfamplan.com)) or contact us at (866) 521-4219.

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**POLICYHOLDER INFORMATION STATEMENT**  
**RELATING TO THE**  
**PROPOSED MUTUAL HOLDING COMPANY PLAN**  
**OF**  
**AMERICAN FAMILY MUTUAL INSURANCE COMPANY**

**Dated September 30, 2016**

**No Person has been authorized to give any information or to make any representations other than, or inconsistent with, those contained in this Policyholder Information Statement, with all Exhibits thereto, in connection with the Mutual Holding Company Plan referenced herein, and any such information or representation, if given or made, must not be relied upon as having been authorized by American Family Mutual Insurance Company (“AFMIC”) or any other Person representing AFMIC. The delivery of this Policyholder Information Statement shall not under any circumstances create an implication that there have not been any changes in the affairs of AFMIC since the date hereof or that the information herein is correct as of any time subsequent to its date.**

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Directors and Officers of AFI MHC, AmFam Holdings, Inc., and Converted AFMIC ....	Exhibit I

## INTRODUCTION

This Policyholder Information Statement is being provided to Policyholders of AMERICAN FAMILY MUTUAL INSURANCE COMPANY (“AFMIC” or the “Company”) in connection with the Special Meeting of Members of AFMIC to be held on December 7, 2016 at 2:00 p.m. local time, at the Company’s offices at 6000 American Parkway, Madison, Wisconsin 53783-0001 (the “Special Meeting”), and any adjournment thereof, at which the Members will be asked to vote on the proposal to change the structure of AFMIC, from its current form as a mutual insurance company, to that of a stock insurance company indirectly owned and controlled by a mutual insurance holding company organized under Chapter 644 of the Wisconsin Insurance Code (the “MHC Conversion”). Capitalized terms used in this Policyholder Information Statement are defined where first used herein or under the heading “**CERTAIN DEFINITIONS**” at page 32 of this Policyholder Information Statement.

The proposal described herein is based upon a Mutual Holding Company Plan (the “Plan”) unanimously approved by the Board of Directors of AFMIC (the “Board”) on September 30, 2016, a copy of which is attached hereto as Exhibit A, together with all exhibits thereto which are attached hereto as Exhibits B through I. In addition to the vote of the Members of AFMIC at the Special Meeting, the Plan will be the subject of a Public Hearing conducted by the Office of the Commissioner of Insurance for the State of Wisconsin (the “Wisconsin Commissioner”) on November 16, 2016. The Plan will not take effect unless and until it has been approved by the requisite vote of the Members and by order of the Wisconsin Commissioner after the Public Hearing, and until certain other conditions described under the heading “**CONDITIONS TO CLOSING OF MHC CONVERSION**” on page 29 of this Policyholder Information Statement have been satisfied.

## ADDITIONAL AVAILABLE INFORMATION

AFMIC is a mutual property and casualty insurer domiciled in the State of Wisconsin and licensed to do business in the states of Arizona, Colorado, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, Nevada, New Mexico, North Carolina, North Dakota, Ohio, Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, Wisconsin, and Wyoming. AFMIC is subject to the laws and regulations of the State of Wisconsin applicable to insurance companies and, accordingly, files annual and quarterly financial reports (“Annual Statements” and “Quarterly Statements”) prepared in accordance with statutory accounting principles and other information with the Wisconsin Commissioner as well as other state insurance departments.

In connection with obtaining approval of the Plan from the Wisconsin Commissioner, AFMIC filed the Plan, together with all exhibits thereto and other related documents (collectively, the “Filing”), with the Wisconsin Commissioner pursuant to Chapter 644 of the Wisconsin Insurance Code. Policyholders of AFMIC may inspect and obtain copies of the Filing, as well as the financial reports and other information filed by AFMIC with the Wisconsin Commissioner, during normal business hours at the offices of AFMIC located at 6000 American Parkway, Madison, Wisconsin 53783-0001. Members of the public may inspect and make copies of the Filing, as well as the financial reports and certain other information filed by AFMIC with the Wisconsin Commissioner, during normal business hours at the offices of the Wisconsin Commissioner located at 125 South Webster Street, Madison, Wisconsin 53703-3474. Portions of the Filing are also available on the website maintained by the Wisconsin Commissioner at <https://oci.wi.gov/Pages/Companies/MrgrsAcquConvRedom.aspx#Restructurings> (click on

the “American Family Mutual Insurance Company to a Mutual Holding Company and Stock Insurance Company” hyperlink). The publicly available financial reports of AFMIC can also be inspected and copied during normal business hours at the offices of the insurance regulatory agency in each of the states where AFMIC does business.

Any Policyholder who has questions about the Policyholder Information Statement, the Plan, or the Filing in general please visit our website ([www.amfamplan.com](http://www.amfamplan.com)) or contact us at (866) 521-4219.

## **INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

AFMIC’s Annual Statements for the years ended December 31, 2015, 2014, and 2013 as filed by AFMIC with the Wisconsin Commissioner, and any Quarterly Statements filed by AFMIC with the Wisconsin Commissioner during 2016, are incorporated by reference in this Policyholder Information Statement.

Statements contained in this Policyholder Information Statement or in any document incorporated herein by reference, as to the contents of any contract or other documents referred to herein, are not necessarily complete, and in each instance where reference is made to the copy of such contract or other document filed as an exhibit to the Filing or such other document, each such statement is qualified in all respects by such reference. For the purposes of the Policyholder Information Statement, the documents referred to herein and therein, including the Exhibits, the Annual and Quarterly Statements and the other financial reports and the Filing, are deemed incorporated by reference in their entirety.

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*This Policyholder Information Statement has been approved for mailing to Eligible Members of AFMIC by the Wisconsin Commissioner in accordance with Section 644.07(6)(b) of the Wisconsin Insurance Code. The Wisconsin Commissioner does not make a recommendation for or against the proposal set forth in this Policyholder Information Statement or the Plan, and no such recommendation should be inferred from the Wisconsin Commissioner's approval of this Policyholder Information Statement.*

## **STATUS OF THE PLAN**

The Board unanimously approved the Plan on September 30, 2016 and directed that it be submitted for approval by the Wisconsin Commissioner and the Members. The Plan will be the subject of a Public Hearing conducted by the Wisconsin Commissioner on November 16, 2016, and, after approval by the Wisconsin Commissioner, will be submitted for approval by the Members of AFMIC at the Special Meeting of Members to be held on December 7, 2016. At any time prior to the Effective Date, the Board will have the discretion to amend or withdraw the Plan. Any amendment to the Plan, including its exhibits, would be subject to review by the Wisconsin Commissioner. If the Wisconsin Commissioner determines that the changes are materially disadvantageous to the Policyholders of AFMIC, then the changes may be subject to an additional Public Hearing conducted by the Wisconsin Commissioner and will be subject to a separate approval by the Members of AFMIC. If the Wisconsin Commissioner does not determine that the changes are materially disadvantageous to the Policyholders of AFMIC, then neither an additional Public Hearing nor a separate approval by the Members of AFMIC will be required. The Plan will not become effective until all of the closing conditions are satisfied; these closing conditions are summarized below under the heading “**CONDITIONS TO CLOSING OF MHC CONVERSION**” at page 29 of this Policyholder Information Statement.

## **THE MHC CONVERSION TRANSACTION**

### **The Mutual Insurance Holding Company Organizational Form**

A mutual insurance holding company (also referred to herein as a “mutual holding company” or “MHC”) is a legal entity organized under state law to serve as the parent company (*i.e.*, the controlling shareholder) of an insurance company that has been converted from a mutual company to a stock company. In the mid-1990s, mutual insurance holding companies began to appear in the laws of various states as a means for a mutual insurance company to address certain disadvantages of the mutual insurance company organizational form by converting to a stock company, while still preserving policyholder ownership and control of the enterprise. Prior to the adoption of mutual holding company laws, the only means for a mutual insurance company to gain the flexibility and competitive advantages of a stock company was to “demutualize,” *i.e.*, convert from a mutual company to a stock company owned up to 100% by outside investors. Mutual insurance holding companies were first made available under Wisconsin law in 1997. In December of 1998, the Mutual Holding Company Working Group of the Financial Condition Subcommittee of the National Association of Insurance Commissioners issued a comprehensive “white paper,” discussing the rationale for the mutual holding company form of organization as compared to existing alternatives, comparing existing state laws, and setting forth certain recommendations for future state regulation of mutual holding companies, among other topics. Subsequent to the issuance of this white paper, a number of additional states passed laws providing for the formation of mutual holding companies. Today, 34 states have laws authorizing the formation of mutual insurance holding companies. As of the end of 2015,

10 of the 50 largest (measured by written premium as of December 31, 2015) mutual life and/or property and casualty insurance organizations in the United States have adopted, and continue to operate in, the mutual insurance holding company structure.

### **Description of the MHC Conversion Transaction**

On or before the Effective Date, AFMIC will form a new Wisconsin mutual holding company known as American Family Insurance Mutual Holding Company (“AFI MHC”). It will also form a new intermediate stock holding company known as AmFam Holdings, Inc. On the Effective Date, AFMIC will convert to, and continue its corporate existence as, American Family Mutual Insurance Company, S.I., a Wisconsin stock insurance company (“Converted AFMIC”). The Voting Rights and Rights in Surplus of AFMIC Policyholders will be extinguished in exchange for Voting Rights and Rights in Surplus in AFI MHC.

In addition, all Policyholders of American Family Insurance Company and American Standard Insurance Company of Ohio (such companies, together with AFMIC, the “American Family Member Companies”) will immediately become Members of AFI MHC in accordance with the Articles of Incorporation and Bylaws of AFI MHC and the Wisconsin Insurance Code. The Board of Directors of AFI MHC will have the authority to grant Member status to the Policyholders of other subsidiaries of AFI MHC in the future. At any time prior to the Effective Date, the Board will have authority under the Plan to provide for Policyholders of American Family Insurance Company and American Standard Insurance Company of Ohio to become Members of AFI MHC only upon acquiring a new or renewal insurance Policy from an American Family Member Company after the Effective Date, rather than immediately on the Effective Date.

A summary of the effect of the MHC Conversion on Voting Rights and Rights in Surplus of AFMIC Members is found under the heading “**THE MHC CONVERSION TRANSACTION—Effects of the MHC Conversion—*Effect On Contract Rights and Voting Rights/Rights in Surplus of AFMIC Members/Policyholders***” on pages 14 through 17 of this Policyholder Information Statement.

On the Effective Date, Converted AFMIC will issue 100% of the outstanding shares of voting stock of Converted AFMIC to AmFam Holdings, Inc., and AmFam Holdings, Inc. will issue 100% of the outstanding shares of voting stock of AmFam Holdings, Inc. to AFI MHC.

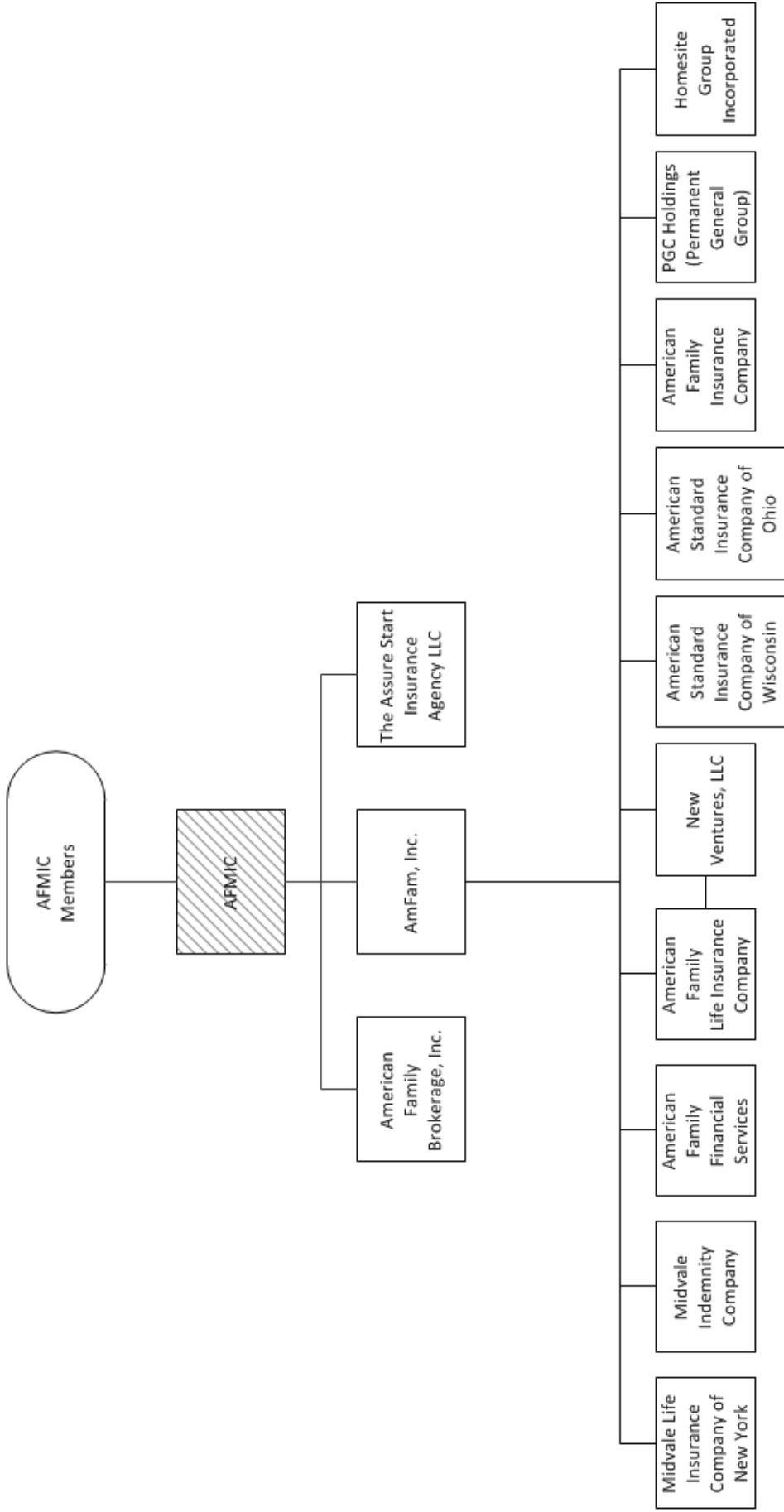
On the Effective Date, two subsidiaries of AFMIC, AmFam, Inc. and American Family Life Insurance Company, will transfer all of their member interests in New Ventures, LLC to AmFam Holdings, Inc., and AFMIC will distribute \$50 million to New Ventures, LLC to fund future investments in early stage technology companies.

As a result of the MHC Conversion, Converted AFMIC will exist as a stock insurance company, 100% of the voting stock of which is indirectly owned by AFI MHC, a mutual holding company which will be 100% owned and controlled by the Policyholders of Converted AFMIC and the other American Family Member Companies.

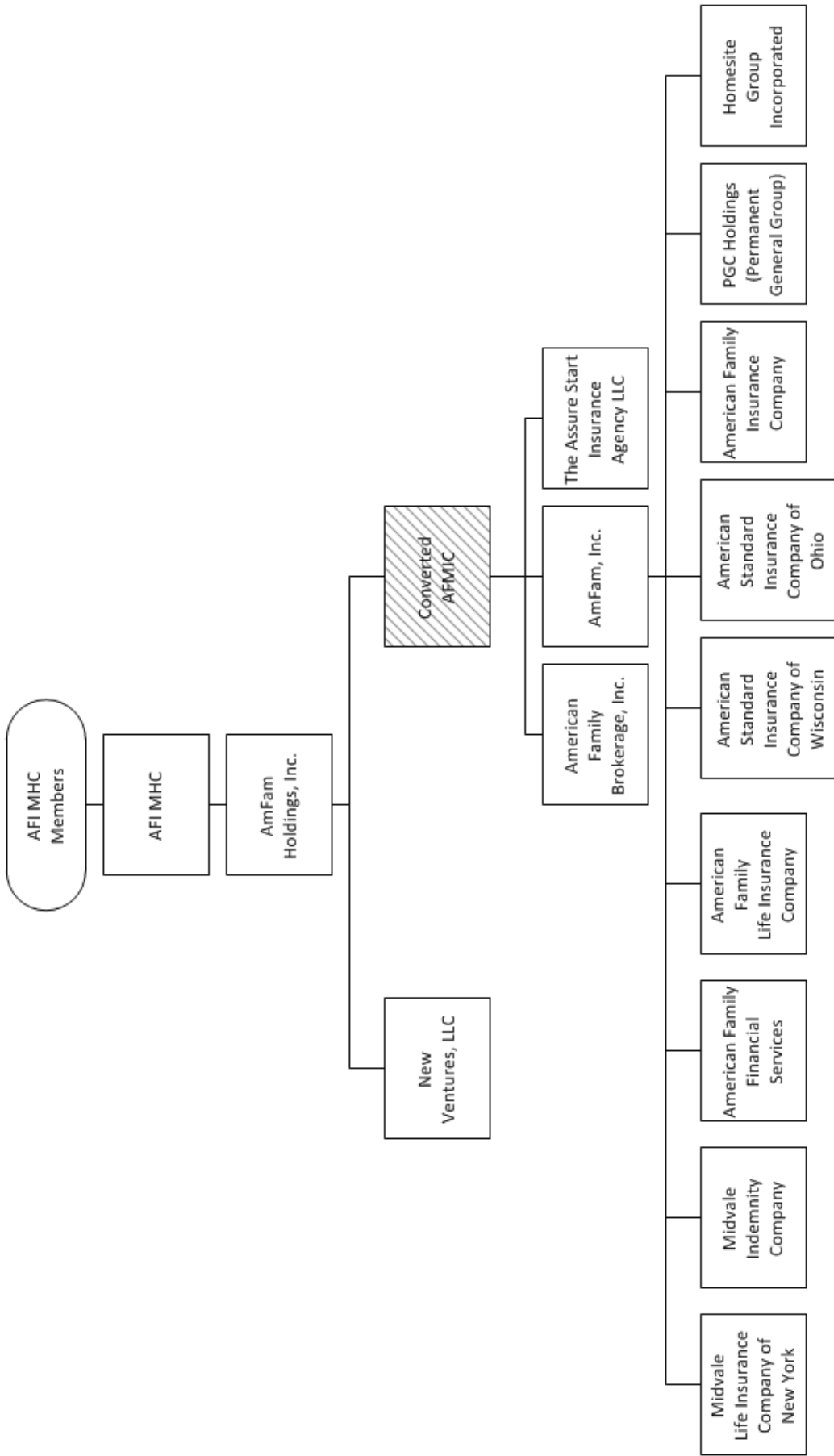
The following diagrams illustrate AFMIC’s organizational structure before and after consummation of the MHC Conversion contemplated by the Plan:

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## Before the MHC Conversion



## After the MHC Conversion



## **Background of AFMIC and the American Family Group of Companies**

### ***AFMIC***

AFMIC is a Wisconsin mutual insurance company with its headquarters in Madison, Wisconsin. AFMIC was organized under Wisconsin law in 1927 as Farmers Mutual Automobile Insurance Company, and adopted its present name in 1963. AFMIC merged with a former companion carrier, American Family General Mutual Insurance Company, in 1970, and is now a multi-line insurer offering a broad range of products including personal automobile, homeowners, farmowners, inland marine, commercial multiple peril, personal and commercial umbrella, boat owners, fire and allied lines, and reinsurance, among others. AFMIC is licensed in 27 states: Arizona, Colorado, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, Nevada, New Mexico, North Carolina, North Dakota, Ohio, Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, Wisconsin, and Wyoming. AFMIC is also accredited as a reinsurer in Florida. As of December 31, 2015, AFMIC had statutory surplus of approximately \$6.5 billion.

### ***The American Family Group of Companies***

AFMIC is the ultimate parent of the American Family group of companies, which is among the largest property/casualty insurance organizations in the U.S. The group consists of 37 companies, employs more than 9,000 people across the U.S., and currently has over 9.5 million policies in force. The American Family group of companies includes American Standard Insurance Company of Ohio, which sells similar products to those sold by AFMIC; American Family Insurance Company, which sells similar products to those sold by AFMIC; American Standard Insurance Company of Wisconsin, which is predominantly engaged in writing reinsurance for other property and casualty insurers; the Permanent General Companies, which write non-standard personal automobile insurance products; the Homesite Group insurers, which sell “white label” homeowners insurance products through direct sales channels; American Family Life Insurance Company, which sells whole, term and universal life insurance products; Midvale Indemnity Company (formerly known as Lumbermens Casualty Insurance Company), which sells main street commercial property and casualty insurance; and Midvale Life Insurance Company of New York, which is a newly-formed life insurance company not yet licensed to engage in the business of insurance. The American Family group of companies also engages in non-insurance operations, including venture capital investments in emerging companies through its New Ventures, LLC subsidiary. Over the last several years, AFMIC has acquired the Permanent General Companies and Midvale Indemnity Company (both in 2012) and the Homesite Group insurers (in 2013), and established Midvale Life Insurance Company of New York (in 2015). These changes have expanded the geographic scope, distribution channels, and breadth of insurance product offerings of the American Family group of companies.

AFMIC provides reinsurance for many other insurance companies in the American Family group of companies pursuant to a number of agreements. AFMIC reinsures 100% of the business of American Standard Insurance Company of Wisconsin, American Family Insurance Company, American Standard Insurance Company of Ohio and Midvale Indemnity Company. AFMIC also reinsures 100% of the business of each of the insurers in the Homesite Group (except that only 80% of the business of Homesite Insurance Company of New York is reinsured), through an arrangement whereby Homesite Insurance Company of the Midwest (“HMW”) reinsures each of the other Homesite Group insurers, and AFMIC in turn reinsures 100% of the business of HMW. AFMIC also reinsures 100%



of American Family Life Insurance Company's book of long-term care insurance policies (but not any other policies written by American Family Life Insurance Company). The reinsurance provided by AFMIC means that AFMIC bears the economic risk, and stands to gain the economic benefit, of the insurance policies written by the subsidiary insurers for which it provides direct or indirect reinsurance.

As of December 31, 2015, the American Family group of companies had approximately \$21.5 billion in assets under management, and aggregate policyholder surplus of over \$7.3 billion. The American Family group of companies' current financial strength is rated A (Excellent) by A.M. Best. The American Family group of companies is one of the 20 largest property and casualty insurance groups in the U.S., and ranks 332nd on the Fortune 500 list of the largest U.S. companies.

### **Strategic Challenges Facing AFMIC**

The Board believes that, in order to be strong and competitive in the property casualty insurance industry of the future, a company will need to have structural, financial, and strategic flexibility to respond quickly and decisively to an ever increasing pace of change. These changes include new underwriting methodologies, new sources of data and sophisticated data analytics, new technologies to prevent or mitigate losses and claims, and new distribution channels, among others. AFMIC's current structure as a mutual insurance company limits the Company's ability to adapt quickly in a rapidly changing marketplace, including such considerations as:

- *The Company's ability to pursue product and state expansion through subsidiary companies without diluting its mutuality.*

Due to state regulatory requirements, new products are often restricted from being sold by the same insurance company that is selling the current generation of products. Insurance companies that wish to continue to sell their current generation of products while at the same time offering alternative products therefore often form stock insurance company subsidiaries to sell the new products. The policyholders of these companies are not eligible for membership in the mutual insurance company parent.

- *The Company's ability to acquire and grow ancillary or non-insurance subsidiaries.*

State regulatory requirements limit the extent to which insurance companies can invest in ancillary and non-insurance subsidiaries. With a mutual insurance company as the ultimate parent, the entire enterprise is limited by these investment restrictions.

- *The Company's ability to pursue certain mergers and acquisitions.*

Mutual insurers cannot merge with or acquire other mutual insurers without one of the two entities ceasing to exist as a separate insurer. This prevents a mutual company from merging with or acquiring other mutual insurers in ways that allow for increased efficiencies while maintaining both organizations' goodwill and the value of their respective brands. Additionally, mutual insurers have limited options to raise capital for possible mergers and acquisitions, and cannot use stock as currency in acquisitions.

- *The Company's access to capital.*

Mutual insurance companies have no stock which can be sold to raise capital to grow the enterprise. The only way for mutual insurance companies to raise capital is through profitable operations over time, through the sale of "surplus notes," which is a relatively expensive form of financing due to regulatory restrictions on repayments to the purchasers of the notes, or through the sale of stock of a "downstream holding company" which, as stock issued by a subsidiary of the mutual insurance company parent, does not reflect the valuation of the mutual company.

### **Benefits of Conversion to a Mutual Holding Company Structure**

The Board has determined that the proposed MHC Conversion will benefit the Company and its Policyholders, including in the following ways:

#### ***Use of Stock Subsidiaries for Product and State Expansion While Maintaining Mutuality***

In order to grow and stay competitive, property and casualty insurance companies must continually redesign their products to keep up with new developments in underwriting methodology and delivery of benefits to policyholders. Due to state regulatory requirements, new products are sometimes prohibited from being sold by the same insurance company that is selling the current generation of products. Mutual insurance companies are therefore compelled to form stock insurance company subsidiaries to sell the new products. The Policyholders of these companies are not eligible for membership in the mutual company parent.

As a mutual insurance company, AFMIC focuses on the interests of its Policyholders, the owners of the Company. AFMIC believes that its success as an insurance enterprise stems in large part from this ability to focus its business operations and objectives from the perspective of the Policyholder. As such, AFMIC wishes to preserve its "mutuality" as much as possible while still being able to compete against stock insurance companies.

Wisconsin law permits the admission of Policyholders of downstream stock insurance companies as members of a mutual holding company. Under the current Wisconsin Insurance Code, these Policyholders are not entitled to share in any distributions upon any demutualization or dissolution of the mutual holding company, except to the extent they have paid premiums to the converted mutual company within the five years preceding such an event. However, they do have the same rights as other mutual holding company members to vote on the election of directors, the amendment of the Articles of Incorporation, and certain other major decisions. This provides a means whereby AFMIC can continue to expand its product offerings and implement improved underwriting methodologies through newly formed stock subsidiaries, while still giving Policyholders who are insured by an American Family Member Company the opportunity to participate in the shared governance benefits of mutuality.

#### ***Ability to Acquire and Grow Ancillary or Non-Insurance Subsidiaries***

Regulatory restrictions place limits on the extent to which insurance companies can invest in ancillary and non-insurance subsidiaries. Many property and casualty insurance companies are increasingly focusing on investments in synergistic non-insurance businesses and technologies. The benefit of the mutual holding company structure, with the inclusion of an intermediate stock holding company, is that the intermediate stock holding company

is well suited to acquire and grow ancillary or non-insurance entities as direct subsidiaries of the intermediate holding company, without being subjected to the regulatory restrictions that could limit AFMIC's ability to take advantage of certain strategic opportunities. For example, AmFam Holdings, Inc. will be better positioned to invest in or acquire non-insurance subsidiaries that can provide important customer benefits, such as technologies that can help prevent thefts or accidents and save lives, thereby also reducing potential claims and costs for the insurance companies in the group. Note that the claims paying ability of Converted AFMIC, after taking into account the effects of any such distributions or financial support, will be subject to ongoing regulatory scrutiny and independent review by industry rating agencies. Furthermore, any distribution of funds or the provision of any other form of financial support from Converted AFMIC to AmFam Holdings, Inc. that falls within the definition of an "extraordinary dividend" under the Wisconsin Insurance Code will be subject to the requirement that the Wisconsin Commissioner be notified not less than 30 days prior to such distribution and not have disapproved the distribution within such time.

### ***Mergers and Acquisitions***

AFMIC cannot acquire or merge with other mutual insurers without one of the two mutual entities ceasing to exist as a separate insurer. As a result, the valuable "brand" recognition and goodwill of the mutual insurer that ceases to exist is effectively a lost or diminished asset. By contrast, an insurance enterprise structured as a mutual holding company at the top of the organizational chart has a broader range of options for pursuing mergers and acquisitions in a manner that may preserve the separate identity, brand recognition and goodwill of the insurer or other entity being acquired. For example, a mutual holding company can acquire stock companies as subsidiaries. Alternatively, a mutual holding company can also acquire mutual insurers through sponsored conversions, whereby the mutual insurance company being acquired undergoes its own mutual holding company conversion in which the Policyholders of the mutual insurance company being acquired cease being members of the mutual insurance company and instead become members of the acquiring mutual holding company, and the mutual insurance company undergoing the sponsored conversion becomes a stock insurance company owned by the acquiring mutual holding company. In addition, two existing mutual holding companies can also merge, without affecting the unique identity of any downstream insurance companies in either organization. These options are not available to AFMIC in its current mutual insurance company structure.

Because the MHC Conversion includes the formation of an intermediate stock holding company, AFI MHC will have multiple options available to raise capital for merger and acquisition purposes through public or private markets, and to use stock of the intermediate holding company as currency in acquisitions, particularly if the stock is publicly traded (subject to the prerequisite of obtaining approval of the Wisconsin Commissioner and the Members of AFI MHC before an initial offer and sale of voting stock).

### ***Access to Capital***

Mutual insurance companies have no stock which can be sold to raise capital to grow the enterprise. The only way for mutual insurance companies to raise capital is through profitable operations over time, through the sale of "surplus notes," which is a relatively expensive form of financing due to regulatory restrictions on repayments to the purchasers of the notes, or through the sale of stock of a "downstream holding company" which, as stock issued by a subsidiary of the mutual insurance company parent, does not reflect the

valuation of the mutual company. Once a mutual insurance company has been converted to a stock company, voting or nonvoting stock or debt securities issued by the former mutual company, or by an intermediate stock holding company, can be sold through an initial public offering, giving the company access to the public capital markets, or sold to private investors. The mutual holding company must still retain a majority of voting shares in the intermediate stock holding company or the former mutual company, as the case may be, thereby preserving mutuality.

Note that the access to capital provided through an intermediate stock holding company or the former mutual company is subject to the requirement of obtaining regulatory and mutual holding company member approval for the initial sale of voting stock. The Plan that is being submitted for approval by the Wisconsin Commissioner and the Members at this time does not provide for the sale of voting stock, and there is currently no plan for the sale of stock or debt securities of any kind. However, circumstances may arise where the availability of such financing may be a benefit to the Company. An initial sale of voting stock to provide such financing would be subject to the receipt of approvals as described in this paragraph.

### **Protections Provided to Policyholders**

The Plan affords the following protections to Policyholders:

- *Continuation of Policy Rights.* The benefits and rights of Policyholders under their Policies will not be reduced or altered in any way by the adoption of the Plan. Premiums required to be paid as specified in all Policies will not be increased or otherwise changed by the MHC Conversion.
- *Business Operations Unchanged.* The MHC Conversion will not result in any material changes to the business operations of AFMIC.
- *Continuation of Indirect Voting Control of AFMIC.* AFI MHC will, on the Effective Date, indirectly own 100% of the voting stock of Converted AFMIC. An initial sale of voting stock to outside investors would require approval of both the Wisconsin Commissioner and the Members of AFI MHC, and would be subject to the requirement that AFI MHC must at all times directly or indirectly own not less than 51% of such voting stock. As a result, Members of AFI MHC, who will have voting control over AFI MHC, will retain indirect voting control over Converted AFMIC.
- *No Sales of Voting Stock without Additional Approvals.* The Plan does not provide for any sale of voting stock of Converted AFMIC or AmFam Holdings, Inc. As a result, no such voting stock may be sold to investors unless there is a subsequent approval by the Wisconsin Commissioner and the Members of AFI MHC of the terms of such offering. AFMIC has no current plans to request approval for a sale of voting stock.
- *Voting Rights/Rights in Surplus.* The MHC Conversion will result in AFMIC Policyholders becoming Members of AFI MHC with associated rights, including: (i) the right to vote at annual meetings of AFI MHC for the election of directors of AFI MHC and on such other matters as may be presented to Members, from time to time, (ii) the right to receive distributions from AFI MHC in the unlikely event of its dissolution or liquidation, and (iii) the right to receive payment in the form of stock, cash, policy credits or other kinds of consideration if AFI MHC were ever to demutualize, which is not now contemplated.

## Consideration of Alternatives

The principal alternatives to the MHC Conversion are for AFMIC to either (i) preserve the status quo and remain a mutual insurance company, or (ii) undergo a demutualization.

### *Preserving the Status Quo*

While AFMIC's current structure provides the benefits of mutuality to its current Members, and allows for organic growth through insurance operations, as described above in this Policyholder Information Statement, continuing to operate as a mutual insurance company imposes limits upon AFMIC's ability to respond to significant opportunities for strategic growth. The Board has concluded that, in the future, it will be increasingly important to have the structural, financial and strategic flexibility to respond quickly and decisively to changes in the marketplace, both in terms of pursuing potential acquisition activity and in terms of making investments in new technology, new distribution channels, and synergistic non-insurance businesses. The Board believes that if AFMIC remains in its current structure as a mutual insurance company, these limitations will prevent AFMIC from realizing its full potential as compared to competitors who are not similarly restricted.

### *Demutualization*

A demutualization would convert AFMIC from a mutual insurance company into a stock insurance company without simultaneously creating a mutual holding company as a parent. In essence, AFMIC would transition from a company owned by its Policyholders to one that is owned by shareholders. There would be certain benefits of a demutualization to AFMIC and/or its Members, such as the following:

- Policyholders, as Members of AFMIC, would receive cash, stock or other consideration in exchange for their Voting Rights and Rights in Surplus in AFMIC.
- Stock of the demutualized company could be used by the demutualized company as acquisition currency.
- The value of AFMIC's stock after a demutualization might be higher than it would be after reorganizing to a mutual holding company structure, insofar as, under Wisconsin law, the mutual holding company will always have to own, directly or indirectly, at least 51% of the shares of Converted AFMIC (or AmFam Holdings, Inc., as the case may be). Investors may place a lower value on the stock of Converted AFMIC (or AmFam Holdings, Inc., as the case may be) as a result of their inability to acquire a controlling interest in the entity.

The Board has concluded, however, that maintaining the "mutuality" of AFMIC in some form is important in order to preserve the Company's focus on the best interests of the Policyholders. In addition, the Board deems it important that AFMIC retain and enhance its ability to merge with, acquire, or affiliate with other mutual entities, particularly in ways that preserve the separate insurance operations and "brands" of such organizations, including AFMIC. Demutualization is inconsistent with both of these goals, as it would terminate AFMIC's existence as a "mutual" organization ultimately owned by its Policyholders, and would eliminate AFMIC's practical ability to merge with other mutual insurers (other than through a sponsored demutualization, which can be a difficult process and a relatively inefficient use of acquisition capital), thus limiting the number and types of strategic acquisition opportunities available to AFMIC. Other potential disadvantages of demutualization as an alternative to the mutual holding company structure include the following:

- Demutualization may be an inefficient way to raise capital. In a demutualization under Wisconsin law, AFMIC would be required to distribute cash, stock or other forms of consideration to current and former (within the five years preceding the demutualization) Policyholders in exchange for their Voting Rights and Rights in Surplus in AFMIC, with an aggregate value up to 100% of all premiums paid by such Policyholders, together with interest at the legal rate, compounded annually. While this could be viewed as a benefit to those Policyholders who paid premiums to AFMIC within the five years preceding the demutualization, the actual value of the distributed stock could be substantially depressed if there is no public trading market established for the stock, and/or if the demand to sell the stock significantly exceeds the demand to purchase.
- Demutualization would subject the Company to the future demands of investors focused on short term market performance, rather than the Company's current focus on long term objectives benefitting current and future Policyholders.
- Under the proposed MHC Conversion, ultimate voting control of the enterprise remains, at least indirectly, with the Policyholders of AFMIC together with Policyholders of the other American Family Member Companies. Under a demutualization, Members of AFMIC who acquire shares of stock in exchange for their Voting Rights and Rights in Surplus would continue to have voting rights in the demutualized company, but other Persons besides Members could acquire sufficient shares of stock to become the controlling shareholders.
- Historically, demutualizations are more difficult to structure, more time consuming, and more expensive than mutual holding company reorganizations.

### **Recommendation of Board of Directors**

On September 30, 2016, the Board unanimously adopted the Plan and approved the transactions contemplated thereby. The Board is submitting the Plan to a vote of the Eligible Members after careful review and consideration, including advice from the Company's outside legal counsel. The Board believes that the MHC Conversion is fair and equitable to AFMIC Policyholders, and the Board expects that the MHC Conversion will benefit AFMIC Policyholders.

As required by Chapter 644 of the Wisconsin Insurance Code, the Company has submitted the Plan to the Wisconsin Commissioner for review and approval. The Wisconsin Commissioner will conduct and preside over a public hearing on the plan on November 16, 2016, as further described under the heading "**SPECIAL MEETING OF MEMBERS**" at page 28 of this Policyholder Information Statement.

The Wisconsin Commissioner may request that AFMIC, Converted AFMIC, AmFam Holdings, Inc. and/or AFI MHC enter into a Stipulation and Order or other agreement(s) with the Wisconsin Commissioner containing various covenants and/or undertakings binding upon such parties as a condition to the approval of the Plan. The Board has authorized the officers of AFMIC to represent AFMIC in all negotiations with the Wisconsin Commissioner related to the review and approval of the Plan and has further authorized the officers of AFMIC to negotiate and execute, on behalf of AFMIC and, if necessary, Converted AFMIC, AmFam Holdings, Inc. and/or AFI MHC, any such Stipulation and Order or other agreement(s) with the Wisconsin Commissioner which, in the officers' sole judgment and discretion, are reasonable and necessary to secure the Wisconsin Commissioner's approval of the Plan

**THE BOARD OF DIRECTORS OF AFMIC UNANIMOUSLY RECOMMENDS THAT ELIGIBLE MEMBERS OF AFMIC VOTE “FOR” APPROVAL OF THE PLAN AT THE SPECIAL MEETING.**

**Effects of the MHC Conversion**

The MHC Conversion will have the following effects upon AFMIC and its Members/Policyholders:

***Operations and Business of AFMIC***

The MHC Conversion will not result in any material changes in AFMIC’s existing insurance operations or its services to Policyholders, except that such operations and services will in the future be conducted or provided by a mutual holding company-owned stock insurance company rather than a mutual insurance company. In addition, the MHC Conversion of AFMIC into a stock insurance company shall in no way annul, modify or change any of AFMIC’s existing suits, rights, property interests, contracts, or liabilities; except with respect to the extinguishment and replacement of Members’ Voting Rights/Rights in Surplus as described below. Converted AFMIC will exercise all of the rights and powers, and perform all of the duties conferred or imposed by law upon insurers writing the types of insurance written by AFMIC before the Effective Date, except with respect to the extinguishment and replacement of Members’ Voting Rights/Rights in Surplus as described below.

***Effect On Contract Rights and Voting Rights/Rights in Surplus of AFMIC Members/Policyholders***

Currently, Members of AFMIC have both contract rights as Policyholders of the Company and Voting Rights/Rights in Surplus as Members of the Company. Upon the MHC Conversion, a Member’s contract rights and Voting Rights/Rights in Surplus will effectively be separated, as further explained and illustrated below.

The principal contract right is the right to receive the type and amount of insurance coverage specified in a Policyholder’s Policy (or Policies) in accordance with the terms and provisions thereof. On the Effective Date, the contract rights of a Policyholder will continue to flow between such Policyholder and Converted AFMIC. Every Policy that has been issued by AFMIC which is in force on the Effective Date will remain in force at the Effective Date and continue as a Policy of Converted AFMIC. The premiums currently required to be paid as specified in the Policies will not be increased or otherwise changed as a result of the MHC Conversion.

The Voting Rights/Rights in Surplus of Members of AFMIC can be summarized as follows:

***Voting Rights:***

- The right to elect the directors of AFMIC;
- The right to approve or disapprove proposed changes in the AFMIC Articles of Incorporation; and
- The right to vote (or grant proxies to vote) on any plan of conversion, voluntary dissolution or such other matters as may come before the Members at an annual or special meeting of AFMIC’s Members.

*Rights in Surplus:*

- The right to receive a pro rata share (based on premiums paid to AFMIC within the past five years) of cash, stock, or such other consideration as is approved by the Wisconsin Commissioner in the event of the demutualization of AFMIC (which would require approval by the Board, the Members, and the Wisconsin Commissioner); and
- The right to share in any distribution of, or to receive consideration based upon, the assets of AFMIC remaining after satisfaction of all third party obligations (including obligations to Policyholders under insurance contracts in force), in the event of AFMIC's ultimate voluntary or involuntary dissolution (*i.e.*, if AFMIC were to become insolvent or go out of business)(which would likewise require approval by the Board and the Members, in the case of a voluntary dissolution, and the Wisconsin Commissioner).

As a matter of law, distributions to a Member of AFMIC in the case of either a demutualization or dissolution would be capped at the amount of premiums such Member has paid to AFMIC, together with interest at the legal rate compounded annually. Any excess over this amount would be required to be distributed according to the provisions of Chapter 611 of the Wisconsin Insurance Code.

On the Effective Date, the foregoing Voting Rights/Rights in Surplus of Members of AFMIC will be replaced with Voting Rights/Rights in Surplus as Members of AFI MHC. Members will not receive any cash, stock or other consideration in exchange for their Voting Rights/Rights in Surplus in AFMIC. Rather, the Members' Voting Rights/Rights in Surplus in AFMIC will be extinguished and replaced with Voting Rights/Rights in Surplus in AFI MHC as summarized in the chart on pages 16 and 17 of this Policyholder Information Statement, under the heading "After MHC Conversion." At the same time, the Policyholders of the other American Family Member Companies will become Members of AFI MHC with rights and privileges as summarized in the chart on page 16 of this Policyholder Information Statement, under the heading "After MHC Conversion." Holders of Policies issued by any American Family Member Company, including Converted AFMIC, on or after the Effective Date will automatically become Members of AFI MHC.

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The contract rights and Voting Rights/Rights in Surplus of the then current Members of AFMIC and AFI MHC, respectively, before and after the MHC Conversion, are summarized in the table below:

		<b>Before MHC Conversion</b>	<b>After MHC Conversion</b>
<b>Policy Rights</b>	<i>Right to insurance coverage</i>	Insurance coverage is provided by Policies which are obligations of AFMIC.	Policy obligations to provide insurance coverage continue unchanged for AFMIC Policyholders, who are now Policyholders of Converted AFMIC. Converted AFMIC is the same company as AFMIC except that it is reorganized as a stock insurance company. The Plan will not increase premiums, decrease policy benefits or alter policy obligations. The terms and conditions of the Policies underwritten by the other American Family Member Companies are not affected by the MHC Conversion.
<b>Member Rights</b>			
<b>Voting Rights</b>	<i>Right to vote for election of directors and on other corporate matters</i>	Each AFMIC Member is entitled to one vote on all matters subject to Member vote. Only Policyholders of AFMIC are Members of AFMIC.	Each AFI MHC Member is entitled to one vote on all matters subject to Member vote. All Policyholders of the American Family Member Companies are Members of AFI MHC.

[TABLE CONTINUED ON NEXT PAGE]

		Before MHC Conversion	After MHC Conversion
<b>Member Rights (Continued)</b>			
<b>Rights in Surplus<sup>1</sup></b>	<i>In the event of a dissolution or liquidation</i>	Any surplus remaining after payment of all liabilities of AFMIC will be distributed according to a plan of dissolution approved by the Members, but in no event will a Member be entitled to receive assets with a value in excess of the value of all insurance premiums paid by such Member to AFMIC, together with interest on such amounts at the legal rate compounded annually. Any amount in excess of amounts payable to the Members must be paid to the Wisconsin State Treasury to the credit of the Common School Fund.	Any surplus remaining after payment of all liabilities of AFI MHC will be distributed according to a plan of dissolution approved by the Members, but in no event will a Member be entitled to receive assets with a value in excess of the amount to which such Member would have been entitled if the MHC Conversion had not occurred. Any amount in excess of amounts payable to the Members must be paid to the Wisconsin State Treasury to the credit of the Common School Fund.
	<i>In the event of a reorganization to a stock insurer (also called a “demutualization”)</i>	Persons who have been Policyholders of AFMIC at some time during the 5 years prior to demutualization are entitled to receive, without additional payment, her or his proportional share of stock in the reorganized stock insurer (or cash or other assets), determined by the net premium such Person paid to AFMIC over such five-year period, as a percentage of all net premium received by AFMIC over the same period, capped at the value of all insurance premiums paid by such Person to AFMIC, together with interest on such amounts at the legal rate compounded annually. Any amount in excess of amounts payable to the Members must be paid to the Wisconsin State Treasury to the credit of the Common School Fund.	Persons who have been Policyholders of AFMIC/Converted AFMIC at some time during the 5 years prior to demutualization are entitled to receive, without additional payment, her or his proportional share of stock in the reorganized mutual holding company (or cash or other assets), determined by the net premium such Person paid to AFMIC/Converted AFMIC over such five-year period, as a percentage of all net premium received by AFMIC/Converted AFMIC over the same period, capped at the value of all insurance premiums paid by such Person to AFMIC/Converted AFMIC, together with interest on such amounts at the legal rate, compounded annually. Any amount in excess of amounts payable to the Members must be paid to the Wisconsin State Treasury to the credit of the Common School Fund.

<sup>1</sup> The proposed Articles of Incorporation of AFI MHC provide that the Members of AFI MHC shall have such Rights in Surplus of AFI MHC as are provided for under the Wisconsin Insurance Code.

### ***Directors and Executive Officers***

On the Effective Date: (i) the Board of Directors of AFI MHC will consist of the same directors that comprise the Board of Directors of AFMIC immediately prior to the Effective Date; (ii) the Principal Officers of AFI MHC will be the same individuals serving in those positions for AFMIC immediately prior to the Effective Date; (iii) the Board of Directors of Converted AFMIC will consist of: William B. Westrate, Daniel J. Kelly, David C. Holman, Jessica J. Stauffacher, and Gerry W. Benusa; (iv) the Principal Officers of Converted AFMIC will consist of: William B. Westrate, Daniel J. Kelly, David C. Holman, Mark V. Afable, Troy P. Van Beek, and Ann F. Wenzel; (v) the Board of Directors of AmFam Holdings, Inc. will consist of: Jack C. Salzwedel, David C. Holman, Daniel J. Kelly, and William B. Westrate; and (vi) the Principal Officers of AmFam Holdings, Inc. will consist of: Jack C. Salzwedel, Daniel J. Kelly, David C. Holman, Mark V. Afable, Troy P. Van Beek, and Ann F. Wenzel. For more information regarding the current directors and executive officers of AFMIC, and the proposed directors and executive officers of AFI MHC and Converted AFMIC, see “**DIRECTORS AND OFFICERS OF AFI MHC, AMFAM HOLDINGS, INC., AND CONVERTED AFMIC**” attached hereto as Exhibit I.

### ***Corporate Governance***

AFMIC is not authorized, as a mutual insurance company, to issue capital stock and, therefore, has no shareholders. Instead, AFMIC operates under the direction of its Board of Directors, which is elected by the Members of AFMIC.

After the MHC Conversion, Converted AFMIC will operate under the direction of its Board of Directors and all voting rights, including the election of the Board of Directors of Converted AFMIC, will be vested exclusively in the holder(s) of its outstanding voting stock; specifically, AmFam Holdings, Inc. All of the voting rights of AmFam Holdings, Inc. will be vested exclusively in the holders of its outstanding voting stock, specifically AFI MHC. Accordingly, AmFam Holdings, Inc. will have voting control over the outcome of all matters presented to the shareholders of Converted AFMIC for resolution by vote, including the election of the Board of Directors for Converted AFMIC. AmFam Holdings, Inc. will operate under the direction of its Board of Directors, which will be elected by AFI MHC in its capacity as sole shareholder of AmFam Holdings, Inc. AFI MHC will operate under the direction of its Board of Directors. All voting rights, including the election of the Board of Directors of AFI MHC, will be vested exclusively in the Members of AFI MHC, *i.e.*, the Policyholders of the American Family Member Companies. These Members will be entitled to vote on all matters requiring action by the Members, including the election of the directors of AFI MHC.

### ***Comparison of Articles of Incorporation and Bylaws of AFI MHC with Current Articles of Incorporation and Bylaws of AFMIC***

AFI MHC will be organized as a mutual holding company under Chapter 644 of the Wisconsin Insurance Code. The proposed Articles of Incorporation and Bylaws of AFI MHC are attached to this Policyholder Information Statement as Exhibits E and F, respectively, and are incorporated herein by reference. You are encouraged to read the proposed AFI MHC Articles of Incorporation and Bylaws in their entirety.

Certain provisions of the proposed Articles of Incorporation and Bylaws of AFI MHC are summarized below. This summary is not complete, and does not identify all provisions that may, under certain circumstances, be material, and is subject in all respects to the Wisconsin Insurance Code and the entirety of the proposed Articles of Incorporation and Bylaws of AFI MHC.

### Purpose

AFI MHC is formed for the purpose of owning, at all times, directly or indirectly, the voting stock of Converted AFMIC, and engaging in all lawful activities permitted to mutual holding companies under Wisconsin law. AFI MHC will not be engaged in the business of insurance. By contrast, AFMIC is a mutual insurance company formed for the purpose of insuring its Members against all hazards authorized or permitted for a mutual insurance company.

### Membership

Every Policyholder of the American Family Member Companies will be a Member of AFI MHC. Every Policyholder of American Family Insurance Company and American Standard Insurance Company of Ohio will become a Member of AFI MHC on the Effective Date, unless the Board exercises its authority under the Plan to provide for such Policyholders to become Members of AFI MHC only upon acquiring a new or renewal insurance Policy from an American Family Member Company after the Effective Date. The Board of Directors of AFI MHC is also authorized to admit Policyholders of additional subsidiaries of AFI MHC as future Members of AFI MHC. Each Member of AFI MHC will have one vote on all matters subject to a Member vote, including the election of directors of AFI MHC. Each Member of AFI MHC will also have certain Rights in Surplus, but only to the extent such Members have paid premiums to AFMIC or Converted AFMIC within the past five years. Further discussion of AFI MHC Members' Rights in Surplus is found under the heading "**THE MHC CONVERSION TRANSACTION--Effects of the MHC Conversion—Effect On Contract Rights and Voting Rights/Rights in Surplus of AFMIC Members/Policyholders**" on page 14 of this Policyholder Information Statement. By contrast, only Policyholders insured by AFMIC are Members of AFMIC.

### Board of Directors

Pursuant to the Current AFMIC Bylaws, AFMIC is governed by a Board of Directors that must include no less than nine and no more than fifteen individuals who serve staggered three-year terms. There are currently fifteen individuals serving on AFMIC's Board of Directors. The provisions with respect to the Board of Directors in the proposed Bylaws of AFI MHC are substantially similar to the provisions in the Current AFMIC Bylaws.

### Officers

The proposed Bylaws of AFI MHC authorize the election or appointment by AFI MHC's Board of Directors of corporate officers, including a Chairman, CEO, President, Treasurer and Secretary. The current provisions with respect to officers in the proposed Bylaws of AFI MHC are substantially similar to those in the Current AFMIC Bylaws.

### Member Meetings

The proposed Articles of Incorporation and Bylaws of AFI MHC provide for annual and special meetings of the Members of AFI MHC. The Current AFMIC Bylaws provide for annual and special meetings of the Members of AFMIC. The provisions of the proposed AFI MHC Bylaws for the calling of special meetings of Members of AFI MHC are substantially similar to those provisions in the Current AFMIC Bylaws.

### Dividends

The proposed Articles of Incorporation of AFI MHC do not provide authority for AFI MHC to pay dividends to Members of AFI MHC. The Current AFMIC Articles likewise do not provide authority for AFMIC to pay dividends to Members of AFMIC (AFMIC is nevertheless permitted to pay dividends to holders of an insurance Policy which explicitly provides for the payment of dividends as a benefit of such AFMIC Policy).

### Amendment of Articles of Incorporation and Bylaws

The Current AFMIC Articles can be amended by a vote of three-fourths of the Members of AFMIC present and voting in person or by proxy at a Member meeting. The proposed AFI MHC Articles of Incorporation can be amended by the vote of the lesser of (i) two-thirds of the AFI MHC Members present and voting in person or by proxy at a Member meeting, or (ii) a majority of the voting power held by AFI MHC Members. The proposed standards for amendment of the AFI MHC Articles of Incorporation are consistent with the statutory default for amendment of mutual holding company articles of incorporation under Wisconsin law.

The Current AFMIC Bylaws currently can be amended by a vote of three-fourths of the directors of AFMIC present and voting at any meeting of the Board (or by the Members of AFMIC, pursuant to applicable Wisconsin law). The proposed AFI MHC Bylaws contain amendment provisions substantially similar to those in the Current AFMIC Bylaws.

### ***Comparison of Articles of Incorporation and Bylaws of AmFam Holdings, Inc. with Current Articles of Incorporation and Bylaws of AFMIC***

AmFam Holdings, Inc. will be organized as a stock corporation under Chapter 180 of the Wisconsin Statutes. The proposed Articles of Incorporation and Bylaws of AmFam Holdings, Inc. are attached to this Policyholder Information Statement as Exhibits G and H, respectively, and are incorporated herein by reference. You are encouraged to read the proposed AmFam Holdings, Inc. Articles of Incorporation and Bylaws in their entirety.

Certain provisions of the proposed Articles of Incorporation and Bylaws of AmFam Holdings, Inc. are summarized below. This summary is not complete, and does not identify all provisions that may, under certain circumstances, be material, and is subject in all respects to the Wisconsin Statutes and the entirety of the proposed Articles of Incorporation and Bylaws of AmFam Holdings, Inc.

### Purpose

AmFam Holdings, Inc. is being formed as a Wisconsin business corporation in order to hold certain subsidiaries and assets of AFI MHC pursuant to the Plan. After the Effective Date, AmFam Holdings, Inc. will be a direct, wholly-owned subsidiary of AFI MHC. As such, AFI MHC Members will indirectly control AmFam Holdings, Inc. through the right to elect the Board of Directors of AFI MHC, which in turn has the right to elect the directors of AmFam Holdings, Inc. AmFam Holdings, Inc. will not be engaged in the

insurance business, but it will directly own Converted AFMIC and will indirectly own all other insurance company subsidiaries of AFMIC. By contrast, AFMIC is a mutual insurance company formed for the purpose of insuring its Members against all hazards authorized or permitted for a mutual insurance company.

#### Membership; Ability to Issue Stock

Because AFMIC is a mutual insurance company, it is not authorized by Wisconsin law to issue any stock or other equity securities. Its Members are the Policyholders of AFMIC. Each AFMIC Member is entitled to one vote regardless of the number of AFMIC Policies she or he owns. By contrast, AmFam Holdings, Inc. will be authorized by its proposed Articles of Incorporation to issue stock. Each share of common stock will confer one vote per share for purposes of the election of directors of AmFam Holdings, Inc. and other matters subject to a vote of AmFam Holdings, Inc. shareholders.

#### Election of the Board of Directors and Voting Generally

Under the proposed Bylaws of AmFam Holdings, Inc., each share of common stock of AmFam Holdings, Inc. will confer one vote for the election of directors and all other matters subject to a vote of AmFam Holdings, Inc. shareholders. Accordingly, the number of shares of common stock held by a shareholder of AmFam Holdings, Inc. will determine the relative voting power of that shareholder. By contrast, under the Current AFMIC Bylaws, each Policyholder is entitled to one vote for the election of directors and all other matters subject to a vote of AFMIC Members, regardless of the number of Policies such Policyholder owns.

#### Quorum at Meetings of Members/Shareholders

The Current AFMIC Bylaws provide that a quorum at all meetings of Members consists of at least ten Members present and voting in person or by proxy. Under the proposed Articles of Incorporation of AmFam Holdings, Inc., holders of a majority of the shares of any voting class of stock, present in person or by proxy at a meeting, shall constitute a quorum with respect to that class. Note that the proposed Articles of Incorporation of AmFam Holdings, Inc. provide for only one voting class of stock, the common stock, and accordingly holders of a majority of the shares of common stock, present in person or by proxy at a meeting, shall constitute a quorum.

#### Amendment of Articles of Incorporation and Bylaws

The Current AFMIC Articles can be amended by a vote of three-fourths of the Members of AFMIC present and voting in person or by proxy at a Member meeting. The proposed AmFam Holdings, Inc. Articles of Incorporation can be amended in certain respects (as permitted by Chapter 180 of the Wisconsin Statutes) by the AmFam Holdings, Inc. Board of Directors, and in all respects by majority vote of the shareholders of AmFam Holdings, Inc.

The Current AFMIC Bylaws can be amended by a vote of three-fourths of the directors of AFMIC present and voting at any meeting of the Board (or by the Members of AFMIC, pursuant to applicable Wisconsin law). The Proposed AmFam Holdings, Inc. Bylaws can be amended by a vote of the majority of the directors present at any meeting of the Board of Directors of AmFam Holdings, Inc. at which a quorum is present (or by a majority vote of the shareholders of AmFam Holdings, Inc., pursuant to applicable Wisconsin law).

## ***Comparison of Articles of Incorporation and Bylaws of Converted AFMIC with Current Articles of Incorporation and Bylaws of AFMIC***

Converted AFMIC will be organized as a stock insurance corporation under Chapter 611 of the Wisconsin Insurance Code. The proposed Second Amended and Restated Articles of Incorporation of Converted AFMIC and proposed Third Amended and Restated Bylaws of Converted AFMIC (the “Proposed Converted AFMIC Bylaws”) are attached to this Policyholder Information Statement as Exhibits C and D, respectively. You are encouraged to read the Second Amended and Restated Articles of Incorporation and Proposed Converted AFMIC Bylaws in their entirety.

Certain provisions of the Second Amended and Restated Articles of Incorporation and Proposed Converted AFMIC Bylaws are summarized below. This summary is not complete, and does not identify all provisions that may, under certain circumstances, be material, and is subject in all respects to the Wisconsin Statutes and the entirety of the Second Amended and Restated Articles of Incorporation and the Proposed Converted AFMIC Bylaws.

### Purpose

Converted AFMIC is being converted into a stock insurance corporation to continue the existence of AFMIC after the consummation of the MHC Conversion, and, like AFMIC, will have the purpose of insuring its Policyholders against all hazards authorized or permitted for an insurance company by Wisconsin law. After the Effective Date, Converted AFMIC will be a direct, wholly-owned subsidiary of AmFam Holdings, Inc. As such, AFI MHC Members will indirectly control Converted AFMIC through the right to elect the Board of Directors of AFI MHC, which in turn has the right to elect the directors of AmFam Holdings, Inc., which in turn has the right to elect the directors of Converted AFMIC. Converted AFMIC will continue the insurance business currently conducted by AFMIC, and will own, directly or indirectly, the insurance company and non-insurance company subsidiaries of AFMIC except for New Ventures, LLC, which will be transferred to AmFam Holdings, Inc. pursuant to the Plan.

### Membership; Ability to Issue Stock

Because AFMIC is a mutual insurance company, it is not authorized by Wisconsin law to issue any stock or other equity securities. Its Members are the Policyholders of AFMIC. Each AFMIC Member is entitled to one vote regardless of the number of AFMIC Policies she or he owns. By contrast, Converted AFMIC will be authorized by the Second Amended and Restated Articles of Incorporation to issue stock, and will not have any members. Each share of common stock will confer one vote per share for purposes of the election of directors of Converted AFMIC and other matters subject to a vote of Converted AFMIC shareholders.

### Election of the Board of Directors and Voting Generally

Under the Proposed Converted AFMIC Bylaws, each share of common stock of Converted AFMIC will confer one vote for the election of directors and all other matters subject to a vote of Converted AFMIC shareholders. Accordingly, the number of shares of common stock held by a shareholder of Converted AFMIC will determine the relative voting power of that shareholder. By contrast, under the Current AFMIC Bylaws, each Policyholder is entitled to one vote for the election of directors and all other matters subject to a vote of AFMIC Members, regardless of the number of Policies such Policyholder owns.

### Quorum at Meetings of Members/Shareholders

The Current AFMIC Bylaws provide that a quorum at all meetings of Members consists of at least ten Members present and voting in person or by proxy. Under the Second Amended and Restated Articles of Incorporation, holders of a majority of the shares of any voting class of stock present in person or by proxy shall constitute a quorum with respect to that class. Note that the Second Amended and Restated Articles of Incorporation provide for only one voting class of stock, the common stock, and accordingly holders of a majority of the shares of common stock present in person or by proxy shall constitute a quorum.

### Amendment of Articles of Incorporation and Bylaws

The Current AFMIC Articles can be amended by a vote of three-fourths of the Members of AFMIC present and voting in person or by proxy at a Member meeting. The Second Amended and Restated Articles of Incorporation can be amended in certain respects (as permitted by Chapter 611 of the Wisconsin Insurance Code) by a majority of the Converted AFMIC Board of Directors, and in all respects by majority vote of the shareholders of Converted AFMIC.

The Current AFMIC Bylaws can be amended by a vote of three-fourths of the directors of AFMIC voting at any meeting of the Board (or by the Members of AFMIC, pursuant to applicable Wisconsin law). The Proposed Converted AFMIC Bylaws can be amended by a vote of the majority of the directors present at any meeting of the Board of Directors of Converted AFMIC at which a quorum is in attendance (or by a majority vote of the shareholders of Converted AFMIC, pursuant to applicable Wisconsin law).

### ***Federal Tax Consequences***

This Policyholder Information Statement does not purport to describe all tax consequences that may be relevant to a Member or to AFMIC. For example, it does not discuss federal estate tax or excise tax considerations, or state, local and foreign tax considerations. Additionally, the Internal Revenue Code of 1986, as amended, regulations promulgated by the U.S. Treasury Department, and judicial and administrative rulings and decisions are all subject to change, possibly with retroactive effect. *Accordingly, each Member is urged to consult his or her own tax advisor regarding the specific tax consequences of the MHC Conversion that may be applicable.*

The consummation of the MHC Conversion is subject to the condition that AFMIC obtain a private letter ruling issued by the IRS or an opinion of Foley & Lardner LLP or other independent tax counsel to AFMIC, in either case or in combination, substantially to the effect that neither AFMIC, AmFam Holdings, Inc., AFI MHC, AFMIC's Policyholders, nor the Policyholders of the other American Family Member Companies will recognize gain or loss for U.S. federal income tax purposes in connection with the MHC Conversion. It is anticipated that such private letter ruling and/or legal opinion will reflect the following.

On the Effective Date, Voting Rights/Rights in Surplus in AFMIC currently held by AFMIC Members will be extinguished and such former AFMIC Members will automatically receive Voting Rights/Rights in Surplus in AFI MHC. Such Policyholders' contract rights and obligations under their Policies will remain with Converted AFMIC. The terms and provisions of AFMIC Policies in force at the Effective Date will not be changed.

The extinguishment of Members' Voting Rights/Rights in Surplus in AFMIC in exchange for a grant of Voting Rights/Rights in Surplus in AFI MHC pursuant to the Plan is anticipated to qualify as a non-recognition transfer under the Code, meaning that Members



will not recognize any gain or loss for U.S. federal income tax purposes. The tax basis of the Voting Rights/Rights in Surplus in AFI MHC received by Members whose AFMIC Voting Rights/Rights in Surplus are extinguished will be zero.

On the Effective Date, the Policyholders of the American Family Member Companies other than AFMIC will automatically receive Member rights and privileges as described in the chart on pages 16 and 17 of this Policyholder Information Statement. Such Policyholders' contract rights and obligations under the Policies will remain with the American Family Member Company which issued (or assumed) such Policies. The terms and provisions of such Policies in force at the Effective Date will not be changed.

The grant of Member status in AFI MHC to the Policyholders of American Family Member Companies other than AFMIC is not anticipated to result in the recognition of gain or loss for U.S. federal income tax purposes, based on the fact that the rights and privileges granted to such Policyholders will not be considered to have value for U.S. federal income tax purposes and/or, in the case of those Policyholders of American Family Member Companies other than AFMIC who have paid premiums to AFMIC within the five years preceding the MHC Conversion (and could therefore conceivably be entitled to an equitable share of distributions in the event of a demutualization), based on a deemed exchange.

### ***Federal Securities Law Consequences***

The consummation of the MHC Conversion is subject to the condition that AFMIC obtain either a "no action" letter from the Securities and Exchange Commission relating to matters pertaining to the Securities Act of 1933 and the Securities Exchange Act of 1934, each as amended, or an opinion of Foley & Lardner LLP or other independent legal counsel to AFMIC in form and substance satisfactory to the Board with respect to federal and state securities law matters.

### **Special Considerations and Risk Factors**

In addition to the benefits of the mutual holding company structure and the pros and cons of the alternatives discussed above, you should consider the following risks and special considerations in connection with the proposed MHC Conversion:

- *No Distribution of Cash or Stock.* No cash consideration or stock will be distributed to the AFMIC Members in the MHC Conversion, as would occur if AFMIC were to demutualize. In the case of a conversion to a mutual insurance holding company structure, Members of the mutual insurance company receive non-transferable Voting Rights and Rights in Surplus in the mutual insurance holding company. In a demutualization, members receive cash or stock consideration upon the extinguishment of their Voting Rights and Rights in Surplus.
- *Potential for Increased Debt.* After the MHC Conversion, AmFam Holdings, Inc. could issue debt in amounts greater than AFMIC would be permitted to issue if AFMIC were to remain a mutual insurance company, and therefore, it might be possible for the American Family group of companies to become financially leveraged to a greater extent than is now possible for AFMIC.
- *Benefits May Not Be Achieved.* It is possible that any or all of the anticipated benefits of the mutual insurance holding company structure may never be achieved.

- *Risks Associated with Growth.* There can be no assurance that AFMIC will grow more efficiently and cost-effectively as part of a mutual insurance holding company structure than if it remained a mutual insurance company. Moreover, faster growth can mean greater risks; for example, if liabilities are assumed in the acquisition of other companies or books of business.
- *Risks Associated with Investments in/Operation of Non-Insurance Subsidiaries.* AFMIC's Board of Directors, officers, and other management employees have a track record of profitable operation of a variety of insurance and related companies. AFMIC's management has more limited experience in the operation of non-insurance businesses. Further, such non-insurance businesses are not likely to be subject to the same degree of government regulation and scrutiny by independent risk analysts and rating agencies as are insurance companies, and therefore may be subject to greater risk of operating at a loss. Profitable investment in and/or operation of such non-insurance businesses will be somewhat dependent upon the recruitment and retention of investors, executives, and managers who have relevant experience and knowledge.
- *Acquisitions May Not Be Forthcoming.* AFI MHC and AmFam Holdings, Inc. may not take advantage of the expanded opportunity to make acquisitions.
- *Restrictions on Movement of Funds.* The ability of AFI MHC or AmFam Holdings, Inc. to engage in certain transactions may depend in part upon their ability to receive sufficient funds from Converted AFMIC in the form of shareholder dividends or asset transfers, and there are regulatory limitations on such dividends and asset transfers.
- *Risks of Litigation.* Some mutual insurance companies that have reorganized or proposed to reorganize to a mutual insurance holding company structure have been sued by Persons alleging, among other things, that the mutual holding company structure, although expressly authorized by statute, is unfair to Policyholders. The Board believes that the MHC Conversion is fair to AFMIC Policyholders and that implementing the MHC Conversion is in the best interests of AFMIC and its Policyholders. There can be no assurance that litigation, if brought, would not entail significant cost, divert the efforts and resources of Company management, and/or delay or impede consummation of the MHC Conversion.
- *Dilution of Share Value.* Although AFMIC has no plans to sell any stock to third parties at present, if shares of stock of AmFam Holdings, Inc. were ever approved for sale by the Wisconsin Commissioner in the future and were sold at a per share price less than the per share book value of such shares of stock, then the per share book value of shares owned by AFI MHC would be reduced, and the book value of AFI MHC Members' indirect aggregate ownership percentage in AmFam Holdings, Inc. would be diluted.
- *Dilution of Voting Rights.* It is currently anticipated that the MHC Conversion will immediately result in the dilution of the ultimate voting control held by AFMIC's Members by approximately 13%, as a result of the admission of Policyholders of the other American Family Member Companies as Members of AFI MHC. Thereafter, further dilution could occur, more quickly than it would have solely as a result of sales of new Policies by AFMIC, if the AFI MHC Board of Directors takes action to admit Policyholders of other subsidiaries as Members of AFI MHC, or if

the Board of Directors of AFI MHC proposes, and the Wisconsin Commissioner and the Members approve, a sale of voting stock of AmFam Holdings, Inc. or Converted AFMIC.

- *Potential Conflicts Among AFI MHC Members.* AFI MHC Members who are admitted as Members as a result of their status as Policyholders of one of the American Family Member Companies other than AFMIC may have certain conflicts with the interests of AFI MHC Members who are admitted as Members as a result of their status as AFMIC Policyholders, in light of the different equitable shares in the proceeds of a demutualization or dissolution of AFI MHC to which each such Member would be entitled, and their status as Policyholders of different companies. For example, Members who are not (and who have not, within the past five years, been) AFMIC Policyholders may be less likely to vote in favor of any future proposed demutualization in which they would have no entitlement to an equitable share of any distributions of cash or stock. Additionally, such Members may exercise their Voting Rights to elect individuals to the Board of Directors of AFI MHC who they deem likely to manage the overall enterprise in a manner favorable to the interests of Members who are not Policyholders of Converted AFMIC. Over time, as more Policies are sold by subsidiaries of Converted AFMIC, and/or if the Board of Directors of AFI MHC admits the Policyholders of additional subsidiaries as Members of AFI MHC, Policyholders of Converted AFMIC could come to represent a minority of the voting power of AFI MHC.
- *Transfer of Assets Out of Converted AFMIC.* The mutual holding company structure creates an opportunity for the future realignment of subsidiaries of Converted AFMIC, and the distribution of the outstanding stock or other equity interests of such subsidiaries, as well as other assets, out of Converted AFMIC to one or more affiliates which are not directly or indirectly owned by Converted AFMIC. Any such distribution which involves assets with a value such that it qualifies as an “Extraordinary” dividend or distribution meeting certain thresholds set forth in the Wisconsin Insurance Code would be subject to the prior approval of the Wisconsin Commissioner. The Plan calls for a transfer of 100% of the limited liability company membership interests of New Ventures, LLC from two AFMIC subsidiaries to AmFam Holdings, Inc. and the distribution of \$50 Million from AFMIC to New Ventures, LLC. A transfer of ownership of additional Converted AFMIC subsidiary companies to AFI MHC or AmFam Holdings, Inc. or any future distribution of cash or other assets of Converted AFMIC to AFI MHC or AmFam Holdings, Inc., could result in a reduction of Converted AFMIC’s assets and earnings (although Converted AFMIC will be required to maintain sufficient assets to meet all obligations to Policyholders following the MHC Conversion).
- *Certain Assets May Not Be Available to Satisfy Policyholder Claims.* Assets held by AFI MHC and/or AmFam Holdings, Inc., whether as a result of distributions of such assets from Converted AFMIC to AFI MHC or AmFam Holdings, Inc. (which distributions would be subject to regulatory limitations on the payment of dividends or other distributions to shareholders of a Wisconsin stock insurance company) or the accumulation of such assets through the profitable operations of AmFam Holdings, Inc. or its subsidiaries other than Converted AFMIC, may not be available to pay claims of Converted AFMIC Policyholders. This could, in turn, under certain extreme circumstances, contribute to pressure for Converted AFMIC to increase premiums in order to pay claims, or an inability of Converted AFMIC to pay claims as they come due.

- Potential Conflicts between Interests of Members and Possible Future Shareholders.* The current duties and obligations of the Board are to act in the best interests of AFMIC and its Members, who are the Policyholders of AFMIC. After the MHC Conversion, the duties and obligations of the Board of Directors of AFI MHC will be to act in the best interests of AFI MHC and its Members. There may be conflicts among the interests of the Members of AFI MHC in connection with certain types of transactions. Furthermore, if AmFam Holdings, Inc. or Converted AFMIC were to undertake an initial public offering or other issuance of stock, the obligations and duties of the Board of Directors of the issuer of such stock would extend to outside investors in addition to the majority shareholder of such issuer (*i.e.*, AmFam Holdings, Inc., in the case of Converted AFMIC, and AFI MHC, in the case of AmFam Holdings, Inc.). Accordingly, there would be the potential for the development of conflicting interests between the Members of AFI MHC and the minority shareholders of Converted AFMIC or AmFam Holdings, Inc. (collectively, the “Shareholders”). One potential conflict would be between the interests of the Members of AFI MHC in receiving insurance with the greatest possible value and the interests of Shareholders in receiving the highest return on their investment. Additionally, there may be conflicts over how the growth of, and profit from, the business should be apportioned between growing the enterprise and distributions to the Shareholders. These conflicts could be exacerbated if incentive stock or options were awarded to the officers or directors of such companies.
- Market Conditions.* Any future decision to issue capital stock or debt securities would depend upon, among other factors, the then-current needs of the enterprise for additional capital, then-prevailing market conditions, the financial performance and business prospects of the enterprise, and the interests of the Members of AFI MHC. There can be no assurance as to if, when, or on what terms any such capital raising efforts would take place.
- No Fairness Opinion from an Investment Banker.* In connection with its approval of the Plan, the Board did not seek a fairness opinion of an investment banker. No opinion was deemed necessary in this case because, among other reasons (a) no sale of stock to outside investors is being undertaken or is presently contemplated, (b) any initial stock offering would require the approval of the Wisconsin Commissioner and the AFI MHC Members, and (c) the Plan is generally similar to plans for forming mutual holding companies which have been approved and adopted in Wisconsin and other states.
- Uncertain Regulatory Environment.* Certain activities that are regulated by the Wisconsin Commissioner under the present structure may not be regulated, or may be regulated differently, under the mutual holding company structure. Uncertainty in this area is heightened by the fact that there have been only two Wisconsin mutual insurance companies that have completed a mutual holding company conversion in Wisconsin, neither of which continues to be domiciled in Wisconsin.
- Absence of Implementing Regulations.* The Wisconsin Insurance Code provides that the Wisconsin Commissioner may issue regulations to implement the mutual holding company laws set forth in Chapter 644 of the Wisconsin Insurance Code and establish applicable procedures thereunder. Although no regulations or procedures have been promulgated to date, the Wisconsin Commissioner may at some future point propose and/or promulgate regulations or procedures that may

adversely affect AFI MHC and/or its Members. Converted AFMIC Policyholders will receive Voting Rights/Rights in Surplus in AFI MHC that may be subject to different insurance regulatory oversight than an insurance company. There can be no assurances that any regulations adopted by the Wisconsin Commissioner will not affect the future operations of AFI MHC.

- *Differences in Insolvency Laws.* A Wisconsin mutual insurer, such as AFMIC, is subject to the jurisdiction of the Wisconsin Commissioner in the event of the insolvency of the Company. While it is not clear, a Wisconsin mutual holding company may be under the jurisdiction of the federal bankruptcy laws. There can be no assurance that federal bankruptcy laws will not reduce the priority (if any) of the claims of Policyholders of AFMIC, or preempt Wisconsin law and/or make it difficult for the Wisconsin Commissioner to recover assets of the mutual holding company for the benefit of the Policyholders of AFMIC.

The Board has concluded that these special considerations and possible disadvantages/risks are outweighed by the potential benefits of the MHC Conversion.

## **SPECIAL MEETING OF MEMBERS**

### **Date, Time and Place**

This Policyholder Information Statement is being furnished to Eligible Members of AFMIC in connection with the solicitation of proxies by the Board for use at a Special Meeting of Members (the “Special Meeting”) to be held on December 7, 2016 at 2:00 p.m., Central Time, at the Company’s offices at 6000 American Parkway, Madison, Wisconsin. See the NOTICE OF SPECIAL MEETING OF MEMBERS included with this Policyholder Information Statement for more details.

### **Matters to be Considered**

At the Special Meeting, Eligible Members will be asked to consider and vote upon the proposal to approve the Plan and the transactions contemplated thereby, including the amendment and restatement of the Articles of Incorporation of the Company in the form of the Second Amended and Restated Articles.

### **Eligibility to Vote; Voting; Proxies**

If you are an Eligible Member, you will be entitled to one vote regarding the Plan. Each Eligible Member will be entitled to vote either by ballot cast in person at the Special Meeting, or by proxy. Without regard to whether you are receiving these materials, if you are not an Eligible Member, you will not be entitled to vote at the Special Meeting, by ballot cast in person or by proxy. The Plan will be deemed approved if not less than three-fourths of Eligible Members present and voting in person or by proxy at the Special Meeting approve the Plan. Proxies must be received before 12:00 a.m. on December 2, 2016 in order to be counted. The Special Meeting requires a quorum of at least ten (10) Eligible Members present in person. Any proxy given pursuant to this solicitation may be revoked by the Eligible Member at any time prior to the voting thereof on the matter to be considered at the Special Meeting by filing with the Secretary of AFMIC a written revocation. Attendance at the Special Meeting will constitute a revocation of an Eligible Member’s proxy.

## **CONDITIONS TO CLOSING OF MHC CONVERSION**

The consummation of the MHC Conversion is subject to the prior satisfaction of several conditions, as described below.

### **Approval of Wisconsin Commissioner and Receipt of Other Regulatory Approvals**

As required by the Plan and the Wisconsin Insurance Code, the Plan must be approved by the Wisconsin Commissioner. Any other required regulatory approvals must also be received.

### **Approval of Eligible Members of AFMIC**

As required by the Plan, the Wisconsin Insurance Code, and applicable provisions of the Current AFMIC Articles and Current AFMIC Bylaws, the Plan and the transactions contemplated thereby must be approved by the affirmative vote of not less than three-fourths of Eligible Members present and voting in person or by proxy at the Special Meeting.

### **Receipt of Private Letter Ruling**

AFMIC must receive a private letter ruling issued by the Internal Revenue Service or an opinion of Foley & Lardner LLP or other independent tax counsel to AFMIC, in either case or in combination, substantially to the effect that:

- No Policyholders will recognize taxable gain or loss in connection with the MHC Conversion, and
- Neither AFI MHC, AmFam Holdings, Inc., nor AFMIC will recognize taxable gain or loss in connection with the MHC Conversion.

### **U.S. Federal Securities Matters**

AFMIC must receive either a “no action” letter from the Securities and Exchange Commission relating to matters pertaining to the Securities Act of 1933 and the Securities Exchange Act of 1934, each as amended, or an opinion of Foley & Lardner LLP or other independent legal counsel to AFMIC in form and substance satisfactory to the Board with respect to federal and state securities law matters.

### **Issuance of New Certificates**

The Wisconsin Commissioner must issue a new certificate of authority to Converted AFMIC and a certificate of incorporation to AFI MHC.

### **Amendment or Withdrawal of the Plan**

At any time prior to the Effective Date, the Board may amend the Plan or any related documents. If an amendment to the Plan is made after the approval of the Plan at the Special Meeting, and if the Wisconsin Commissioner determines that such amendment is materially disadvantageous to any of AFMIC’s Policyholders, the amended Plan must be submitted for reconsideration by the Policyholders. If the amendment is made after the Public Hearing, and the Wisconsin Commissioner determines that the amendment is materially disadvantageous to any Policyholder of AFMIC, the Wisconsin Commissioner may require a further Public Hearing on the Plan. The Board also may withdraw the Plan at any time prior to the Effective Date, notwithstanding prior approval thereof by AFMIC’s Policyholders or the Wisconsin Commissioner, or both.

## REGULATION

AFMIC is licensed to transact the business of insurance in, and is therefore subject to regulation and supervision by the insurance regulatory agencies of Arizona, Colorado, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, Nevada, New Mexico, North Carolina, North Dakota, Ohio, Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, Wisconsin, and Wyoming. The degree of regulation and supervision varies by jurisdiction, but Wisconsin and the other jurisdictions with regulatory authority over AFMIC have similar laws and regulations governing the financial health of insurers, including standards for solvency, required reserves, reinsurance, capital adequacy, and the business conduct and sales operations of insurers.

After consummation of the MHC Conversion, Converted AFMIC will continue to be subject to the same degree of insurance regulation and supervision in each of the states where AFMIC is currently licensed to transact the business of insurance, except that Converted AFMIC will be regulated as a stock insurance company whereas AFMIC is currently regulated as a mutual insurance company. Additionally, certain provisions of Chapter 644 of the Wisconsin Insurance Code will apply to Converted AFMIC that do not currently apply to AFMIC.

As a Wisconsin mutual holding company, AFI MHC will be subject to regulation by the Wisconsin Commissioner. Generally, the Wisconsin Commissioner will have power over AFI MHC to ensure that the interests of Policyholders of the American Family Member Companies are protected. The Wisconsin Insurance Code regulates mutual holding companies in a number of ways, including the following:

- Requiring AFI MHC to at all times maintain direct or indirect ownership and control of at least 51% of the outstanding shares of Converted AFMIC's voting stock;
- Allowing AFI MHC to make substantive amendments to its Articles of Incorporation only with approval by not less than a majority of votes cast by AFI MHC's Members;
- Requiring AFI MHC to file with the Wisconsin Commissioner, within 60 days after adoption, a copy of its Bylaws and any subsequent amendments to its Bylaws;
- Prohibiting AFI MHC from engaging in the business of insurance (other than through insurance company subsidiaries, including Converted AFMIC);
- Prohibiting AFI MHC from entering into any contract or agreement that has the effect of delegating to any Person, to the substantial exclusion of AFI MHC's Board of Directors, the authority to exercise management and control of AFI MHC or any of its major corporate functions;
- Prohibiting AFI MHC from dissolving, liquidating or otherwise winding up without the prior approval of the Wisconsin Commissioner or a court having jurisdiction over such matters;
- Prohibiting the demutualization of AFI MHC except with approval by not less than a majority of votes cast by AFI MHC's Members and prior written approval from the Wisconsin Commissioner; and
- Prohibiting the merger of AFI MHC with any other mutual holding company except with approval from the Wisconsin Commissioner.

## SELECTED FINANCIAL INFORMATION

The selected financial information set out below for AFMIC for each of the three years ended December 31, 2015, 2014, and 2013 is derived from audited annual statutory financial statements of AFMIC and its consolidated property and casualty subsidiaries. The selected financial information set forth below for the interim periods ended as of March 31, 2016 and 2015 is derived from unaudited quarterly statutory financial statements. This selected financial information is presented on a statutory basis in conformity with statutory accounting practices (“SAP”) described or permitted by the Wisconsin Commissioner, which is a comprehensive basis of accounting different from generally accepted accounting principles (“GAAP”). This financial information should be read in conjunction with the audited statutory financial statements on file with the Wisconsin Commissioner of Insurance.

Because the financial statements of AFI MHC after consummation of the MHC Conversion, prepared on either a GAAP or SAP basis, will not differ materially from the financial statements of Converted AFMIC on a GAAP or SAP basis, respectively, no pro forma financial information for AFI MHC is presented in this Policyholder Information Statement.

### American Family Mutual Insurance Company Consolidated Property and Casualty Statutory Financial Highlights

<i>(\$ Millions)</i>	<u>Year Ended December 31,</u>			<u>Three Months Ended</u>	
	<u>2015</u>	<u>2014</u>	<u>2013<sup>1</sup></u>	<u>March 31,</u>	<u>2015</u>
Premiums earned .....	6,634	6,253	5,494	1,714	1,617
Losses & loss adjustment expenses incurred .....	4,213	4,424	3,990	1,014	886
Other underwriting expenses .....	2,149	1,879	1,633	545	513
Net underwriting income .....	<u>272</u>	<u>(50)</u>	<u>(129)</u>	<u>155</u>	<u>218</u>
Net investment income ....	295	330	278	65	78
Net realized capital gains ..	206	549	129	9	79
Other income .....	27	35	33	6	8
Dividends to policyholders .....	<u>2</u>	<u>1</u>	<u>2</u>	<u>1</u>	<u>1</u>
Income before taxes .....	798	863	309	234	382
Income tax expense .....	<u>212</u>	<u>136</u>	<u>18</u>	<u>60</u>	<u>29</u>
Net income .....	<u>586</u>	<u>727</u>	<u>291</u>	<u>174</u>	<u>353</u>
Total admitted assets .....	15,419	14,470	13,210	16,112	15,226
Total liabilities .....	8,916	8,440	7,418	9,503	8,957
Total policyholders' surplus ...	6,503	6,030	5,792	6,609	6,268

<sup>1</sup> Homesite Group Incorporated was acquired on December 31, 2013 and, as such, results of operations for the nine (9) Homesite underwriting entities are not reflected in 2013 results. Acquired Homesite admitted assets and liabilities are properly included in total admitted assets and total liabilities, respectively, as of December 31, 2013.



## CERTAIN DEFINITIONS

The following are definitions of certain terms used in this Policyholder Information Statement. These definitions are qualified in their entirety by the definitions of such terms in the Plan, a copy of which is attached hereto as Exhibit A. These definitions shall be equally applicable to both the singular and plural forms of any of the terms herein defined.

“Current AFMIC Articles” means the current Amended and Restated Articles of Incorporation of AFMIC in effect prior to the Effective Date.

“Current AFMIC Bylaws” means the current Bylaws of AFMIC in effect prior to the Effective Date.

“Effective Date” means the date upon which the MHC Conversion becomes effective, which will be the date upon which the Wisconsin Commissioner issues the certificate of authority to Converted AFMIC and a certificate of incorporation to AFI MHC.

“Eligible Member” means any Policyholder with one or more AFMIC Policies in force on both the Resolution Date and the Record Date, as shown on AFMIC’s records.

“Member” means a Policyholder who, by the records of AFMIC or any of the American Family Member Companies, and by the articles of incorporation and bylaws of AFMIC and AFI MHC, as applicable, is a member of AFMIC or AFI MHC, as applicable.

“Person” means an individual, partnership, firm, association, corporation, joint-stock company, limited liability company, limited liability partnership, trust, government, government agency, state or political subdivision of a state, public or private corporation, board of directors, association, estate, trustee, or fiduciary, or any similar entity.

“Policy” means an insurance policy or contract (other than a reinsurance contract), including any fidelity bond or any surety bond, or any binder or a renewal certificate issued by an insurer and not cancelled or otherwise terminated.

“Policyholder” means, with respect to an insurer, the Person identified in the declarations of the Policy and/or the records of such insurer as the holder of a Policy.

“Public Hearing” means the public hearing conducted by the Wisconsin Commissioner or a hearing examiner designated by the Wisconsin Commissioner and regarding the Plan, pursuant to the provisions of Section 644.07(6) of the Wisconsin Insurance Code.

“Record Date” means September 30, 2016, the date established by the Board to determine Eligible Members entitled to vote at the Special Meeting of Members.

“Resolution Date” means September 30, 2016, the date the Board passed the resolution to the effect that the final form of the Plan and the transactions contemplated thereby are fair and equitable to AFMIC Policyholders and expected to benefit AFMIC Policyholders, and are approved by the Board.

“Rights in Surplus” means any rights of a Member arising under the Current AFMIC Articles or Chapter 611 of the Wisconsin Insurance Code to a return of the surplus in respect of Policies of AFMIC that may exist with regard to the surplus not apportioned or declared by the Board as divisible surplus, including rights of Members to a distribution of such surplus in dissolution or conversion proceedings under Chapter 611 of the Wisconsin Insurance Code. On and after the Effective Date, “Rights in Surplus” means any rights of a Member of AFI MHC arising under its articles of incorporation or Chapter 644 of the Wisconsin Insurance Code to the net worth of AFI MHC, including rights of Members of AFI MHC to a distribution of any portion of the net worth of AFI MHC in dissolution

or conversion proceedings under Chapter 644 of the Wisconsin Insurance Code. “Rights in Surplus” shall not include any right to divisible surplus expressly conferred solely by the terms of an insurance policy.

“Voting Rights” means the voting rights of a Member arising under the Wisconsin Insurance Code and the articles of incorporation and bylaws of AFMIC, including the right to vote for the Board and the right to vote on any plan of conversion, voluntary dissolution or amendment of the articles of incorporation. On and after the Effective Date, “Voting Rights” means the voting rights of a Member arising under the Wisconsin Insurance Code and the articles of incorporation and bylaws of AFI MHC, including the right to vote for the Board of Directors of AFI MHC and the right to vote on any plan of conversion, voluntary dissolution or amendment of the articles of incorporation. “Voting Rights” does not include any Rights in Surplus, if any. Note that the term “Voting Rights” as used herein is equivalent to the defined term “Membership Interests” as defined in Chapter 644 of the Wisconsin Insurance Code.

“Wisconsin Insurance Code” means the insurance laws of the State of Wisconsin, codified in Chapters 600 to 655 of the Wisconsin Statutes, and all applicable regulations.

**Exhibit A**

**MUTUAL HOLDING COMPANY PLAN**

**of**

**AMERICAN FAMILY MUTUAL INSURANCE COMPANY**

**Under Chapter 644 of the**

**Wisconsin Insurance Code**

**Dated September 30, 2016**

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**Exhibits**

Exhibit A - Adopting Resolutions

Exhibit B - Second Amended and Restated Articles of Incorporation of Converted AFMIC

Exhibit C - Third Amended and Restated Bylaws of Converted AFMIC

Exhibit D - Articles of Incorporation of AFI MHC

Exhibit E - Bylaws of AFI MHC

Exhibit F - Articles of Incorporation of AmFam Holdings, Inc.

Exhibit G - Bylaws of AmFam Holdings, Inc.

Exhibit H - Directors and Officers of AFI MHC, AmFam Holdings, Inc., and Converted AFMIC

## **PREAMBLE**

AMERICAN FAMILY MUTUAL INSURANCE COMPANY, a Wisconsin mutual insurance company (“AFMIC”), intends to restructure into a mutual holding company structure pursuant to Chapter 644 of the Wisconsin Insurance Code (the “Restructuring”).

## **RECITALS**

A. By a unanimous written consent action dated September 30, 2016, the Board of Directors of AFMIC (the “Board of Directors”) passed certain resolutions attached hereto as Exhibit A (the “Adopting Resolutions”) which, among other things, (i) found that the Restructuring is fair and equitable to AFMIC’s Policyholders and is expected to benefit AFMIC and its Policyholders for the reasons set forth therein, (ii) adopted this Plan, (iii) directed that this Plan be submitted to the Wisconsin Commissioner for approval as provided in Wis. Stat. § 644.07(4), and (iv) subject to approval by the Wisconsin Commissioner, directed that this Plan be submitted for approval by the Members of AFMIC, and that the proposed Second Amended and Restated Articles of Incorporation of Converted AFMIC (attached hereto as Exhibit B) (the “Second Amended and Restated Articles”) be submitted for approval by the Members of AFMIC, as provided by Wis. Stat. § 644.07(8) and/or applicable provisions of the current Amended and Restated Articles of Incorporation of AFMIC dated March 8, 2016 (the “Current AFMIC Articles”) and the current Bylaws of AFMIC (the “Current AFMIC Bylaws”);

B. For United States federal income tax purposes, it is intended that the transactions consummated pursuant to the Restructuring will qualify as non-recognition transactions under sections 368(a) and 351(a) of the Internal Revenue Code, respectively, and that this Plan will be, and is hereby, adopted as a plan of reorganization for purposes of the Internal Revenue Code.

## **ARTICLE 1 DEFINITIONS**

As used in this Plan, the following words or phrases have the following meanings. The following definitions shall be equally applicable to both the singular and plural forms and to both genders of any of the terms herein defined:

“Adopting Resolutions” has the meaning set forth in the Recitals.

“AFI MHC” means American Family Insurance Mutual Holding Company.

“AFMIC” means American Family Mutual Insurance Company.

“American Family Member Group” initially means the following companies: Converted AFMIC, American Standard Insurance Company of Ohio (“ASICO”), and American Family Insurance Company (“AFIC”), together with such other wholly owned subsidiaries of AFI MHC as may be designated as such by the Board of Directors of AFI MHC from time to time.

“American Family Member Company” means a company in the American Family Member Group.

“Board of Directors” means the Board of Directors of AFMIC.

“Contract Rights” means a Policyholder’s right to receive the insurance coverage specified in the Policyholder’s Policy in accordance with the terms and provisions thereof.

“Converted AFMIC” means American Family Mutual Insurance Company, S.I., the converted mutual insurance company.

“Current AFMIC Articles” means the Amended and Restated Articles of Incorporation of AFMIC dated March 8, 2016 and in effect as of the date hereof.

“Current AFMIC Bylaws” means the Second Amended and Restated Bylaws of AFMIC dated May 23, 2016 and in effect as of the date hereof.

“Effective Date” means the date upon which the Restructuring becomes effective, which will be the date upon which the Wisconsin Commissioner issues a certificate of incorporation to AFI MHC.

“Foley & Lardner LLP” means the law firm of Foley & Lardner LLP.

“In Force” means, with respect to a Policy, issued and not cancelled or otherwise terminated. Whether a Policy is In Force is determined based on the records of the company that issued the Policy.

“Member” means a Policyholder who, by the records of AFMIC or AFI MHC, and by their respective Articles of Incorporation and Bylaws, is a Member of AFMIC or AFI MHC, as applicable.

“Membership Interest” means: (i) prior to the Effective Date, the voting rights of a Member arising under the Wisconsin Insurance Code and the Current AFMIC Articles and Current AFMIC Bylaws, including the right to vote on the election of directors and the right to vote on any plan of conversion, voluntary dissolution, or amendment of the Articles of Incorporation; and (ii) on and after the Effective Date, the voting rights of a Member arising under the Wisconsin Insurance Code and the Articles of Incorporation and Bylaws of AFI MHC, including the right to vote on the election of directors and the right to vote on any plan of conversion, voluntary dissolution, or amendment of the Articles of Incorporation. “Membership Interest” does not include any Members’ Rights in Surplus, if any.

“Person” means a natural person, partnership, firm, association, corporation, joint-stock company, limited liability company, limited liability partnership, trust, government, government agency, state or political subdivision of a state, public or private corporation, board of directors, association, estate, trustee, or fiduciary, or any similar entity.

“Plan” means this Mutual Holding Company Plan, including all Exhibits attached hereto.

“Policy” means an insurance policy or contract (other than a reinsurance contract), or any binder or a renewal certificate issued by AFMIC (or, on and after the Effective Date, any American Family Member Company) in the course of business and not cancelled or otherwise terminated.

“Policyholder” means a Person identified in the records of AFMIC, Converted AFMIC, and/or any other American Family Member Company as the owner of one or more Policies issued by such company.

“Public Hearing” means the public hearing conducted by the Wisconsin Commissioner or a hearing examiner designated by the Wisconsin Commissioner regarding the Plan, pursuant to the provisions of Wis. Stat. § 644.07(6).

“Record Date” means the date established by the Board of Directors to determine which AFMIC Members will be eligible to vote for approval of the Plan.

“Record Date Members” means Persons who are Members on the Record Date.

“Resolution Date” means September 30, 2016, the date the Board of Directors passed the Adopting Resolutions.

“Resolution Date Members” means Record Date Members who were also Members on the Resolution Date.

“Restructuring” has the meaning set forth in the Preamble.

“Rights in Surplus” means: (i) prior to the Effective Date, any rights of a Member arising under the Current AFMIC Articles or Chapter 611 of the Wisconsin Insurance Code to a return of the surplus in respect of Policies of AFMIC, including rights of Members to a distribution of such surplus in dissolution or conversion proceedings under Chapter 611 of the Wisconsin Insurance Code; and (ii) on and after the Effective Date, any rights of a Member of AFI MHC arising under its Articles of Incorporation or Chapter 644 of the Wisconsin Insurance Code to the net worth of AFI MHC, including rights of Members of AFI MHC to a distribution of any portion of the net worth of AFI MHC in dissolution or conversion proceedings under Chapter 644 of the Wisconsin Insurance Code.

“Second Amended and Restated Articles” means the proposed Second Amended and Restated Articles of Incorporation of Converted AFMIC (attached hereto as Exhibit B) that will go into effect on the Effective Date of the Restructuring.

“Special Meeting” means the special meeting of Members of AFMIC called for the purpose of approving this Plan.

“Subsidiary Policyholder Member” means a Person who was not a Member of AFMIC immediately prior to the Effective Date of the Restructuring and who becomes a Member of AFI MHC by virtue of being a Policyholder of AFIC or ASICO.

“Wisconsin Commissioner” means the Office of the Commissioner of Insurance for the State of Wisconsin.

“Wisconsin Insurance Code” means the insurance laws of the State of Wisconsin, codified in Chapters 600 to 655 of the Wisconsin Statutes, and all applicable regulations thereunder.

## **ARTICLE 2 THE RESTRUCTURING**

**2.1 Formation of AmFam Holdings, Inc.** On or before the Effective Date, AFMIC shall incorporate AmFam Holdings, Inc. as a Wisconsin business corporation under Chapter 180 of the Wisconsin Statutes.

**2.2 Formation of AFI MHC.** Pursuant to Wis. Stat. § 644.07(10)(a), on the Effective Date, AFI MHC shall be incorporated as a Wisconsin mutual holding company under Chapter 644 of the Wisconsin Insurance Code, as evidenced by the issuance of a certificate of incorporation by the Wisconsin Commissioner.

**2.3 Preservation of Mutuality.** As more particularly described in Section 2.4, on and after the Effective Date, the former Members of AFMIC, together with the policyholders of other American Family Member Companies who or which have become Members as provided for herein and in the Articles of Incorporation of AFI MHC, will constitute 100% of the Members of AFI MHC, and AFI MHC will indirectly own 100% of the shares of voting stock of Converted AFMIC. In this manner, the mutuality of AFMIC is preserved.



**2.4 The Restructuring.** Effective as of 12:01 a.m. on the Effective Date, and in accordance with the terms of this Plan and Chapter 644 of the Wisconsin Insurance Code, the following will occur:

- (a) AFMIC will become a Wisconsin stock insurance company;
- (b) All Membership Interests and Rights in Surplus of AFMIC will be extinguished and the Members of AFMIC will become Members of AFI MHC, with such rights and privileges, including Membership Interests and Rights in Surplus of AFI MHC, as are provided for pursuant to the Wisconsin Insurance Code and the Articles of Incorporation and Bylaws of AFI MHC;
- (c) Provided the Board of Directors of AFMIC has not exercised its authority under Section 2.8(b)(ii), all policyholders of AFIC and ASICO will become Members of AFI MHC, with such rights and privileges as are provided for pursuant to the Wisconsin Insurance Code and the Articles of Incorporation and Bylaws of AFI MHC;
- (d) AmFam Holdings, Inc. will be issued 100% of the initial shares of voting stock of Converted AFMIC;
- (e) AFI MHC will be issued 100% of the initial shares of voting stock of AmFam Holdings, Inc.;
- (f) (i) AmFam, Inc. and American Family Life Insurance Company will transfer 100% of the limited liability company membership interests of New Ventures, LLC to AmFam Holdings, Inc.; and  
(ii) AmFam, Inc. and American Family Life Insurance Company shall assign to AmFam Holdings, Inc., and AmFam Holdings, Inc. shall assume, all of AmFam, Inc.'s and American Family Life Insurance Company's rights and obligations under the Operating Agreement of New Ventures, LLC, and any related agreements or undertakings; and
- (g) Converted AFMIC will make a distribution to New Ventures, LLC in the amount of \$50 Million.

**2.5 Corporate Existence of Converted AFMIC.** On the Effective Date, AFMIC shall change its name to "American Family Mutual Insurance Company, S.I.". Converted AFMIC shall be considered to have been organized at the time that AFMIC was organized. The Board of Directors of AFMIC will be deemed removed and replaced, without further action, by the initial Board of Directors of Converted AFMIC identified in Exhibit H. Except as otherwise provided herein, the officers, agents, and employees of Converted AFMIC shall continue in like capacity without regard to the Restructuring, subject to any and all existing rights and obligations of such parties and Converted AFMIC pursuant to existing contracts and applicable law.

**2.6 Continuation of Rights and Obligations.** The Restructuring of AFMIC into a stock insurance company subsidiary of AFI MHC shall in no way annul, modify or change any of AFMIC's existing suits, rights, property interests, contracts or liabilities. Converted AFMIC shall exercise all of the rights and powers and perform all of the duties conferred or imposed by law upon insurers writing the classes of insurance written by AFMIC before the Effective Date, and shall retain the rights and contracts existing prior to the Effective Date, except with respect to the Membership Interests and Rights in Surplus that are extinguished and replaced by Membership Interests and Rights in Surplus of AFI MHC, as provided in Paragraph 2.4(b).

**2.7 Continuation of Policies.** On and after the Effective Date, every Policy of AFMIC which is In Force shall continue as a Policy of Converted AFMIC, and all Contract Rights of all such Policies shall be and remain as they existed immediately prior to the Effective Date as Contract Rights of Policies of Converted AFMIC, except with respect to the Membership Interests and Rights in Surplus that are extinguished and replaced by Membership Interests and Rights in Surplus of AFI MHC, as provided in Paragraph 2.4(b).

**2.8 Members of AFI MHC.**

(a) Each person who, and each entity which, is a member of AFMIC, as provided in the records of AFMIC and in accordance with the Current AFMIC Articles and the Current AFMIC Bylaws, immediately prior to the Effective Date, shall become a Member of AFI MHC as of the Effective Date without further act, and shall remain a Member so long as at least one (1) policy of insurance by virtue of which such Member status in AFI MHC is derived remains In Force.

(b) (i) Each person who, and each entity which, is the owner of one (1) or more policies of insurance issued or assumed by AFIC or ASICO and In Force immediately prior to the Effective Date shall become a Member of AFI MHC as of the Effective Date without further act, and shall remain a Member so long as at least one (1) policy of insurance by virtue of which such Member status in AFI MHC is derived remains In Force.

(ii) Notwithstanding the provisions of Section 2.8(b)(i), the Board of Directors shall have authority, exercisable by Board action taken on or prior to the Effective Date, to nullify the provisions of Section 2.8(b)(i), with the result that policyholders of AFIC and ASICO shall become Members of AFI MHC under the provisions of Section 2.8(c).

(c) Each person who, and each entity which, becomes the owner of one (1) or more policies of insurance issued, renewed, or assumed by an American Family Member Company after the Effective Date shall become a Member of AFI MHC without further act, commencing with the date any such policy is first In Force, and shall remain a Member so long as at least one (1) policy of insurance by virtue of which such Member status in AFI MHC is derived remains In Force.

(d) Any person who, or entity which, has become a Member of AFI MHC as described in Section 2.8(a), (b), or (c) shall cease to be a Member; and all associated rights and privileges, including without limitation the Membership Interest and Rights in Surplus, if any, of such Member, shall cease; as of the date no policy of insurance by virtue of which such Member status is derived remains In Force, whether as a result of lapse, expiration, nonrenewal, cancellation, termination, or novation of such policy.

**2.9 Articles of Incorporation and Bylaws of Converted AFMIC.** On the Effective Date, the Current AFMIC Articles shall, without further act or deed, be amended and restated as set forth in the Second Amended and Restated Articles attached hereto as Exhibit B. On the Effective Date, the Current AFMIC Bylaws shall, without further act or deed, be amended and restated as set forth in the Third Amended and Restated Bylaws attached hereto as Exhibit C.

**2.10 Articles of Incorporation and Bylaws of AFI MHC.** On the Effective Date, the Articles of Incorporation of AFI MHC shall be as set forth in the Articles of Incorporation attached hereto as Exhibit D. On the Effective Date, the Bylaws of AFI MHC shall be as set forth in the Bylaws attached hereto as Exhibit E.

**2.11 Articles of Incorporation and Bylaws of AmFam Holdings, Inc.** On the Effective Date, the Articles of Incorporation of AmFam Holdings, Inc. shall be as set forth in the Articles of Incorporation attached hereto as Exhibit F. On the Effective Date, the Bylaws of AmFam Holdings, Inc. shall be as set forth in the Bylaws attached hereto as Exhibit G.

**2.12 Sale of Voting Stock.** The Board of Directors has no current plans for the sale of voting stock of Converted AFMIC, AmFam Holdings, Inc., or any other affiliated company to third parties.

### **ARTICLE 3 ADOPTION BY THE BOARD OF DIRECTORS**

**3.1 Adoption by the Board of Directors.** The Adopting Resolutions were approved by the Board of Directors by a unanimous written consent action effective on September 30, 2016.

### **ARTICLE 4 SUBMISSION TO, AND APPROVAL BY, THE WISCONSIN COMMISSIONER**

**4.1 Submission of the Plan.** This Plan shall be submitted to the Wisconsin Commissioner for formal Public Hearing and approval. In addition to the Plan, AFMIC will submit to the Wisconsin Commissioner, among other things, the following documents:

(a) The proposed Articles of Incorporation and proposed Bylaws of AFI MHC;

(b) The proposed Articles of Incorporation and proposed Bylaws of AmFam Holdings, Inc.;

(c) The proposed Second Amended and Restated Articles and proposed Third Amended and Restated Bylaws of Converted AFMIC; and

(d) So much of the following information relative to AFI MHC as the Wisconsin Commissioner reasonably requires:

(1) The names and, for the preceding 10 years, all addresses and occupations of all proposed directors and officers;

(2) All agreements relating to AFI MHC to which any proposed director or officer is a party;

(3) The amount and sources of the funds available for organization expenses and initial operating expenses;

(4) The proposed compensation of directors and officers;

(5) The proposed capital; and

(6) A business plan of AFI MHC for the first five (5) years of operation.

**4.2 Public Hearing.** This Plan is subject to the approval of the Wisconsin Commissioner who, pursuant to Wis. Stat. § 644.07(6), must hold a Public Hearing on the Plan after receipt thereof.

**4.3 Notice to Policyholders of Public Hearing.** AFMIC shall mail notice of the Public Hearing to the last-known address of each person who was a Policyholder of AFMIC on the Resolution Date as such appears on the records of AFMIC. The notice shall be mailed not more than sixty (60) days and not less than ten (10) days before the scheduled date of the Public Hearing. The notice shall be accompanied by a copy of this Plan, and any comment that the Wisconsin Commissioner considers necessary for the adequate information of Policyholders. AFMIC's failure to mail notice to a Policyholder as required by this Paragraph 4.3 will not invalidate a Public Hearing if the Wisconsin Commissioner determines that AFMIC substantially complied with this Paragraph 4.3 and attempted in good faith to mail notice to all Policyholders entitled thereto.

**4.4 Notice to Other Insurance Commissioners of Public Hearing.** The notice, documents and/or comment(s) described in Paragraph 4.3 shall also be mailed to the insurance commissioner of every jurisdiction in which AFMIC is authorized to do any business. The notice shall be mailed not more than sixty (60) days and not less than ten (10) days before the scheduled date of the Public Hearing.

**4.5 Statements by Policyholders and Other Insurance Commissioners.** In accordance with such hearing procedures as the Wisconsin Commissioner or the designated hearing examiner may prescribe, any Policyholder identified in Paragraph 4.3 and any insurance commissioner identified in Paragraph 4.4 may present written or oral statements at the Public Hearing and may present written statements within a period after the Public Hearing specified by the Wisconsin Commissioner or the hearing examiner. The Wisconsin Commissioner shall take statements so presented into consideration in making the determination to approve the Plan.

**4.6 Approval by the Wisconsin Commissioner.** The Wisconsin Commissioner shall approve the Plan unless he or she finds that the Plan violates the law, is not fair and equitable to Policyholders, or is contrary to the interests of Policyholders or the public.

**4.7 Potential Stipulation and Order.** The Wisconsin Commissioner may request that AFMIC, Converted AFMIC, AFI MHC, and/or AmFam Holdings, Inc., among others, enter into a Stipulation and Order or other form of agreement(s) with the Wisconsin Commissioner containing various covenants and/or undertakings binding upon such parties as a condition of the approval contemplated in Paragraph 4.6. The Board of Directors has authorized the Officers of AFMIC to represent AFMIC in all negotiations with the Wisconsin Commissioner related to his or her review and approval of the Plan and has further authorized the Officers of AFMIC to negotiate and execute, on behalf of AFMIC and, if necessary, Converted AFMIC, AFI MHC, and/or AmFam Holdings, Inc. or any other affiliated company, any such Stipulation and Order or other form of agreement(s) with the Wisconsin Commissioner which, in the Officers' sole judgment and discretion, are reasonable and necessary to secure regulatory approval of the Plan.

## **ARTICLE 5 APPROVAL BY MEMBERS**

**5.1 Member Vote.** After approval of this Plan by the Wisconsin Commissioner, the Plan shall be submitted at the Special Meeting to a vote of those persons who are Members of AFMIC on the Record Date. Voting on the Plan shall be in accordance with: (i) Wis. Stat. § 644.07(8); and (ii) the Current AFMIC Articles and Current AFMIC Bylaws. Wis. Stat. § 644.07(8) provides that voting on the Plan shall be in accordance with the Current AFMIC Articles and Current AFMIC Bylaws, but in no event shall the required vote to approve the Plan be less than a majority of those Resolution Date Members voting. The Current AFMIC Articles provide that

an amendment to such Articles (which amendment is a component element of the Plan) must be approved by a vote of three-fourths of those Record Date Members voting at the Special Meeting. Therefore, the Plan will be deemed approved if: (i) not less than a majority of Resolution Date Members; and (ii) not less than three-fourths of Record Date Members, present and voting in person or by proxy at the Special Meeting, approve the Plan. Only proxies specifically related to this Plan may be used for a vote on approval of the Plan.

**5.2 Notice of Meeting of Policyholders.** Notice of the Special Meeting must be mailed to each Record Date Member not less than 30 days in advance of the Special Meeting. Notice of the Special Meeting shall be sent to the last-known address of each Record Date Member and may be included with any notice sent under Paragraph 4.3.

## **ARTICLE 6 CONDITIONS PRECEDENT TO RESTRUCTURING**

**6.1 Approval of Wisconsin Commissioner and Members.** This Plan shall not become effective, and the Restructuring shall not be consummated, until the Plan has been approved as follows:

(a) This Plan (including the proposed Second Amended and Restated Articles and the Third Amended and Restated Bylaws of Converted AFMIC, the proposed Articles of Incorporation and Bylaws of AmFam Holdings, Inc., and the proposed Articles of Incorporation and Bylaws of AFI MHC) is approved by the Wisconsin Commissioner as set forth in Article 4; and

(b) This Plan is approved by the Members as set forth in Article 5.

**6.2 Private Letter Ruling or Tax Opinion.** This Plan shall not become effective, and the Restructuring shall not be consummated, until AFMIC receives a private letter ruling issued by the Internal Revenue Service and/or an opinion of Foley & Lardner LLP or other independent tax counsel to AFMIC, in either case or in combination, substantially to the effect that:

(a) Neither the Members nor any Subsidiary Policyholder Member will recognize taxable gain or loss in connection with the Restructuring; and

(b) Neither AFI MHC, AmFam Holdings, Inc., nor AFMIC will recognize taxable gain or loss in connection with the Restructuring.

**6.3 Securities Law Opinion.** This Plan shall not become effective, and the Restructuring shall not be consummated, until AFMIC receives either a “no action” letter from the Securities and Exchange Commission, and/or an opinion from Foley & Lardner LLP or other independent legal counsel in form and substance satisfactory to the duly authorized Officers of AFMIC with respect to federal and state securities law matters.

**6.4 Other Regulatory Approvals.** This Plan shall not become effective, and the Restructuring shall not be consummated, until AFMIC has received all other regulatory approvals that the duly authorized Officers of AFMIC deem to be necessary or appropriate.

**6.5 Issuance of Certificates.** This Plan shall not become effective, and the Restructuring shall not be consummated, until the issuance by the Wisconsin Commissioner of a new certificate of authority for Converted AFMIC and a certificate of incorporation for AFI MHC and the issuance by the Wisconsin Department of Financial Institutions of a certificate of incorporation for AmFam Holdings, Inc.

**ARTICLE 7**  
**ADDITIONAL PROVISIONS**

**7.1 Directors and Officers.** Upon Restructuring, the directors and officers of AFI MHC, AmFam Holdings, Inc., and Converted AFMIC shall be those individuals identified in Exhibit H hereto. The directors and officers of all other affiliated companies shall be the directors and officers of such companies serving immediately prior to the Effective Date, in each case until their successors have been duly elected and qualified.

**7.2 Liability of Member.** A Member of AFI MHC shall not, by virtue of being a Member, be personally liable for the acts, debts, liabilities, or obligations of AFI MHC.

**7.3 Expenses.** AFMIC shall not pay compensation of any kind to any Person in connection with this Plan other than regular salaries to AFMIC personnel. This Paragraph does not prohibit the payment of reasonable fees and compensation to attorneys at law, accountants, financial advisors, actuaries or other consultants for services performed in the independent practice of their professions. All expenses of the Restructuring, including any expenses incurred by the Wisconsin Commissioner and the prorated salaries of any involved office staff members of the Wisconsin Commissioner and payable by AFMIC, shall be borne by AFMIC.

**7.4 Amendment or Withdrawal of Plan.** At any time before the Effective Date, AFMIC may, by resolution of the Board of Directors, amend or withdraw this Plan. The Wisconsin Commissioner shall determine whether any amendment made after the Public Hearing identified in Paragraph 4.2 changes this Plan in a manner that is materially disadvantageous to the Policyholders of AFMIC and, in such case, may require a further Public Hearing on the Plan as amended. If an amendment that the Wisconsin Commissioner determines is materially disadvantageous to any of the Policyholders is made after the Plan has been approved by the Members, the Plan as amended shall be submitted for reconsideration by the Members. If the Board of Directors approves an amendment that is not determined by the Wisconsin Commissioner to be materially disadvantageous to the Policyholders of AFMIC prior to the Effective Date, this Plan, including any exhibits hereto, shall be deemed amended in accordance with such amendment without the necessity of a further Public Hearing on the Plan or the submission of the Plan for reconsideration by the Members.

**7.5 Agreements Among Affiliates.** AFI MHC or any of its subsidiaries or affiliates may enter into tax sharing agreements, management agreements, administrative or other service contracts, other cost-sharing arrangements, and similar agreements with another affiliate, subject to any required regulatory approval by the Wisconsin Commissioner pursuant to the Wisconsin Insurance Code.

**7.6 Governing Law.** The terms of this Plan shall be governed by and construed in accordance with the laws of the State of Wisconsin, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

**7.7 Headings.** Article and Paragraph headings contained in this Plan are used for convenience only, and shall not be considered in construing or interpreting any of the provisions hereof.

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IN WITNESS WHEREOF, American Family Mutual Insurance Company, by authority of its Board of Directors, has caused this Plan to be signed by its Chairman, CEO, and President and attested to by its Chief Strategy Officer and Secretary on September 30, 2016.

AMERICAN FAMILY MUTUAL  
INSURANCE COMPANY

By: /s/ Jack C. Salzwedel  
Jack C. Salzwedel,  
Chairman, CEO, and President

ATTEST:

By: /s/ David C. Holman  
David C. Holman,  
Chief Strategy Officer and Secretary

## Exhibit B

# AMERICAN FAMILY MUTUAL INSURANCE COMPANY

## UNANIMOUS CONSENT OF THE BOARD OF DIRECTORS IN LIEU OF A MEETING

SEPTEMBER 30, 2016

### APPROVAL OF MUTUAL HOLDING COMPANY PLAN AND RELATED TRANSACTIONS

In satisfaction of Section 644.07(2) of the insurance laws of the State of Wisconsin (the “Wisconsin Insurance Code”), the undersigned, being all of the Directors of American Family Mutual Insurance Company, a mutual insurance company organized under Chapter 611 of the Wisconsin Insurance Code (the “Corporation”), do hereby adopt the following resolutions by written consent in lieu of a meeting, pursuant to the Corporation’s Bylaws and Section 611.07(4) of the Wisconsin Insurance Code, such action to have the same effect as if taken at a duly constituted meeting of Directors held on September 30, 2016:

**WHEREAS**, in numerous meetings over the past four years, the Board of Directors of the Corporation (the “Board”) considered and confirmed certain benefits of the Corporation’s mutuality, but also identified certain limitations imposed by the Corporation’s structure as a mutual insurance company on the Corporation’s ability to adapt quickly in a rapidly changing insurance marketplace, the details of which are articulated in the records of said meetings; and

**WHEREAS**, in the aforementioned series of meetings, the Board, with the assistance of the officers and other management level employees of the Corporation (“Management”), and Foley & Lardner LLP as the Corporation’s outside legal advisors, reviewed and evaluated various structural alternatives to the Corporation’s current structure as a mutual insurance company, and discussed the potential advantages and disadvantage of such alternatives; and

**WHEREAS**, following its review and analysis of the available structural alternatives, in a Board meeting held on February 9, 2016, the Board determined to focus on the proposed conversion of the Corporation into a stock insurance company owned by a newly organized mutual insurance holding company as provided for in Chapter 644 of the Wisconsin Insurance Code (the “Conversion Transaction”); and

**WHEREAS**, at the February 9, 2016 Board meeting, the Board passed resolutions (the “February 2016 Resolutions”), articulating various reasons for the proposed Conversion Transaction, and directing Management to take a series of actions to pursue the proposed Conversion Transaction, all subject to further Board review and approval; and

**WHEREAS**, Management, with the assistance of the Corporation’s outside legal advisors, prepared and reviewed with the Board a proposed form of Mutual Holding Company Plan (inclusive of all exhibits referenced therein, the “Initial Proposed Plan”), as well as a draft Policyholder Information Booklet relating to the Plan (the “Initial Proposed



Policyholder Information Booklet”), and certain other related materials, all as previously provided to the Board in the materials for a special Board meeting held on May 23, 2016; and

**WHEREAS**, at the May 23, 2016 Board meeting, the Board passed resolutions approving the Initial Proposed Plan and the Initial Proposed Policyholder Information Booklet as presented, and directing the officers of the Corporation to submit the Initial Proposed Plan and the Initial Proposed Policyholder Information Booklet for review and approval by the Office of the Commissioner of Insurance for the State of Wisconsin (the “Wisconsin Commissioner”); and

**WHEREAS**, the officers of the Corporation have provided the Board with a revised version of the Initial Proposed Plan (inclusive of all exhibits referenced therein, the “Plan”) and a revised version of the Initial Proposed Policyholder Information Booklet (the “Policyholder Information Booklet”), reflecting certain changes requested by the Wisconsin Commissioner, as well as certain changes deemed by such officers to be advisable for reasons discussed with the Board; and

**WHEREAS**, the changes to the Plan and the Policyholder Information Booklet were reviewed with the Board at a special Board meeting held on September 22, 2016; and

**WHEREAS**, the Board has determined that the Conversion Transaction, as detailed in the Plan, will enhance the Corporation’s ability to grow and respond to future needs, challenges, and opportunities in a rapidly changing insurance industry; including, in particular, by enhancing the Corporation’s ability to successfully address the following strategic challenges and opportunities identified in the February 2016 Resolutions:

- the Company’s ability to acquire and grow ancillary or non-insurance entities;
- the Company’s ability to pursue certain mergers and acquisitions;
- the Company’s access to capital; and
- the Company’s ability to pursue product and state expansion through subsidiary companies without diluting our mutuality;

and the Board has further determined that the Plan and the transactions contemplated therein are fair and equitable to the policyholders of the Corporation, and are expected to benefit the policyholders by achieving the enhanced capabilities described above while preserving mutuality and the ability to operate with a focus on the interests of policyholders; and

**WHEREAS**, in order to effect the Conversion Transaction, the Corporation is required pursuant to the Wisconsin Insurance Code to file the revised Plan and related documents (the “Wisconsin Filing”) with the Wisconsin Commissioner, and is also required to make certain other filings with governmental entities which are necessary to effect the Conversion Transaction (collectively, the “Regulatory Filings”); and

**WHEREAS**, in addition to approval by the Board, adoption of the Plan will require the issuance of an Order approving the Plan by the Wisconsin Commissioner after a public hearing, certain other regulatory approvals, and approval by the members of the Corporation (the “Members”) at a meeting called for that purpose (the “Special Meeting”).

**NOW, THEREFORE, IT IS HEREBY:**

***Approval of Plan and Conversion Transaction***

**RESOLVED**, that the Board does hereby determine that the Plan and the Conversion Transaction are fair and equitable to the policyholders of the Corporation and are expected to benefit the policyholders and the Corporation in the manner described in the recitals hereto.

**RESOLVED**, that the Plan, in substantially the form attached hereto as Exhibit A, and each of the actions contemplated thereby, are hereby authorized, approved, and adopted in all respects, and that, subject to receipt of the requisite approval of the Wisconsin Commissioner and the Members, and the fulfillment of all other conditions precedent to the consummation of the Plan, the officers of the Corporation be, and each of them individually hereby is, authorized and directed, in the name and on behalf of the Corporation, to: (1) execute the Plan, with such changes or additions thereto (including to any of the exhibits thereto) as may be required by any regulatory authority or governmental agency, or as may be required to comply with any applicable laws or regulations, or as the Chairman and Chief Executive Officer of the Corporation shall, in his sole discretion, approve (such approval to be conclusively evidenced by the execution and delivery thereof), together with any other agreements, certificates, instruments, and documents as may be required in connection therewith; (2) perform the obligations and carry out the duties of the Corporation under the Plan and under such other agreements, certificates, instruments, and documents required in connection therewith; and (3) take such other action as may be contemplated by the Plan, or deemed by the officers of the Corporation to be necessary or desirable in connection therewith.

**Without limiting the foregoing, it is hereby:**

**RESOLVED**, that, upon receipt of regulatory and Member approval, the Corporation form American Family Insurance Mutual Holding Company, a Wisconsin mutual holding company, as set forth in, and contemplated by, the Plan.

**RESOLVED**, that, upon receipt of regulatory and Member approval, the Corporation form AmFam Holdings, Inc., a Wisconsin business corporation, as set forth in, and contemplated by, the Plan.

**RESOLVED**, that, subject to the requisite regulatory and Member approval, the Articles of Incorporation of the Corporation be amended and restated in the form set forth in the Plan (the "Second Amended and Restated Articles of Incorporation") and the Bylaws of the Corporation be amended and restated in the form set forth in the Plan (the "Third Amended and Restated Bylaws"), effective as of the date contemplated in the Plan.

***Regulatory Filings***

**RESOLVED**, that the Policyholder Information Booklet is hereby approved in substantially the form attached hereto as Exhibit B, and, together with the Plan and all such other reports, applications, statements, documents, and information as the officers of the Corporation deem necessary and appropriate, shall be submitted to the Wisconsin Commissioner for approval as provided in Section 644.07(4) of the Wisconsin Insurance Code, and that all other Regulatory Filings not yet made be made, and all requisite regulatory approvals be pursued, on behalf of the Corporation with the appropriate governmental entities.

**RESOLVED**, that the officers of the Corporation are hereby authorized and directed to respond to all requests for additional information by, and to meet to confer with, or cause the Corporation's outside legal advisors to meet to confer with, officials of any governmental agency on any issues relating to the proposed Conversion Transaction.

**RESOLVED**, that the officers of the Corporation are hereby authorized and directed to continue to work with the Corporation's legal advisors to seek a Private Letter Ruling from the Internal Revenue Service, and/or to seek a tax law opinion from Foley & Lardner LLP, either of which alone, or in combination, meet the requirements of the Plan.

**RESOLVED**, that the officers of the Corporation are hereby authorized and directed to continue to work with the Corporation's legal advisors to seek a No-Action Letter from the Securities and Exchange Commission, and/or to seek a securities law opinion from Foley & Lardner LLP, either of which alone, or in combination, meet the requirements of the Plan.

**RESOLVED**, that the officers of the Corporation are hereby authorized to negotiate the terms of any Stipulation and Consent Order that may be proposed by the Wisconsin Commissioner as a condition to approving the Conversion Transaction, and the Chairman and Chief Executive Officer of the Corporation is hereby authorized to execute and deliver any such Stipulation and Consent Order that he deems necessary and desirable to achieve the benefits of the Conversion Transaction on behalf of the Corporation and its Members, provided, however, that any material changes to the Plan resulting from any such Stipulation and Consent Order shall be subject to further Board approval prior to the execution and delivery of such Stipulation and Consent Order and the submission of the Plan to the Members as provided for below.

***Submission of the Plan for Approval by the Members***

**RESOLVED**, that, subject to approval of the Plan by the Wisconsin Commissioner, the Plan, including the proposed Second Amended and Restated Articles of Incorporation of the Corporation included as an element of the Plan, be submitted for approval by the Members at the Special Meeting to be called by the Secretary of the Corporation for such purpose.

**RESOLVED**, that the officers of the Corporation shall distribute the Policyholder Information Booklet, with such changes and additions, consistent with the Plan, as may be required by the Wisconsin Commissioner or deemed necessary or appropriate by the officers of the Corporation in their sole discretion, to the Members in advance of the Special Meeting; and shall provide for such other policyholder and Member communications as such officers deem necessary or appropriate to inform the Members of the potential advantages and benefits, as well as disadvantages and risks, of the Plan and the Conversion Transaction, and to communicate other information that a Member might reasonably deem to be material to the decision whether to vote to approve the Plan.

**RESOLVED**, that the Board recommends to the Members that they vote to approve the Plan.

***General***

**RESOLVED**, that any officer of the Corporation is authorized and directed in the name and on behalf of the Corporation, to: (1) take or cause to be taken any and all such further actions and to prepare, execute and deliver or cause to be prepared, executed and delivered, and where necessary or appropriate, file or cause to be filed, all such other instruments and documents, including, but not limited to, all certificates, contracts, bonds, agreements, documents, instruments, receipts or other papers; and (2) engage such persons

as such officer shall in his or her judgment determine to be necessary or appropriate to carry out fully the intent and purposes of the foregoing resolutions and each of the transactions contemplated thereby.

**RESOLVED**, that any and all actions heretofore or hereafter taken or caused to be taken by the officers, agents, and representatives of the Corporation in preparing and effecting the Plan and the Conversion Transaction, consistent with the tenor and purport of the foregoing resolutions, are hereby ratified, confirmed, and approved in all respects.

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**Exhibit C**  
**SECOND AMENDED AND RESTATED**  
**ARTICLES OF INCORPORATION**  
**OF**  
**AMERICAN FAMILY MUTUAL INSURANCE COMPANY, S.I.**  
**(A Wisconsin Stock Insurance Corporation)**

These Second Amended and Restated Articles of Incorporation supersede and take the place of the heretofore existing Amended and Restated Articles of Incorporation, and all amendments thereto, of American Family Mutual Insurance Company, a corporation organized under Chapter 611 of the Wisconsin Statutes.

**ARTICLE I**

Name: The name of the corporation is American Family Mutual Insurance Company, S.I. (the “Corporation”).

**ARTICLE II**

Purpose: The Corporation is organized for the purpose of insuring persons against any and all hazards which now are, or in the future may be, authorized or permitted for an insurance company under the laws of the State of Wisconsin, as such laws now exist or may hereafter be amended, and for any other purpose permitted under Chapter 611 of the Wisconsin Statutes, subject to the limitations set forth in Section 610.21 of the Wisconsin Statutes.

**ARTICLE III**

Authorized Stock: The aggregate number of shares which the Corporation shall have authority to issue is Ten Million (10,000,000), consisting of a single class designated as “Common Stock” and having a par value of One Dollar (\$1.00) per share.

**ARTICLE IV**

Registered Office and Registered Agent: The address of the registered office of the Corporation is 8040 Excelsior Drive, Suite 400, Madison, Wisconsin 53717. The name of the registered agent at that address is Corporation Service Company.

**ARTICLE V**

Action by Shareholders Without a Meeting: Any action required or permitted to be taken at a meeting of the Corporation’s shareholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted, and such consent or consents are delivered to the Corporation, all in conformance with Wisconsin law.

**ARTICLE VI**

Quorum and Voting Requirement for Shareholders: The Bylaws of the Corporation may provide for a greater or lower quorum requirement or a greater voting requirement for shareholders or voting groups of shareholders than is provided by applicable law.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

By: \_\_\_\_\_  
Jack C. Salzwedel  
Chairman, CEO and President

Attest: \_\_\_\_\_  
David C. Holman  
Chief Strategy Officer and Secretary

## Exhibit D

### THIRD AMENDED AND RESTATED BYLAWS

#### OF

#### AMERICAN FAMILY MUTUAL INSURANCE COMPANY, S.I.

Adopted: \_\_\_\_\_, 20\_\_

#### ARTICLE I. OFFICES

##### **Section 1.1 Principal and Business Offices.**

The Corporation may have such principal and other business offices, either within or without the State of Wisconsin, as the Board of Directors may designate or as the business of the Corporation may require from time to time.

##### **Section 1.2 Registered Office.**

The registered office of the Corporation that the Wisconsin Business Corporation Law requires to be maintained in the State of Wisconsin may, but need not, be identical to the Corporation's principal office in the State of Wisconsin, and the address of the registered office may be changed from time to time by the Board of Directors or by the registered agent. The business office of the registered agent of the Corporation shall be identical to such registered office.

#### ARTICLE II. SHAREHOLDERS

##### **Section 2.1 Annual Meeting.**

The annual meeting of the shareholders shall be held on the first Tuesday in March of each year, or at such other time and date within thirty (30) days before or after such date as may be fixed by or under the authority of the Board of Directors, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Wisconsin, such meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the day designated herein, or fixed as herein provided, for any annual meeting of the shareholders, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the shareholders as soon thereafter as is practicable.

##### **Section 2.2 Special Meetings.**

Special meetings of the shareholders, for any purpose or purposes, unless otherwise prescribed by Wisconsin law, may be called by the Board of Directors, the Chairman of the Board or the President. The Corporation shall call a special meeting of shareholders in the event that the holders of at least ten percent (10%) of all of the votes entitled to be cast on any issue proposed to be considered at the proposed special meeting sign, date and deliver to the Corporation one or more written demands for the meeting describing one or more purposes for which it is to be held. The Corporation shall give notice of such a special meeting within thirty (30) days after the date that the demand is delivered to the Corporation.

### **Section 2.3 Place of Meeting.**

The Board of Directors may designate any place, either within or without the State of Wisconsin, as the place of meeting for any annual or special meeting of shareholders. If no designation is made, the place of meeting shall be the principal office of the Corporation. Any meeting may be adjourned to reconvene at any place designated by vote of a majority of the shares represented thereat.

### **Section 2.4 Notice of Meeting.**

Written notice stating the date, time and place of any meeting of shareholders and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than sixty (60) days before the date of the meeting (unless a different time is provided by Wisconsin law or the Articles of Incorporation) either in person, by mail or other method of delivery or by electronic means, by or at the direction of the Chairman of the Board, the President or the Secretary, to each shareholder of record entitled to vote at such meeting and to such other persons as required by Wisconsin law. If mailed, such notice shall be deemed to be effective when deposited in the United States mail, addressed to the shareholder at his or her address as it appears on the stock record books of the Corporation, with postage thereon prepaid. If notice is given by private carrier, such notice shall be deemed to be effective when delivered to the private carrier. If electronically transmitted, such notice shall be deemed to be effective when transmitted to the shareholder in a manner authorized by such shareholder. If an annual or special meeting of shareholders is adjourned to a different date, time or place, the Corporation shall not be required to give notice of the new date, time or place if the new date, time or place is announced at the meeting before adjournment; provided, however, that if a new record date for an adjourned meeting is or must be fixed, the Corporation shall give notice of the adjourned meeting to persons who are shareholders as of the new record date.

### **Section 2.5 Waiver of Notice.**

A shareholder may waive any notice required by Wisconsin law, the Articles of Incorporation or these Bylaws before or after the date and time stated in the notice. The waiver shall be in writing and signed by the shareholder entitled to the notice, contain the same information that would have been required in the notice under applicable provisions of Wisconsin law (except that the time and place of meeting need not be stated) and be delivered to the Corporation for inclusion in the corporate records. A shareholder's attendance at a meeting, in person or by proxy, waives objection to all of the following: (a) lack of notice or defective notice of the meeting, unless the shareholder at the beginning of the meeting or promptly upon arrival objects to holding the meeting or transacting business at the meeting; and (b) consideration of a particular matter at the meeting that is not within the purpose described in the meeting notice, unless the shareholder objects to considering the matter when it is presented.

### **Section 2.6 Fixing the Record Date.**

The Board of Directors may fix in advance a date as the record date for the purpose of determining shareholders entitled to notice of and to vote at any meeting of shareholders, shareholders entitled to demand a special meeting as contemplated by Section 2.2 hereof, shareholders entitled to take any other action, or shareholders for any other purpose. Such record date shall not be more than seventy (70) days prior to the date on which the particular action, requiring such determination of shareholders, is to be taken. If no record date is fixed by the Board of Directors or by Wisconsin law for the determination of shareholders entitled to notice of and to vote at a meeting of shareholders, the record date shall be the close of



business on the day before the first notice is given to shareholders. If no record date is fixed by the Board of Directors or by Wisconsin law for the determination of shareholders entitled to demand a special meeting as contemplated by Section 2.2 hereof, the record date shall be the date that the first shareholder signs the demand. Except as provided by Wisconsin law for a court-ordered adjournment, a determination of shareholders entitled to notice of and to vote at a meeting of shareholders is effective for any adjournment of such meeting unless the Board of Directors fixes a new record date, which it shall do if the meeting is adjourned to a date more than one hundred twenty (120) days after the date fixed for the original meeting. The record date for determining shareholders entitled to a distribution (other than a distribution involving a purchase, redemption or other acquisition of the Corporation's shares) or a share dividend is the date on which the Board of Directors authorized the distribution or share dividend, as the case may be, unless the Board of Directors fixes a different record date.

**Section 2.7     Shareholders' List for Meetings.**

After a record date for a special or annual meeting of shareholders has been fixed, the Corporation shall prepare a list of the names of all of the shareholders entitled to notice of the meeting. The list shall be arranged by class or series of shares, if any, and show the address of and number of shares held by each shareholder. Such list shall be available for inspection by any shareholder, beginning two (2) business days after notice of the meeting is given for which the list was prepared and continuing to the date of the meeting, at the Corporation's principal office or at a place identified in the meeting notice in the city where the meeting will be held. A shareholder or his or her agent may, on written demand, inspect and, subject to the limitations imposed by Wisconsin law, copy the list, during regular business hours and at his or her expense, during the period that it is available for inspection pursuant to this Section. The Corporation shall make the shareholders' list available at the meeting, and any shareholder or his or her agent or attorney may inspect the list at any time during the meeting or any adjournment thereof. Refusal or failure to prepare or make available the shareholders' list shall not affect the validity of any action taken at a meeting of shareholders.

**Section 2.8     Quorum and Voting Requirements.**

Shares entitled to vote as a separate voting group may take action on a matter at a meeting only if a quorum of those shares exists with respect to that matter. If the Corporation has only one class of stock outstanding, such class shall constitute a separate voting group for purposes of this Section. Except as otherwise provided in the Articles of Incorporation or Wisconsin law, a majority of the votes entitled to be cast on the matter shall constitute a quorum of the voting group for action on that matter. Once a share is represented for any purpose at a meeting, other than for the purpose of objecting to holding the meeting or transacting business at the meeting, it is considered present for purposes of determining whether a quorum exists for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for the adjourned meeting. If a quorum exists, except in the case of the election of directors, action on a matter shall be approved if the votes cast within the voting group favoring the action exceed the votes cast opposing the action, unless the Articles of Incorporation or Wisconsin law requires a greater number of affirmative votes. Unless otherwise provided in the Articles of Incorporation, each director shall be elected by a plurality of the votes cast by the shares entitled to vote in the election of directors at a meeting at which a quorum is present. Though less than a quorum of the outstanding votes of a voting group are represented at a meeting, a majority of the votes so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

## **Section 2.9 Conduct of Meetings.**

The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of the shareholders as it shall deem appropriate. At every meeting of the shareholders, the Chairman of the Board, or in his or her absence or inability to act, the President, or, in his or her absence or inability to act, the person whom the Chairman of the Board or, in his or her absence or inability to act, the President, shall appoint, shall act as chairman of, and preside at, the meeting. The Secretary or, in his or her absence or inability to act, the person whom the chairman of the meeting shall appoint secretary of the meeting, shall act as secretary of the meeting and keep the minutes thereof.

## **Section 2.10 Proxies.**

At all meetings of shareholders, a shareholder may vote his or her shares in person or by proxy. A shareholder may appoint a proxy to vote or otherwise act for the shareholder by signing an appointment form, either personally or by his or her attorney-in-fact, or by transmitting or authorizing the transmission of an electronic transmission of the appointment to the person who will be appointed as proxy or to a proxy solicitation firm, proxy support service organization, or like agent authorized to receive the transmission by the person who will be appointed as proxy. Every electronic transmission shall contain, or be accompanied by, information that can be used to reasonably determine that the shareholder transmitted or authorized the transmission of the electronic transmission. Any person charged with determining whether a shareholder transmitted or authorized the transmission of the electronic transmission shall specify the information upon which the determination is made. An appointment of a proxy is effective when received by the Secretary or other officer or agent of the Corporation authorized to tabulate votes. An appointment is valid for eleven (11) months from the date of its signing unless a different period is expressly provided in the appointment form.

## **Section 2.11 Voting of Shares.**

Except as provided in the Articles of Incorporation or in the Wisconsin Business Corporation Law, each outstanding share, regardless of class, is entitled to one vote on each matter voted on at a meeting of shareholders.

## **Section 2.12 Action Without a Meeting.**

Any action required or permitted by the Articles of Incorporation or these Bylaws or any provision of Wisconsin law to be taken at a meeting of the shareholders may be taken without a meeting and without action by the Board of Directors if a written consent or consents, describing the action so taken, is signed by all of the shareholders entitled to vote with respect to the subject matter thereof or such lesser number of shareholders as is permitted in the Articles of Incorporation and delivered to the Corporation for inclusion in the corporate records.

## **Section 2.13 Acceptance of Instruments Showing Shareholder Action.**

If the name signed on a vote, consent, waiver or proxy appointment corresponds to the name of a shareholder, the Corporation, if acting in good faith, may accept the vote, consent, waiver or proxy appointment and give it effect as the act of a shareholder. If the name signed on a vote, consent, waiver or proxy appointment does not correspond to the name of a shareholder, the Corporation, if acting in good faith, may accept the vote, consent, waiver or proxy appointment and give it effect as the act of the shareholder if any of the following apply:

(a) The shareholder is an entity and the name signed purports to be that of an officer or agent of the entity.

(b) The name purports to be that of a personal representative, administrator, executor, guardian or conservator representing the shareholder and, if the Corporation requests, evidence of fiduciary status acceptable to the Corporation is presented with respect to the vote, consent, waiver or proxy appointment.

(c) The name signed purports to be that of a receiver or trustee in bankruptcy of the shareholder and, if the Corporation requests, evidence of this status acceptable to the Corporation is presented with respect to the vote, consent, waiver or proxy appointment.

(d) The name signed purports to be that of a pledgee, beneficial owner, or attorney in fact of the shareholder and, if the Corporation requests, evidence acceptable to the Corporation of the signatory's authority to sign for the shareholder is presented with respect to the vote, consent, waiver or proxy appointment.

(e) Two (2) or more persons are the shareholders as co tenants or fiduciaries and the name signed purports to be the name of at least one of the co owners and the person signing appears to be acting on behalf of all co owners. The Corporation may reject a vote, consent, waiver or proxy appointment if the Secretary or other officer or agent of the Corporation who is authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the shareholder.

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

#### **Section 3.1 General Powers and Number.**

The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. The number of directors of the Corporation shall be designated annually prior to the annual meeting of the shareholders by resolution of the Board of Directors, but shall not be less than the number required by Wisconsin law, nor more than fifteen (15).

#### **Section 3.2 Tenure and Qualifications.**

Each director shall hold office until the next annual meeting of shareholders and until his or her successor shall have been elected and, if necessary, qualified, or until there is a decrease in the number of directors which takes effect after the expiration of his or her term, or until his or her prior death, resignation or removal. A director may be removed by the shareholders only at a meeting called for the purpose of removing the director, and the meeting notice shall state that the purpose, or one of the purposes, of the meeting is removal of the director. A director may be removed from office with or without cause if the number of votes cast to remove the director exceeds the number of votes cast not to remove such director. A director may resign at any time by delivering written notice which complies with Wisconsin law to the Board of Directors, to the President (in his or her capacity as chairperson of the Board of Directors in the absence of the Chairman of the Board) or to the Corporation. A director's resignation is effective when the notice is delivered unless the notice specifies a later effective date. Directors need not be residents of the State of Wisconsin or shareholders of the Corporation.

### **Section 3.3     Regular Meetings.**

A regular meeting of the Board of Directors shall be held without other notice than this Bylaw immediately after the annual meeting of shareholders and each adjourned session thereof. The place of such regular meeting shall be the same as the place of the meeting of shareholders which precedes it, or such other suitable place as may be announced at such meeting of shareholders. The Board of Directors shall approve the date, time and place, either within or without the State of Wisconsin, for the holding of additional regular meetings of the Board of Directors without other notice than such approval.

### **Section 3.4     Special Meetings.**

Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board, the President, Secretary or any two (2) directors. The Chairman of the Board, the President or the Secretary may fix any place, either within or without the State of Wisconsin, as the place for holding any special meeting of the Board of Directors, and if no other place is fixed the place of the meeting shall be the principal office of the Corporation in the State of Wisconsin.

### **Section 3.5     Notice; Waiver.**

Notice of each special meeting of the Board of Directors shall be given by written notice delivered or communicated in person, by mail or other method of delivery, or by any electronic means, to each director at his or her business address or at such other address as such director shall have designated in writing filed with the Secretary, in each case not less than twenty-four hours prior to the meeting. The notice need not describe the purpose of the special meeting of the Board of Directors or the business to be transacted at such meeting. If mailed, such notice shall be deemed to be effective when deposited in the United States mail so addressed, with postage thereon prepaid. If notice is given by private carrier, such notice shall be deemed to be effective when delivered to the private carrier. If electronically transmitted, such notice shall be deemed to be effective when transmitted to the director. Whenever any notice whatever is required to be given to any director of the Corporation under the Articles of Incorporation or these Bylaws or any provision of Wisconsin law, a waiver thereof in writing, signed at any time, whether before or after the date and time of meeting, by the director entitled to such notice shall be deemed equivalent to the giving of such notice. The Corporation shall retain any such waiver as part of the permanent corporate records. A director's attendance at or participation in a meeting waives any required notice to him or her of the meeting unless the director at the beginning of the meeting or promptly upon his or her arrival objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

### **Section 3.6     Quorum.**

Except as otherwise provided by Wisconsin law or by the Articles of Incorporation or these Bylaws, a majority of the number of directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. Except as otherwise provided by Wisconsin law or by the Articles of Incorporation or by these Bylaws, a quorum of any committee of the Board of Directors created pursuant to Section 3.12 hereof shall consist of a majority of the number of directors appointed to serve on the committee. A majority of the directors present (though less than such quorum) may adjourn any meeting of the Board of Directors or any committee thereof, as the case may be, from time to time without further notice.

### **Section 3.7**     **Manner of Acting.**

The affirmative vote of a majority of the directors present at a meeting of the Board of Directors or a committee thereof at which a quorum is present shall be the act of the Board of Directors or such committee, as the case may be, unless Wisconsin law, the Articles of Incorporation or these Bylaws require the vote of a greater number of directors.

### **Section 3.8**     **Conduct of Meetings.**

The Chairman of the Board, and in his or her absence the President, and in their absence, any director chosen by the directors present, shall call meetings of the Board of Directors to order and shall act as chairperson of the meeting. The Secretary of the Corporation shall act as secretary of all meetings of the Board of Directors but in the absence of the Secretary, the individual responsible for acting as chair of the meeting may appoint any other person present to act as secretary of the meeting. Minutes of any regular or special meeting of the Board of Directors shall be prepared and distributed to each director. Such minutes shall be deemed the property of the Corporation and, in case a Director shall resign, fail of reelection, or in any other way vacate his or her position, such minutes shall be returned to the Secretary.

### **Section 3.9**     **Vacancies.**

Except as provided below, any vacancy occurring in the Board of Directors, including a vacancy resulting from an increase in the number of directors, may be filled by any of the following: (a) the shareholders; (b) the Board of Directors; or (c) if the directors remaining in office constitute fewer than a quorum of the Board of Directors, the directors, by the affirmative vote of a majority of all directors remaining in office. If the vacant office was held by a director elected by a voting group of shareholders, only the holders of shares of that voting group may vote to fill the vacancy if it is filled by the shareholders, and only the remaining directors elected by that voting group may vote to fill the vacancy if it is filled by the directors. A vacancy that will occur at a specific later date, because of a resignation effective at a later date or otherwise, may be filled before the vacancy occurs, but the new director may not take office until the vacancy occurs.

### **Section 3.10**    **Compensation.**

Directors who are salaried employees of the Corporation or any of its affiliates shall not be paid compensation for service as a director of the Corporation. The Board of Directors, irrespective of any personal interest of any of its members, may establish reasonable compensation for any other directors for services to the Corporation as directors, or may delegate such authority to an appropriate committee. The Board of Directors also shall have authority to provide for or delegate authority to an appropriate committee to provide for reasonable pensions, disability or death benefits, and other benefits or payments to employees and to their estates, families, dependents or beneficiaries on account of prior services rendered by such employees to the Corporation.

### **Section 3.11**    **Presumption of Assent.**

A director who is present at a meeting of the Board of Directors or any committee thereof when corporate action is taken assents to the action taken unless any of the following occurs: (a) the director objects at the beginning of the meeting or promptly upon his or her arrival to holding the meeting or transacting business at the meeting; (b) the director dissents or abstains from an action taken and minutes of the meeting are prepared that show the director's dissent or abstention from the action taken; (c) the director delivers written notice that complies with Wisconsin law of his or her dissent or abstention to the individual

responsible for acting as chair of the meeting pursuant to Section 3.8 of these Bylaws before its adjournment or to the Corporation immediately after adjournment of the meeting; or (d) the director dissents or abstains from an action taken, minutes of the meeting are prepared that fail to show the director's dissent or abstention from the action taken and the director delivers to the Corporation a written notice of that failure promptly after receiving the minutes. Such right of dissent or abstention shall not apply to a director who votes in favor of the action taken.

### **Section 3.12 Executive Committee and Other Committees.**

The Board of Directors by resolution adopted by the affirmative vote of a majority of the directors then in office may create an Executive Committee and one or more other committees, appoint members of the Board of Directors to serve on the committees, designate other members of the Board of Directors to serve as alternates and appoint one or more officers to serve as non-voting members of any committee. The Executive Committee, should the Board of Directors create one, shall satisfy all of the requirements for the composition of a board under Section 611.51(2) to (4) of the Wisconsin Statutes, except that the Executive Committee may be composed of 7 or more directors if the Corporation has 9 or more directors. The Executive Committee shall have and may exercise, when the Board of Directors is not in session, the powers of the Board of Directors in the management of the business and affairs of the Corporation. Any other committee created by the Board of Directors shall have three or more members who shall serve at the pleasure of the Board of Directors. The other committees, if any, shall have and may exercise such powers as may be provided in the Resolution of the Board of Directors creating such committee, as such resolution may from time to time be amended and supplemented; provided, however, that in no case shall any committee, other than the Executive Committee, take any action in respect to (a) compensation or indemnification of any person who is a director, principal officer or one of the 3 most highly paid employees, and any benefits or payments requiring shareholder approval; (b) approval of any contract required to be approved by the board under Sections 611.60 or 611.61 of the Wisconsin Statutes, or of any other transaction in which a director has a material interest adverse to the Corporation; (c) amendment of the Articles or Bylaws; (d) merger or consolidation, stock exchanges, conversion, voluntary dissolution, or transfer of business or assets; (e) any other decision requiring shareholder approval; (f) amendment or repeal of any action previously taken by the full board which by its terms is not subject to amendment or repeal by a committee; (g) dividends or other distributions to shareholders or policyholders, other than in the routine implementation of policy determinations of the full board; (h) selection of principal officers; and (i) filling of vacancies on the board or any committee created hereunder, except for temporary appointments to fill vacancies on the board or any committee, which appointments shall expire at the end of the next board meeting. Unless otherwise provided by the Board of Directors in creating the committee, a committee may employ counsel, accountants and other consultants to assist it in the exercise of its authority.

### **Section 3.13 Electronic Meetings.**

Except as herein provided and notwithstanding any place set forth in the notice of the meeting or these Bylaws, members of the Board of Directors (and any committees thereof created pursuant to Section 3.12 hereof) may participate in regular or special meetings by, or through the use of, any means of communication by which all participants may simultaneously hear each other, such as by conference telephone. If a meeting is conducted by such means, then at the commencement of such meeting the individual responsible for acting as chair of the meeting pursuant to Section 3.8 of these Bylaws (or, for a committee meeting, the chair of the committee) shall inform the participating directors that a meeting is taking place at

which official business may be transacted. Any participant in a meeting by such means shall be deemed present in person at such meeting. Notwithstanding the foregoing, no action may be taken at any meeting held by such means on any particular matter which the individual responsible for acting as chair of the meeting pursuant to Section 3.8 of these Bylaws (or, for a committee meeting, the chair of the committee) determines, in his or her sole discretion, to be inappropriate under the circumstances for action at a meeting held by such means. Such determination shall be made and announced in advance of such meeting.

**Section 3.14 Action without Meeting.**

Any action required or permitted by Wisconsin law to be taken at a meeting of the Board of Directors or a committee thereof created pursuant to Section 3.12 hereof may be taken without a meeting if the action is taken by all members of the Board or of the committee. The action shall be evidenced by one or more written consents describing the action taken, signed by each director or committee member and retained by the Corporation. Such action shall be effective when the last director or committee member signs the consent, unless the consent specifies a different effective date.

**ARTICLE IV. OFFICERS**

**Section 4.1 Number.**

The principal officers of the Corporation shall be a President, a Secretary and a Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. The Board of Directors may also authorize any officer to appoint one or more other officers or assistant officers. Any two or more offices may be held by the same person; provided, however, that the principal offices shall be held by three (3) separate natural persons.

**Section 4.2 Election and Term of Office.**

The officers of the Corporation to be elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as is practicable. Each officer shall hold office until his or her successor shall have been duly elected or until his or her prior death, resignation or removal.

**Section 4.3 Removal.**

The Board of Directors may remove any officer and, unless restricted by the Board of Directors or these Bylaws, an officer may remove any officer or assistant officer appointed by that officer, at any time, with or without cause and notwithstanding the contract rights, if any, of the officer removed. The appointment of an officer does not of itself create contract rights.

**Section 4.4 Resignation.**

An officer may resign at any time by delivering notice to the Corporation that complies with Wisconsin law. The resignation shall be effective when the notice is delivered, unless the notice specifies a later effective date and the Corporation accepts the later effective date.

**Section 4.5 Vacancies.**

A vacancy in any office because of death, resignation, removal, disqualification or otherwise, shall be filled by the Board of Directors, or by the appointing officer, for the unexpired portion of the term. If a resignation of an officer is effective at a later date as

contemplated by Section 4.4 of this Article, the Board of Directors may fill the pending vacancy before the effective date if the Board provides that the successor may not take office until the effective date.

**Section 4.6     Chairman of the Board.**

The Board of Directors shall elect a Chairman of the Board. The Chairman of the Board shall preside at all meetings of the shareholders and of the Board of Directors at which he or she is present and shall have such further and other authority, responsibility and duties as may be granted to or imposed upon such officer by the Board of Directors.

**Section 4.7     President.**

The President shall be the principal executive officer of the Corporation and, subject to the direction of the Board of Directors, shall in general supervise and control all of the business and affairs of the Corporation. The President shall preside at all meetings of the shareholders and of the Board of Directors when the Chairman of the Board is absent. He or she shall have authority, subject to such rules as may be prescribed by the Board of Directors, to appoint such agents and employees of the Corporation as he or she shall deem necessary, to prescribe their powers, duties and compensation, and to delegate authority to them. Such agents and employees shall hold office at the discretion of the President. He or she shall have authority to sign, execute and acknowledge, on behalf of the Corporation, all deeds, mortgages, bonds, stock certificates, contracts, leases, reports and all other documents or instruments necessary or proper to be executed in the course of the Corporation's regular business, or which shall be authorized by resolution of the Board of Directors; and, except as otherwise provided by law or the Board of Directors, he or she may authorize any other officer or agent of the Corporation to sign, execute and acknowledge such documents or instruments in his or her place and stead. In general he or she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

**Section 4.8     The Secretary.**

The Secretary shall: (a) keep minutes of the meetings of the shareholders and of the Board of Directors (and of committees thereof) in one or more books provided for that purpose (including records of actions taken by the shareholders or the Board of Directors (or committees thereof) without a meeting); (b) see that all notices are duly given in accordance with the provisions of the Articles of Incorporation, these Bylaws, and Wisconsin law; (c) be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents the execution of which on behalf of the Corporation under its seal is duly authorized; (d) maintain a record of the shareholders of the Corporation, in a form that permits preparation of a list of the names and addresses of all shareholders, by class or series of shares and showing the number and class or series of shares held by each shareholder; (e) sign, with the Chairman of the Board or the President, certificates for shares of the Corporation, the issuance of which shall have been authorized by resolution of the Board of Directors; (f) have general charge of the stock transfer books of the Corporation; and (g) in general perform all duties incident to the office of Secretary and have such other duties and exercise such authority as from time to time may be delegated or assigned by the President or by the Board of Directors. In the absence of the President or in the event of the President's death, inability or refusal to act, or in the event for any reason it shall be impracticable for the President to act personally, the Secretary shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President.



**Section 4.9     The Treasurer.**

The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Corporation; (b) maintain appropriate accounting records; (c) receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks, trust companies or other depositories as shall be selected pursuant to the provisions of these Bylaws; and (d) in general perform all of the duties incident to the office of Treasurer and have such other duties and exercise such other authority as from time to time may be delegated or assigned by the President or by the Board of Directors. In the absence of the President and the Secretary or in the event of both the President's and the Secretary's death, inability or refusal to act, or in the event for any reason it shall be impracticable for both the President and the Secretary to act personally, the Treasurer shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President.

**Section 4.10    Assistant Secretaries and Assistant Treasurers.**

There shall be such number of Assistant Secretaries and Assistant Treasurers as the Board of Directors may authorize from time to time. The Assistant Secretaries may sign, with the Chairman of the Board or the President, certificates for shares of the Corporation the issuance of which shall have been authorized by a resolution of the Board of Directors. The Assistant Treasurers shall respectively, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties and have such authority as shall from time to time be delegated or assigned to them by the Secretary or the Treasurer, respectively, or by the President or the Board of Directors.

**Section 4.11    Other Assistants and Acting Officers.**

The Board of Directors shall have the power to appoint, or to authorize any duly appointed officer of the Corporation to appoint, any person to act as assistant to any officer, or as agent for the Corporation in his or her stead, or to perform the duties of such officer whenever for any reason it is impracticable for such officer to act personally, and such assistant or acting officer or other agent so appointed by the Board of Directors or an authorized officer shall have the power to perform all the duties of the office to which he or she is so appointed to be an assistant, or as to which he or she is so appointed to act, except as such power may be otherwise defined or restricted by the Board of Directors or the appointing officer.

**ARTICLE V. FUNDS OF THE CORPORATION**

**Section 5.1     Deposits.**

All funds of the Corporation shall be deposited or invested in such depositories or in such securities as may be authorized from time to time by the Board of Directors or appropriate committee thereof.

**Section 5.2     Investments.**

All investments and deposits of funds of the Corporation shall be made and held in its corporate name, except that securities kept under a custodial agreement or trust agreement with a bank or banking and trust company may be issued in the name of a nominee of such bank or banking and trust company and except that securities may be acquired and held in bearer form.

### **Section 5.3     Loans.**

All loans contracted on behalf of the Corporation and all evidences of indebtedness that are issued in the name of the Corporation shall be under the authority of a resolution of the Board of Directors. Such authorization may be general or specific.

### **Section 5.4     Contracts.**

The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute or deliver any instrument in the name of and on behalf of the Corporation, and such authorization may be general or specific. In the absence of other designation, all deeds, mortgages and instruments of assignment or pledge made by the Corporation shall be executed in the name of the Corporation by the President, and in his or her absence the Secretary and also by the Secretary (if he or she has not signed in place of the President), an Assistant Secretary, the Treasurer or an Assistant Treasurer; the Secretary or an Assistant Secretary, when necessary or required, shall affix the corporate seal, if any, thereto; and when so executed no other party to such instrument or any third party shall be required to make any inquiry into the authority of the signing officer or officers.

### **Section 5.5     Disbursements.**

All checks, drafts or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner, including by means of facsimile signature, as shall from time to time be determined by or under authority of a resolution of the Board of Directors.

### **Section 5.6     Borrowing Prohibited.**

No director or officer of the Corporation shall borrow money from the Corporation, or receive any compensation for selling, aiding in the sale, or negotiating for the sale of any property belonging to the Corporation, or for negotiating any loan for or by the Corporation.

### **Section 5.7     Voting of Securities Owned by this Corporation.**

Subject always to the specific directions of the Board of Directors, (a) any shares or other securities issued by any other corporation and owned or controlled by this Corporation may be voted at any meeting of security holders of such other corporation by the President of this Corporation if he or she be present, or in his or her absence by the Secretary of this Corporation, or in their absence by the Treasurer of this Corporation, and (b) whenever, in the judgment of the President, or in his or her absence, the Secretary, or in their absence by the Treasurer, it is desirable for this Corporation to execute a proxy or written consent in respect to any shares or other securities issued by any other corporation and owned by this Corporation, such proxy or consent shall be executed in the name of this Corporation by the President, Secretary or Treasurer of this Corporation, without necessity of any authorization by the Board of Directors, affixation of corporate seal, if any, or countersignature or attestation by another officer. Any person or persons designated in the manner above stated as the proxy or proxies of this Corporation shall have full right, power and authority to vote the shares or other securities issued by such other corporation and owned by this Corporation the same as such shares or other securities might be voted by this Corporation.

## ARTICLE VI. CERTIFICATES FOR SHARES; TRANSFER OF SHARES

### **Section 6.1     Certificates for Shares.**

Certificates representing shares of the Corporation shall be in such form, consistent with Wisconsin law, as shall be determined by the Board of Directors. Such certificates shall be signed by the Chairman of the Board or the President and by the Secretary or an Assistant Secretary. All certificates for shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the Corporation. All certificates surrendered to the Corporation for transfer shall be cancelled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled, except as provided in Section 6.6 of this Article.

### **Section 6.2     Facsimile Signatures and Seal.**

The seal of the Corporation, if any, on any certificates for shares may be a facsimile. The signature of the Chairman of the Board or the President and the Secretary or Assistant Secretary upon a certificate may be facsimiles if the certificate is manually signed on behalf of a transfer agent, or a registrar, other than the Corporation itself or an employee of the Corporation.

### **Section 6.3     Signature by Former Officers.**

The validity of a share certificate is not affected if a person who signed the certificate (either manually or in facsimile) no longer holds office when the certificate is issued.

### **Section 6.4     Transfer of Shares.**

Prior to due presentment of a certificate for shares for registration of transfer the Corporation may treat the registered owner of such shares as the person exclusively entitled to vote, to receive notifications and otherwise to have and exercise all the rights and power of an owner. Where a certificate for shares is presented to the Corporation with a request to register for transfer, the Corporation shall not be liable to the owner or any other person suffering loss as a result of such registration of transfer if (a) there were on or with the certificate the necessary endorsements, and (b) the Corporation had no duty to inquire into adverse claims or has discharged any such duty. The Corporation may require reasonable assurance that such endorsements are genuine and effective and compliance with such other regulations as may be prescribed by or under the authority of the Board of Directors.

### **Section 6.5     Restrictions on Transfer.**

The face or reverse side of each certificate representing shares shall bear a conspicuous notation of any restriction imposed by the Corporation upon the transfer of such shares.

### **Section 6.6     Lost, Destroyed or Stolen Certificates.**

Where the owner claims that certificates for shares have been lost, destroyed or wrongfully taken, a new certificate shall be issued in place thereof if the owner (a) so requests before the Corporation has notice that such shares have been acquired by a bona fide purchaser, (b) files with the Corporation a sufficient indemnity bond if required by the Board of Directors or any principal officer, and (c) satisfies such other reasonable requirements as may be prescribed by or under the authority of the Board of Directors.

**Section 6.7     Consideration for Shares.**

The Board of Directors may authorize shares to be issued for consideration consisting of any tangible or intangible property or benefit to the Corporation, including cash, promissory notes, services performed, contracts for services to be performed or other securities of the Corporation. Before the Corporation issues shares, the Board of Directors shall determine that the consideration received or to be received for the shares to be issued is adequate. In the absence of a resolution adopted by the Board of Directors expressly determining that the consideration received or to be received is adequate, approval by the Board of Directors of the issuance of the shares shall be deemed to constitute such a determination. The determination of the Board of Directors is conclusive insofar as the adequacy of consideration for the issuance of shares relates to whether the shares are validly issued, fully paid and nonassessable. The Corporation may place in escrow shares issued in whole or in part for a contract for future services or benefits, a promissory note, or other property to be issued in the future, or make other arrangements to restrict the transfer of the shares, and may credit distributions in respect of the shares against their purchase price, until the services are performed, the benefits or property are received or the promissory note is paid. If the services are not performed, the benefits or property are not received or the promissory note is not paid, the Corporation may cancel, in whole or in part, the shares escrowed or restricted and the distributions credited.

**Section 6.8     Stock Regulations.**

The Board of Directors shall have the power and authority to make all such further rules and regulations not inconsistent with law as it may deem expedient concerning the issue, transfer and registration of shares of the Corporation.

**ARTICLE VII. GENERAL**

**Section 7.1     Corporate Seal.**

The Board of Directors may provide for a corporate seal for the Corporation.

**Section 7.2     Fiscal Year.**

The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December each year.

**ARTICLE VIII. INDEMNIFICATION**

The Corporation shall, to the fullest extent permitted or required by Section 611.62 and Sections 180.0850 to 180.0859, inclusive, of the Wisconsin Statutes, including any amendments thereto (but in the case of any such amendment, only to the extent such amendment permits or requires the Corporation to provide broader indemnification rights than prior to such amendment), indemnify its Directors and Officers against any and all Liabilities, and advance any and all reasonable Expenses, incurred thereby in any Proceeding to which any such Director or Officer is a Party because he or she is or was a Director or Officer of the Corporation. The Corporation shall also indemnify an employee who is not a Director or Officer, to the extent that the employee has been successful on the merits or otherwise in defense of a Proceeding, for all Expenses incurred in the Proceeding if the employee was a Party because he or she is or was an employee of the Corporation. The rights to indemnification granted hereunder shall not be deemed exclusive of any other rights to indemnification against Liabilities or the advancement of Expenses which a Director, Officer or employee may be entitled under any written agreement, Board resolution, vote of shareholders, Wisconsin law or otherwise. The Corporation may, but

shall not be required to, supplement the foregoing rights to indemnification against Liabilities and advancement of Expenses under this Section by the purchase of insurance on behalf of any one or more of such Directors, Officers or employees, whether or not the Corporation would be obligated to indemnify or advance Expenses to such Director, Officer or employee under this Section. All capitalized terms used in this Article and not otherwise defined herein shall have the meaning set forth in Section 180.0850 of the Wisconsin Statutes.

## **ARTICLE IX. AMENDMENTS**

### **Section 9.1 By Vote of Directors.**

These Bylaws may be amended by vote of a majority of the directors present at any meeting of the Board of Directors at which a quorum is in attendance.

### **Section 9.2 Implied Amendments/Suspension of Bylaws.**

Any action taken or authorized by the shareholders or by the Board of Directors which would be inconsistent with the Bylaws then in effect but which is taken or authorized by affirmative vote of not less than the number of shares or the number of directors required to amend the Bylaws so that the Bylaws would be consistent with such action shall be given the same effect as though the Bylaws had been amended or suspended to the extent and for so long, but only to the extent and for so long, as is necessary to permit the specific action so taken or authorized.

## **Exhibit E**

### **ARTICLES OF INCORPORATION**

#### **OF**

#### **AMERICAN FAMILY INSURANCE MUTUAL HOLDING COMPANY (a Wisconsin Mutual Insurance Holding Company)**

These Articles of Incorporation are executed for the purpose of forming a Wisconsin mutual holding company pursuant to the authority and provisions of Chapters 644, 611, and 181 of the Wisconsin Statutes.

#### ARTICLE I.

##### Name

The name of the Corporation is American Family Insurance Mutual Holding Company.

#### ARTICLE II.

##### Principal Office, Registered Office, and Registered Agent

The mailing and street address of the initial principal office of the Corporation is 6000 American Parkway, Madison, Dane County, Wisconsin 53783. The address of the initial registered office of the Corporation is 8040 Excelsior Drive, Suite 400, Madison, Wisconsin 53717. The name of the Corporation's initial registered agent at such address is Corporation Service Company.

#### ARTICLE III.

##### Incorporator

The name and address of the sole incorporator is Ann F. Wenzel, c/o American Family Mutual Insurance Company, S.I., 6000 American Parkway, Madison, Wisconsin 53783.

#### ARTICLE IV.

##### Purposes

The purposes for which this Corporation is organized are to (i) engage in any lawful activity within the purposes for which mutual insurance holding companies may be organized under Chapter 644 of the Wisconsin Statutes, and (ii) to own at all times, directly or indirectly, at least fifty-one percent (51%) of the voting stock of American Family Mutual Insurance Company, S.I., the stock insurer into which American Family Mutual Insurance Company ("AFMIC") has been reorganized in accordance with the provisions of Chapter 644 of the Wisconsin Statutes and the Mutual Holding Company Plan filed with the Office of the Wisconsin Commissioner of Insurance (the "Plan").

## ARTICLE V.

### Members

5.1 Entitlement to Membership. The term “Member” shall mean, for purposes of these Articles and the Bylaws of the Corporation, each person and each entity which is deemed a Member of the Corporation pursuant to paragraphs (a) or (b) of this Section 5.1.

(a) Each person who, and each entity which, became a Member of the Corporation in accordance with the Mutual Holding Company Plan pursuant to which the Corporation was formed as of the effective date of such formation (the “Inception Date”) shall remain a Member so long as at least one (1) policy of insurance by virtue of which such membership in the Corporation is derived remains in force.

(b) Each person who, and each entity which: (i) is not a Member pursuant to Section 5.1(a); and (ii) is the owner of one (1) or more policies of insurance issued, renewed, or assumed after the Inception Date by an insurance company that has been designated in accordance with these Articles of Incorporation and the Bylaws of the Corporation as an American Family Member Company shall be a Member of the Corporation without further act, commencing with the date any such policy is first in force and continuing for so long as at least one (1) policy of insurance by virtue of which such membership in the Corporation is derived remains in force.

5.2 Cessation of Membership. Any person who, or entity which, has become a Member of the Corporation as described in Section 5.1(a) or (b) shall cease to be a Member; and all associated rights and privileges, including without limitation the Membership Interest and Rights in Surplus of such Member, if any, shall cease; as of the date no policy of insurance by virtue of which such Member status is derived remains in force, whether as a result of lapse, expiration, nonrenewal, cancellation, termination, or novation of such policy.

5.3 American Family Member Companies. Initially, the designated American Family Member Companies shall be American Family Mutual Insurance Company, S.I., American Standard Insurance Company of Ohio, and American Family Insurance Company. After the date hereof, the Board of Directors of the Corporation may take action to designate any direct or indirect subsidiary of the Corporation as an additional American Family Member Company. Notwithstanding the provisions of Section 5.1(b), at the time it takes action to designate an additional American Family Member Company, the Board of Directors may also specify the timing of admission of policyholders of such company as Members of the Corporation. For the avoidance of doubt: (a) once designated as an American Family Member Company, such company shall retain such designation unless and until it is no longer a direct or indirect subsidiary of the Corporation; and (b) the Corporation may have subsidiaries that are not American Family Member Companies.

5.4 Meetings of Members. Annual and special meetings of the Members shall be held at such time, date and place as determined by the Board of Directors in accordance with the Bylaws. Each Member of record as of the record date for any meeting of Members shall be entitled to vote in person or by proxy at such meeting in accordance with procedures prescribed in the Bylaws.

5.5 Voting Rights of Members. Each Member shall be entitled to one vote on each matter coming before a meeting of the Members and for each director to be elected regardless of the number of policies or amount of insurance and benefits held by such Member. The owner of a group policy shall have but one vote regardless of the number of individuals insured or benefited thereunder. Two or more persons who qualify as policyholders under

a single policy shall be deemed one Member for purposes of voting and collectively shall be entitled to one vote. Fractional voting is not permitted. When a Member is a minor, the vote shall be vested in the parent or legal guardian of the minor.

5.6 Restrictions. No Member may transfer any rights arising out of such Member's status as a Member; provided, however, that such limitation shall not restrict the Member's right to assign a policy that is otherwise permissible pursuant to the terms of such policy and the Corporation's Bylaws.

5.7 Rights in Surplus. This Corporation shall be a mutual holding company, without capital stock. The Members of the Corporation shall have such Rights in Surplus of the Corporation as are provided for under Chapter 644 of the Wisconsin Statutes, as amended from time to time, or any successor provisions of Wisconsin law.

## ARTICLE VI.

### Board of Directors

The initial Board of Directors shall be those individuals named in the Plan. Thereafter, the Board of Directors shall be elected by the Members.

## ARTICLE VII.

### Amendment of Articles

7.1 Required Vote. These Articles of Incorporation may be amended by a vote of the lesser of: (i) two-thirds (2/3) of the Members present and voting in person or by proxy at a meeting of the Members; or (ii) a majority of the voting power held by the Members.

## ARTICLE VIII.

### Notice of Meetings

8.1 Notice of Meeting by Publication. In lieu of delivery of a notice of meeting of Members to each Member, the Corporation may publish a copy of the notice of meeting in a newspaper of general statewide circulation in the State of Wisconsin at least thirty (30) days prior to such meeting, together with such additional notice, if any, as may be required by the Commissioner of Insurance, or upon such notice and in such manner as may be provided by the laws of the State of Wisconsin and the Bylaws of the Corporation effective at the time such meeting is held.

8.2 Notice of Time and Place of Annual Meetings. In lieu of delivery to each Member of a notice of the annual meeting of Members at which directors are elected, the Corporation may print the time and place of such annual meeting conspicuously on each policy under which a Member derives a membership interest.

IN WITNESS WHEREOF, these Articles of Incorporation are executed on behalf of American Family Insurance Mutual Holding Company.

Dated: \_\_\_\_\_, 20\_\_.

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Ann F. Wenzel, Sole Incorporator



# **Exhibit F**

## **BYLAWS**

### **OF**

## **AMERICAN FAMILY INSURANCE MUTUAL HOLDING COMPANY**

Adopted: \_\_\_\_\_, 20\_\_

### **ARTICLE 1 OFFICES**

The principal office of the Corporation shall be in the City of Madison, Dane County, Wisconsin, but the Corporation may also have offices at such other places as the Directors may from time to time designate or its business may require.

### **ARTICLE 2 MEETINGS OF MEMBERS**

Section 2.1 Annual Meetings and Notices. The annual meeting of the Members of the Corporation for the purpose of electing Directors and for the transaction of such other business as shall properly come before the meeting, shall be held at the principal office of the Corporation on the first Tuesday in March at 2:00 p.m., in each year. The notice of such meeting printed in any policy conferring membership in the Corporation shall constitute proper notice to the Member owning such policy of the time and place of the annual meetings. Notice of annual meetings may be given by any other means permitted under the Articles of Incorporation of the Corporation and the laws of the State of Wisconsin.

Section 2.2 Special Meetings. Special meetings of the Members shall be held at the principal office of the Corporation upon call by the Secretary, who shall call such special meeting, upon written request, filed with the Secretary at least sixty (60) days in advance of the date of such meeting, (1) by the Chairman of the Board, or (2) by a majority of the Board of Directors, or (3) by not less than 5% of the Members of the Corporation. Request for a special meeting must be in writing and shall state the proposed time, place, and purpose of such meeting. Special meetings shall be confined to the purposes stated in the call and matters germane thereto. Notice of special meetings of the Members shall be given not less than fifteen (15) days in advance of such meeting, or such longer period as may be required by the Articles of Incorporation or applicable law, and in such manner, consistent with applicable law and the Articles of Incorporation of the Corporation, as may be prescribed by resolution of the Board of Directors.

Section 2.3 Conduct of Meetings. The Chairman of the Board or the Board of Directors shall set and approve the agenda for Members meetings. The Chairman of the Board, or in the Chairman of the Board's absence, the President, or in the President's absence, the Secretary, shall call the meeting of the Members to order and shall act as chairperson of the meeting, and the Secretary of the Corporation shall act as Secretary of all meetings of the Members, but in the absence of the Secretary, or in the event the Secretary is acting as chairperson of the meeting, the presiding chairperson may appoint any other person to act as secretary of the meeting.

Section 2.4 Voting. Each Member, present in person or represented by proxy, at any annual or special meeting of the Members shall be entitled to cast one vote.

Section 2.5 Proxies. A Member may vote at any meeting of the Members in person or by proxy. A Member may appoint a proxy to vote or otherwise act for the Member by a written appointment form signed by or on behalf of the Member, or by electronically transmitting or authorizing the electronic transmission of the appointment to the person who will be appointed as proxy or to a proxy solicitation firm, proxy support service organization, or like agent authorized to receive the transmission by the person who will be appointed as proxy. Every electronic transmission shall contain, or be accompanied by, information that can be used to reasonably determine that the Member electronically transmitted or authorized the electronic transmission of the appointment. Any person charged with determining whether a Member electronically transmitted or authorized the electronic transmission of the appointment shall specify the information upon which the determination is made. Proxies shall be valid only for one meeting, to be specified therein, unless otherwise provided in the proxy, and any adjournments of such meeting. Proxies shall be dated and shall be filed with the records of the meeting. The Board of Directors shall have the power and authority to make rules establishing presumptions as to the validity and sufficiency of proxies. Proxies must be filed with and be in the hands of the Secretary at least five (5) days prior to the date of any annual or special meeting of the Members and any proxy not so filed shall not be voted.

Section 2.6 Quorum and Manner of Acting. A quorum shall be required for the transaction of business at any meeting of the Members. Ten (10) Members present in person or by proxy shall constitute a quorum. If a quorum is not present, the majority of those present and qualified to vote may adjourn such meeting from time to time without notice other than by announcement at the meeting. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting had it been held at the time originally fixed therefor. Unless otherwise provided by law, the Articles of Incorporation or these Bylaws, action at any annual or special meeting of the Members shall be by majority vote of Members entitled to vote, present either in person or by proxy.

Section 2.7 Record Date. The Board of Directors may fix a date for determination of record those Members who are entitled to notice of and to vote at meetings of Members, which date shall be not less than twenty (20) or more than ninety (90) days prior to such meeting.

Section 2.8 Waiver of Notice by Members. Whenever any notice is required to be given to any Member of the Corporation under the Articles of Incorporation or Bylaws or any provision of law, a waiver thereof in writing, signed at any time, whether before or after the time of meeting, by the Member entitled to such notice, shall be deemed equivalent to the giving of such notice; provided that such waiver in respect to any matter of which notice is required under any provision of law, shall contain the same information as would have been required to be included in such notice, except the time and place of meeting.

### **ARTICLE 3 DIRECTORS**

Section 3.1 General Powers and Number. The business and affairs of the Corporation shall be managed by a Board of Directors of not more than fifteen (15) and not less than the number required by Wisconsin law, at the discretion of the Board of Directors. The

actual number of the Directors shall be designated annually within these limits by the Board of Directors prior to the annual meeting. Except as expressly limited by law, all corporate powers of the Corporation shall be vested in and may be exercised by the Board of Directors.

Section 3.2 Classification. The Board of Directors shall be divided into three (3) groups, to be as nearly equal in number of Directors in each group as possible. The three groups are to be designated Group I, Group II, and Group III. The term of office of the Directors in Group III shall expire at the first annual meeting after their initial election and until their successors are elected and qualified; the term of office of the Directors in Group I shall expire at the second annual meeting after their initial election and until their successors are elected and qualified; and the term of office of the Directors in Group II shall expire at the third annual meeting after the initial election and until their successors are elected and qualified. At each annual meeting after the initial classification of the Board of Directors, the group of Directors whose term expires at the time of such election shall be elected to hold office until the third succeeding annual meeting and until their successors are elected and qualified.

Section 3.3 Tenure and Qualifications. Each Director shall hold office until the end of his or her term and until his or her successor shall have been elected, or until his or her prior death, resignation, or removal. A Director may be removed from office with or without cause by affirmative vote of two-thirds (2/3) of the remaining members of the Board of Directors, taken at a regular meeting or a special meeting called for that purpose. A Director may resign at any time by filing his or her written resignation with the Secretary of the Corporation.

No Director, not a former employee or Officer of the Corporation, shall be qualified to continue on the Board of Directors after retirement from his or her principal occupation unless the Nominating and Governance Committee recommends to the Board of Directors his or her continued service.

No Director shall be qualified to continue on the Board of Directors who, for whatever reason, fails to attend one-half or more of the total Board of Directors meetings and his or her committee meetings in any calendar year, or is absent for three (3) consecutive meetings either of the Board of Directors and his or her committee assignments or a combination of both.

No Director shall serve beyond the date of the regularly scheduled meeting immediately preceding his or her seventieth (70th) birthday.

A Director residing in an operating state of the Corporation's subsidiaries is encouraged to become a policyholder of one or more of the Corporation's subsidiaries.

Section 3.4 Nomination for Election to the Board of Directors. Nominations for election to the Board of Directors may be made by the Board of Directors or by any Member of the Corporation entitled to vote for election of Directors. Nominations, other than those made by, or on behalf of, the existing Board of Directors, shall be made in writing and shall be delivered or mailed to the Chairman of the Board, and/or the President of the Corporation, not less than ninety (90) days prior to the annual meeting of Members. Such notification shall contain the following information: (a) the name and address of each proposed nominee; (b) the principal occupation of each proposed nominee; and (c) the name and residence address of the nominating Member. Nominations not made in accordance herewith may be disregarded by the chairperson of the meeting, and in determining the total votes cast for any such nominee, such votes shall be disregarded.

Section 3.5 Regular and Special Meetings. Regular meetings of the Board of Directors shall be held at the Corporation's principal office or at such other place as may be designated by the Chairman of the Board. Such meetings shall be held at least quarterly at such times as the Directors shall prescribe. The Chairman of the Board may call special meetings of the Directors and he or she shall call a special meeting of the Board of Directors when requested, in writing, by three (3) Directors. The Secretary shall give notice of all special meetings in the manner provided herein.

Section 3.6 Annual Meeting. The annual meeting of the Directors shall be held on the same day and at the same place as the annual meeting of the Members and shall convene immediately after adjournment thereof. At such meeting the Directors shall elect Officers and standing committees. If for any reason the annual meeting of Directors is not held at the time designated, or if there is a failure to elect Officers and standing committees, such Officers and committees may be elected either at a special meeting called for such purpose or at the next regular meeting.

Section 3.7 Quorum and Manner of Acting. A majority of the Directors in office shall constitute a quorum for the transaction of business. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by the Articles of Incorporation or these Bylaws.

Section 3.8 Notice; Waiver. Notice of each special meeting of the Board of Directors shall be given by written notice delivered in person, by facsimile, e-mail, or other form of wire or wireless communication, or by mail or private carrier, to each Director at his or her business address or at such other address as such Director shall have designated in writing filed with the Secretary, in each case not less than forty eight (48) hours prior to the meeting. The notice need not describe the purpose of the special meeting of the Board of Directors or the business to be transacted at such meeting. If delivered by facsimile or e-mail, such notice shall be deemed to be given when sent. If mailed, such notice shall be deemed to be given when deposited in the United States mail so addressed, with postage thereon prepaid. If notice is given by private carrier, such notice shall be deemed to be given when delivered to the private carrier. Whenever any notice whatever is required to be given to any Director of the Corporation under the Articles of Incorporation or these Bylaws or any provision of Wisconsin law, a waiver thereof in writing, signed at any time, whether before or after the date and time of meeting, by the Director entitled to such notice shall be deemed equivalent to the giving of such notice. A Director's attendance at or participation in a meeting waives any required notice to him or her of the meeting unless the Director at the beginning of the meeting or promptly upon his or her arrival objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Section 3.9 Vacancies. Any vacancy occurring in the Board of Directors, including a vacancy created by an increase in the number of Directors, may be filled until the next succeeding annual election by the Members by the affirmative vote of a majority of the Directors then in office, though less than a quorum of the Board of Directors; provided, that in the case of a vacancy created by the removal of a Director by vote of the Members, the Members shall have the right to fill such vacancy.

Section 3.10 Compensation. A Director may receive such compensation for services as is determined by resolution of the Board of Directors. A Director may also serve the Corporation in any other capacity and receive compensation therefor.

Section 3.11 Presumption of Assent. A Director of the Corporation who is present at a meeting of the Board of Directors or a committee thereof of which he or she is a member, at which action on any corporate matter is taken, shall be presumed to have assented to the action taken unless his or her written dissent to such action is filed with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 3.12 Committees. The Board of Directors, by resolution adopted by the affirmative vote of a majority of the total number of Directors then in office, may create an Executive Committee and one or more other committees, appoint members of the Board of Directors to serve on the committees, designate other members of the Board of Directors to serve as alternates, and appoint one or more Officers to serve as non-voting members of any committee. Any committee created by the Board of Directors shall have three or more voting members who shall serve at the pleasure of the Board of Directors. The committees, if any, shall have and may exercise such powers as may be provided in the Resolution of the Board of Directors creating such committee, as such resolution may from time to time be amended and supplemented, and subject to any requirements of applicable law. Unless otherwise provided by the Board of Directors in creating a committee, a committee may employ counsel, accountants and other consultants to assist it in the exercise of its authority. Each such committee shall fix its own rules governing the conduct of its activities and shall make such reports to the Board of Directors of its activities as the Board of Directors may request.

Section 3.13 Unanimous Consent without Meeting. Any action required or permitted by the Articles of Incorporation or Bylaws or any provision of law to be taken by the Board of Directors or any of its committees at a meeting or by resolution may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors then in office or, in the case of a committee, all of the voting members of such committee.

Section 3.14 Electronic Meetings. Except as herein provided and notwithstanding any place set forth in the notice of the meeting or these Bylaws, members of the Board of Directors (and any committees thereof created pursuant to Article 3, Section 3.12 hereof) may participate in regular or special meetings by, or through the use of, any means of communication by which all participants may simultaneously hear each other, such as by conference telephone or other electronic device. If a meeting is conducted by such means, then at the commencement of such meeting the chairperson or committee chair, as applicable, shall inform the participating Directors that a meeting is taking place at which official business may be transacted. Any participant in a meeting by such means shall be deemed present in person at such meeting. Notwithstanding the foregoing, no action may be taken at any meeting held by such means on any particular matter which the chairperson or committee chair, as applicable, determines, in his or her sole discretion, to be inappropriate under the circumstances for action at a meeting held by such means. Such determination shall be made and announced in advance of such meeting.

## ARTICLE 4 OFFICERS

Section 4.1 Principal Officers. The Principal Officers of the Corporation shall be Chief Executive Officer, President, Secretary, and Treasurer, each of whom shall be elected by the Board of Directors. Additional officers may be elected by the Board of Directors, including without limitation one or more Assistant Treasurers and Assistant Secretaries (together with the Principal Officers, the “Officers”). The Board of Directors may also authorize any officer to appoint one or more of such other Officers. The duties of the Officers shall be those enumerated herein and any further duties designated by the Board of Directors.

Section 4.2 Chairman of the Board. The Board of Directors shall elect a Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Members and the Board of Directors. In the absence or inability of the Chairman of the Board to act, the President shall preside at the meeting of the Members and the Board of Directors, and in the absence of both the Chairman of the Board and the President, the Secretary shall preside at such meetings.

Section 4.3 Chief Executive Officer. The Chief Executive Officer shall exercise general administrative leadership and direction of the Corporation in conformity with actions and controls established and maintained by the Board of Directors. The Chief Executive Officer shall have the power and authority to execute on behalf of the Corporation any and all documents, contracts, instruments, or other papers to which the signature of the Corporation is to be attached; provided, however, a facsimile signature may be printed, engraved, or stamped on any approved document, contract, instrument or other papers of the Corporation.

Section 4.4 President. The President shall be the Chief Operating Officer of the Corporation and shall, in concurrence with the Chief Executive Officer and actions of the Board of Directors, direct the activities of its Officers. The President shall have the power and authority to execute on behalf of the Corporation those documents, contracts, instruments, or other papers to which the signature of the Corporation is to be attached; provided, however, a facsimile signature may be printed, engraved or stamped on any approved document, contract, instrument, or other papers of this Corporation. The President shall exercise the discretion of and perform generally all of the duties incident to the Office of President and such other and further duties as may be required by the Board of Directors and the Chief Executive Officer.

Section 4.5 Succession. Should the Chief Executive Officer be absent or unable to act, the President shall assume the role of the Chief Executive Officer with the same power and authority vested in the Chief Executive Officer. If the President is unable to serve, the Board of Directors shall designate another Officer or Director to discharge the duties of the Chief Executive Officer with the same power and authority vested in the Chief Executive Officer in accordance with the current plan of succession as determined by the Board of Directors.

Section 4.6 Secretary. The Secretary shall keep a record of the Minutes of the meetings of the Members and of the Board of Directors. He or she shall countersign all instruments and documents executed by the Corporation which the laws or Bylaws require to be so executed; affix to instrument and documents the seal of the Corporation; keep in proper books therefor the transactions of the Corporation; and perform such other duties as usually are incident to such office.

Section 4.7 Treasurer. The Treasurer, subject to the control of the Board of Directors, shall collect, receive, and safely keep all moneys, funds, and securities of the Corporation, and attend to all its pecuniary affairs. He or she shall keep full and complete accounts and records of all his or her transactions, of sums owing to or by the Corporation, and all rents and profits in its behalf. The books of account and records shall at all reasonable times be open to the inspection of the Members, and he or she shall furnish to the Members at their annual meeting and to the Directors, whenever requested by them, such statements and reports of the same as are necessary to a full exhibit of the financial condition of the Corporation.

Section 4.8 Term, Removal & Salaries. All Officers shall hold office for one year and until their successors are elected and qualified, or until their prior death, resignation, or removal. The Board of Directors may remove any officer and, unless restricted by the Board of Directors or these Bylaws, an officer may remove any officer appointed by that officer, at any time, with or without cause and notwithstanding the contract rights, if any, of the officer removed. The appointment of an officer does not of itself create contract rights. Salaries of all Officers, with the exception of any Assistant Treasurers and any Assistant Secretaries, shall be fixed by the Board of Directors.

## **ARTICLE 5 FUNDS OF THE CORPORATION**

Section 5.1 Deposits. All funds of the Corporation shall be deposited or invested in such depositories or in such securities as may be authorized from time to time by the Board of Directors or appropriate committee under authorization of the Board of Directors.

Section 5.2 Investments. All investments and deposits of funds of the Corporation shall be made and held in its corporate name, except that securities kept under a custodial agreement or trust arrangement with a bank or banking and trust company may be issued in the name of a nominee of such bank or banking and trust company and except that securities may be acquired, and held in bearer form.

Section 5.3 Loans. All loans contracted on behalf of the Corporation and all evidences of indebtedness that are issued in the name of that Corporation shall be under the authority of the resolution of the Board of Directors. Such authorization may be general or specific.

Section 5.4 Contracts. The Board of Directors may authorize one or more Principal Officers or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation. Such authorization may be general or specific.

Section 5.5 Disbursements. All checks, drafts or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such Officer or Officers, agent or agents of the Corporation and in such manner, including by means of facsimile signature, as shall from time to time be determined by or under authority of a resolution of the Board of Directors

Section 5.6 Borrowing Prohibited. No Director or Officer of the Corporation shall borrow money from the Corporation, or receive any compensation for selling, aiding in the sale, or negotiating for the sale of any property belonging to the Corporation, or for negotiating any loan for or by the Corporation.

Section 5.7 Voting of Securities Owned by the Corporation. Subject always to the specific directions of the Board of Directors, (a) any shares or other securities issued by any other corporation and owned or controlled by this Corporation may be voted at any meeting

of security holders of such other corporation by the Chairman of the Board or the President of this Corporation, or their designee, and (b) whenever, in the judgment of the Chairman of the Board or the President, it is desirable for this Corporation to execute a proxy or written consent in respect to any shares or other securities issued by any other corporation and owned by this Corporation by the Chairman of the Board or President, or their designee, without necessity of any authorization by the Board of Directors, affixation of corporate seal, or countersignature or attestation by the Secretary or Assistant Secretary. Any person or persons designated in the manner above stated as the proxy or proxies of this Corporation shall have full right, power, and authority to vote the shares or other securities issued by such other corporation and owned by this Corporation the same as such shares or other securities might be voted by this Corporation.

## **ARTICLE 6 INDEMNIFICATION OF DIRECTORS AND OFFICERS**

The Corporation shall, to the fullest extent permitted or required by Section 644.18(2) and Sections 181.0871 to 181.0881 and 181.0889, inclusive, of the Wisconsin Statutes, including any amendments thereto (but in the case of any such amendment, only to the extent such amendment permits or requires the Corporation to provide broader indemnification rights than prior to such amendment), indemnify its Directors and Officers against any and all Liabilities, and advance any and all reasonable Expenses, incurred thereby in any Proceeding to which any such Director or Officer is a Party because he or she is or was a Director or Officer of the Corporation. The Corporation shall also indemnify an employee who is not a Director or Officer of the Corporation, to the extent that the employee has been successful on the merits or otherwise in defense of a proceeding, for all Expenses incurred in the Proceeding if the employee was a party because he or she was an employee of the Corporation. The rights to indemnification granted hereunder shall not be deemed exclusive of any other rights to indemnification against Liabilities or the advancement of Expenses which a Director, Officer or employee may be entitled under any written agreement or resolution of the Board of Directors, vote of the Members, the Wisconsin Insurance Code or otherwise. The Corporation may, but shall not be required to, supplement the foregoing rights to indemnification against Liabilities and advancement of Expenses under this Article 6 by the purchase of insurance on behalf of any one or more of such Directors, Officers or employees, whether or not the Corporation would be obligated to indemnify or advance Expenses to such Director, Officer or employee under this Article 6. All capitalized terms used in this Article 6 and not otherwise defined herein shall have the meaning set forth in Section 181.0871 of the Wisconsin Statutes.

## **ARTICLE 7 AMENDMENTS**

Section 7.1 Amendment by Board Action. These Bylaws may be amended or a provision of the Bylaws waived by a vote of three-fourths (3/4) of the Directors voting at any regular or special meeting of the Board of Directors.

Section 7.2 Implied Amendments. Any action taken or authorized by the Board of Directors, which would be inconsistent with the Bylaws then in effect but is taken or authorized by the affirmative vote of not less than the number of Directors required to amend the Bylaws so that the Bylaws would not be inconsistent with such action, shall be given the same effect as though the Bylaws had been amended or suspended to the extent and for so long, but only to the extent and for so long, as is necessary to permit the specific action so taken or authorized.



## **Exhibit G**

### **ARTICLES OF INCORPORATION**

#### **OF**

#### **AMFAM HOLDINGS, INC.**

#### **(A Wisconsin Business Corporation)**

The undersigned, acting as the sole incorporator of a corporation organized under the Wisconsin Business Corporation Law, Chapter 180 of the Wisconsin Statutes, adopts the following Articles of Incorporation for such corporation.

#### **ARTICLE I**

Name: The name of the corporation is AmFam Holdings, Inc. (the “Corporation”).

#### **ARTICLE II**

Purpose: The Corporation is organized for any purpose permitted under Chapter 180 of the Wisconsin Statutes.

#### **ARTICLE III**

Authorized Stock: The aggregate number of shares that the Corporation shall have authority to issue is Ten Thousand (10,000) shares, consisting of one class only, designated as “Common Stock,” with a par value of \$0.001 per share.

#### **ARTICLE IV**

Registered Office and Registered Agent: The address of the initial registered office of the Corporation is 8040 Excelsior Drive, Suite 400, Madison, Wisconsin 53717. The name of the Corporation’s initial registered agent at such address is Corporation Service Company.

#### **ARTICLE V**

Action by Shareholders Without a Meeting: Any action required or permitted to be taken at a meeting of the Corporation’s shareholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted, and such consent or consents are delivered to the Corporation, all in conformance with the Wisconsin Business Corporation Law.

## ARTICLE VI

Quorum and Voting Requirement for Shareholders: The Bylaws of the Corporation may provide for a greater or lower quorum requirement or a greater voting requirement for shareholders or voting groups of shareholders than is provided by the Wisconsin Business Corporation Law.

## ARTICLE VII

Incorporator: The name and address of the sole incorporator of the Corporation is Ann F. Wenzel, c/o American Family Mutual Insurance Company, S.I., 6000 American Parkway, Madison, Wisconsin 53783.

Executed this [\_\_\_\_\_] day of [\_\_\_\_\_], [20\_\_].

---

Ann F. Wenzel  
Sole Incorporator

*This instrument was drafted by and should be returned to Anne E. Ross of Foley & Lardner LLP, 150 East Gilman Street, Madison, Wisconsin 53703-1481.*

# Exhibit H

## BYLAWS

### OF

#### AMFAM HOLDINGS, INC.

Adopted: \_\_\_\_\_, 20\_\_

#### ARTICLE I. OFFICES

##### **Section 1.1. Principal and Business Offices.**

The Corporation may have such principal and other business offices, either within or without the State of Wisconsin, as the Board of Directors may designate or as the business of the Corporation may require from time to time.

##### **Section 1.2. Registered Office.**

The registered office of the Corporation that the Wisconsin Business Corporation Law requires to be maintained in the State of Wisconsin may, but need not, be identical to the Corporation's principal office in the State of Wisconsin, and the address of the registered office may be changed from time to time by the Board of Directors or by the registered agent. The business office of the registered agent of the Corporation shall be identical to such registered office.

#### ARTICLE II. SHAREHOLDERS

##### **Section 2.1. Annual Meeting.**

The annual meeting of the shareholders shall be held on the first Tuesday in March of each year, or at such other time and date within thirty (30) days before or after such date as may be fixed by or under the authority of the Board of Directors, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Wisconsin, such meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the day designated herein, or fixed as herein provided, for any annual meeting of the shareholders, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the shareholders as soon thereafter as is practicable.

##### **Section 2.2. Special Meetings.**

Special meetings of the shareholders, for any purpose or purposes, unless otherwise prescribed by the Wisconsin Business Corporation Law, may be called by the Board of Directors, the Chairman, or the President. The Corporation shall call a special meeting of shareholders in the event that the holders of at least ten percent (10%) of all of the votes entitled to be cast on any issue proposed to be considered at the proposed special meeting sign, date and deliver to the Corporation one or more written demands for the meeting describing one or more purposes for which it is to be held. The Corporation shall give notice of such a special meeting within thirty (30) days after the date that the demand is delivered to the Corporation.

**Section 2.3. Place of Meeting.**

The Board of Directors may designate any place, either within or without the State of Wisconsin, as the place of meeting for any annual or special meeting of shareholders. If no designation is made, the place of meeting shall be the principal office of the Corporation. Any meeting may be adjourned to reconvene at any place designated by vote of a majority of the shares represented thereat.

**Section 2.4. Notice of Meeting.**

Written notice stating the date, time and place of any meeting of shareholders and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than sixty (60) days before the date of the meeting (unless a different time is provided by the Wisconsin Business Corporation Law or the Articles of Incorporation, either in person, by mail or other method of delivery, or by any electronic means, by or at the direction of the Chairman, the President or the Secretary, to each shareholder of record entitled to vote at such meeting and to such other persons as required by the Wisconsin Business Corporation Law. If mailed, such notice shall be deemed to be effective when deposited in the United States mail, addressed to the shareholder at his or her address as it appears on the stock record books of the Corporation, with postage thereon prepaid. If notice is given by private carrier, such notice shall be deemed to be effective when delivered to the private carrier. If electronically transmitted, such notice shall be deemed to be effective when transmitted to the shareholder in a manner authorized by such shareholder. If an annual or special meeting of shareholders is adjourned to a different date, time or place, the Corporation shall not be required to give notice of the new date, time or place if the new date, time or place is announced at the meeting before adjournment; *provided, however*, that if a new record date for an adjourned meeting is or must be fixed, the Corporation shall give notice of the adjourned meeting to persons who are shareholders as of the new record date.

**Section 2.5. Waiver of Notice.**

A shareholder may waive any notice required by the Wisconsin Business Corporation Law, the Articles of Incorporation or these Bylaws before or after the date and time stated in the notice. The waiver shall be in writing and signed by the shareholder entitled to the notice, contain the same information that would have been required in the notice under applicable provisions of the Wisconsin Business Corporation Law (except that the time and place of meeting need not be stated) and be delivered to the Corporation for inclusion in the corporate records. A shareholder's attendance at a meeting, in person or by proxy, waives objection to all of the following: (a) lack of notice or defective notice of the meeting, unless the shareholder at the beginning of the meeting or promptly upon arrival objects to holding the meeting or transacting business at the meeting; and (b) consideration of a particular matter at the meeting that is not within the purpose described in the meeting notice, unless the shareholder objects to considering the matter when it is presented.

**Section 2.6. Fixing of Record Date.**

The Board of Directors may fix in advance a date as the record date for the purpose of determining shareholders entitled to notice of and to vote at any meeting of shareholders, shareholders entitled to demand a special meeting as contemplated by Section 2.2 hereof, shareholders entitled to take any other action, or shareholders for any other purpose. Such record date shall not be more than seventy (70) days prior to the date on which the particular action, requiring such determination of shareholders, is to be taken. If no record date is fixed by the Board of Directors or by the Wisconsin Business Corporation Law for the

determination of shareholders entitled to notice of and to vote at a meeting of shareholders, the record date shall be the close of business on the day before the first notice is given to shareholders. If no record date is fixed by the Board of Directors or by the Wisconsin Business Corporation Law for the determination of shareholders entitled to demand a special meeting as contemplated in Section 2.2 hereof, the record date shall be the date that the first shareholder signs the demand. Except as provided by the Wisconsin Business Corporation Law for a court ordered adjournment, a determination of shareholders entitled to notice of and to vote at a meeting of shareholders is effective for any adjournment of such meeting unless the Board of Directors fixes a new record date, which it shall do if the meeting is adjourned to a date more than one hundred twenty (120) days after the date fixed for the original meeting. The record date for determining shareholders entitled to a distribution (other than a distribution involving a purchase, redemption or other acquisition of the Corporation's shares) or a share dividend is the date on which the Board of Directors authorized the distribution or share dividend, as the case may be, unless the Board of Directors fixes a different record date.

**Section 2.7. Shareholders' List for Meetings.**

After a record date for a special or annual meeting of shareholders has been fixed, the Corporation shall prepare a list of the names of all of the shareholders entitled to notice of the meeting. The list shall be arranged by class or series of shares, if any, and show the address of and number of shares held by each shareholder. Such list shall be available for inspection by any shareholder, beginning two (2) business days after notice of the meeting is given for which the list was prepared and continuing to the date of the meeting, at the Corporation's principal office or at a place identified in the meeting notice in the city where the meeting will be held. A shareholder or his or her agent may, on written demand, inspect and, subject to the limitations imposed by the Wisconsin Business Corporation Law, copy the list, during regular business hours and at his or her expense, during the period that it is available for inspection pursuant to this Section 2.7. The Corporation shall make the shareholders' list available at the meeting and any shareholder or his or her agent or attorney may inspect the list at any time during the meeting or any adjournment thereof. Refusal or failure to prepare or make available the shareholders' list shall not affect the validity of any action taken at a meeting of shareholders.

**Section 2.8. Quorum and Voting Requirements.**

Shares entitled to vote as a separate voting group may take action on a matter at a meeting only if a quorum of those shares exists with respect to that matter. If the Corporation has only one class of stock outstanding, such class shall constitute a separate voting group for purposes of this Section 2.8. Except as otherwise provided in the Articles of Incorporation or the Wisconsin Business Corporation Law, a majority of the votes entitled to be cast on the matter shall constitute a quorum of the voting group for action on that matter. Once a share is represented for any purpose at a meeting, other than for the purpose of objecting to holding the meeting or transacting business at the meeting, it is considered present for purposes of determining whether a quorum exists for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for the adjourned meeting. If a quorum exists, except in the case of the election of directors, action on a matter shall be approved if the votes cast within the voting group favoring the action exceed the votes cast opposing the action, unless the Articles of Incorporation or the Wisconsin Business Corporation Law requires a greater number of affirmative votes. Unless otherwise provided in the Articles of Incorporation, each director shall be elected by a plurality of the votes cast by the shares entitled to vote in the election of directors at a meeting at which a quorum is present. Though less than a quorum of the outstanding votes of a voting group

are represented at a meeting, a majority of the votes so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

**Section 2.9. Conduct of Meetings.**

The Chairman, and in the absence of the Chairman, the President, and in the President's absence, any person chosen by the shareholders present shall call the meeting of the shareholders to order and shall act as chairperson of the meeting, and the Secretary of the Corporation shall act as secretary of all meetings of the shareholders, but, in the absence of the Secretary, the person acting as chairperson of the meeting may appoint any other person to act as secretary of the meeting.

**Section 2.10. Proxies.**

At all meetings of shareholders, a shareholder may vote his or her shares in person or by proxy. A shareholder may appoint a proxy to vote or otherwise act for the shareholder by signing an appointment form, either personally or by his or her attorney-in-fact, or by transmitting or authorizing the transmission of an electronic transmission of the appointment to the person who will be appointed as proxy or to a proxy solicitation firm, proxy support service organization, or like agent authorized to receive the transmission by the person who will be appointed as proxy. Every electronic transmission shall contain, or be accompanied by, information that can be used to reasonably determine that the shareholder transmitted or authorized the transmission of the electronic transmission. Any person charged with determining whether a shareholder transmitted or authorized the transmission of the electronic transmission shall specify the information upon which the determination is made. An appointment of a proxy is effective when received by the Secretary or other officer or agent of the Corporation authorized to tabulate votes. An appointment is valid for eleven (11) months from the date of its signing unless a different period is expressly provided in the appointment form.

**Section 2.11. Voting of Shares.**

Except as provided in the Articles of Incorporation or in the Wisconsin Business Corporation Law, each outstanding share, regardless of class, is entitled to one vote on each matter voted on at a meeting of shareholders.

**Section 2.12. Action Without a Meeting.**

Any action required or permitted by the Articles of Incorporation or these Bylaws or any provision of the Wisconsin Business Corporation Law to be taken at a meeting of the shareholders may be taken without a meeting and without action by the Board of Directors if a written consent or consents, describing the action so taken, is signed by all of the shareholders entitled to vote with respect to the subject matter thereof or such lesser number of shareholders as is permitted in the Articles of Incorporation and delivered to the Corporation for inclusion in the corporate records.

**Section 2.13. Acceptance of Instruments Showing Shareholder Action.**

If the name signed on a vote, consent, waiver or proxy appointment corresponds to the name of a shareholder, the Corporation, if acting in good faith, may accept the vote, consent, waiver or proxy appointment and give it effect as the act of a shareholder. If the name signed on a vote, consent, waiver or proxy appointment does not correspond to

the name of a shareholder, the Corporation, if acting in good faith, may accept the vote, consent, waiver or proxy appointment and give it effect as the act of the shareholder if any of the following apply:

(a) The shareholder is an entity and the name signed purports to be that of an officer or agent of the entity.

(b) The name purports to be that of a personal representative, administrator, executor, guardian or conservator representing the shareholder and, if the Corporation requests, evidence of fiduciary status acceptable to the Corporation is presented with respect to the vote, consent, waiver or proxy appointment.

(c) The name signed purports to be that of a receiver or trustee in bankruptcy of the shareholder and, if the Corporation requests, evidence of this status acceptable to the Corporation is presented with respect to the vote, consent, waiver or proxy appointment.

(d) The name signed purports to be that of a pledgee, beneficial owner, or attorney in fact of the shareholder and, if the Corporation requests, evidence acceptable to the Corporation of the signatory's authority to sign for the shareholder is presented with respect to the vote, consent, waiver or proxy appointment.

(e) Two (2) or more persons are the shareholders as co tenants or fiduciaries and the name signed purports to be the name of at least one of the co owners and the person signing appears to be acting on behalf of all co owners. The Corporation may reject a vote, consent, waiver or proxy appointment if the Secretary or other officer or agent of the Corporation who is authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the shareholder.

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

#### **Section 3.1. General Powers and Number.**

The business and affairs of the Corporation shall be managed by or under the direction of, the Board of Directors. The number of directors of the Corporation shall as fixed from time to time by resolution of the Board of Directors and shall be not less than one nor more than seven.

#### **Section 3.2. Tenure and Qualifications.**

Each director shall hold office until the next annual meeting of shareholders and until his or her successor shall have been elected and, if necessary, qualified, or until there is a decrease in the number of directors which takes effect after the expiration of his or her term, or until his or her prior death, resignation or removal. A director may be removed by the shareholders only at a meeting called for the purpose of removing the director, and the meeting notice shall state that the purpose, or one of the purposes, of the meeting is removal of the director. A director may be removed from office with or without cause if the number of votes cast to remove the director exceeds the number of votes cast not to remove such director. A director may resign at any time by delivering written notice which complies with the Wisconsin Business Corporation Law to the Board of Directors, to the Chairman, to the President (in his or her capacity as chairperson of the Board of Directors in the absence of a Chairman) or to the Corporation. A director's resignation is effective when the notice is delivered unless the notice specifies a later effective date. Directors need not be residents of the State of Wisconsin or shareholders of the Corporation.

**Section 3.3. Regular Meetings.**

A regular meeting of the Board of Directors shall be held without other notice than this Bylaw immediately after the annual meeting of shareholders and each adjourned session thereof. The place of such regular meeting shall be the same as the place of the meeting of shareholders which precedes it, or such other suitable place as may be announced at such meeting of shareholders. The Board of Directors shall approve the date, time and place, either within or without the State of Wisconsin, for the holding of additional regular meetings of the Board of Directors without other notice than such approval.

**Section 3.4. Special Meetings.**

Special meetings of the Board of Directors may be called by or at the request of the Chairman, the President, Secretary or any two (2) directors. The Chairman, the President or the Secretary may fix any place, either within or without the State of Wisconsin, as the place for holding any special meeting of the Board of Directors, and if no other place is fixed the place of the meeting shall be the principal office of the Corporation in the State of Wisconsin.

**Section 3.5. Notice; Waiver.**

Notice of each special meeting of the Board of Directors shall be given by written notice delivered or communicated in person, by mail or other method of delivery, or by any electronic means, to each director at his or her business address or at such other address as such director shall have designated in writing filed with the Secretary, in each case not less than twenty four hours prior to the meeting. The notice need not describe the purpose of the special meeting of the Board of Directors or the business to be transacted at such meeting. If mailed, such notice shall be deemed to be effective when deposited in the United States mail so addressed, with postage thereon prepaid. If notice is given by private carrier, such notice shall be deemed to be effective when delivered to the private carrier. If electronically transmitted, such notice shall be deemed to be effective when transmitted to the director. Whenever any notice whatever is required to be given to any director of the Corporation under the Articles of Incorporation or these Bylaws or any provision of the Wisconsin Business Corporation Law, a waiver thereof in writing, signed at any time, whether before or after the date and time of meeting, by the director entitled to such notice shall be deemed equivalent to the giving of such notice. The Corporation shall retain any such waiver as part of the permanent corporate records. A director's attendance at or participation in a meeting waives any required notice to him or her of the meeting unless the director at the beginning of the meeting or promptly upon his or her arrival objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

**Section 3.6. Quorum.**

Except as otherwise provided by the Wisconsin Business Corporation Law or by the Articles of Incorporation or these Bylaws, a majority of the directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. Except as otherwise provided by the Wisconsin Business Corporation Law or by the Articles of Incorporation or by these Bylaws, a quorum of any committee of the Board of Directors created pursuant to Section 3.12 hereof shall consist of a majority of the number of directors appointed to serve on the committee. A majority of the directors present (though less than such quorum) may adjourn any meeting of the Board of Directors or any committee thereof, as the case may be, from time to time without further notice.



**Section 3.7. Manner of Acting.**

The affirmative vote of a majority of the directors present at a meeting of the Board of Directors or a committee thereof at which a quorum is present shall be the act of the Board of Directors or such committee, as the case may be, unless the Wisconsin Business Corporation Law, the Articles of Incorporation or these Bylaws require the vote of a greater number of directors.

**Section 3.8. Conduct of Meetings.**

The Chairman, and in his or her absence, the President, and in their absence, any director chosen by the directors present, shall call meetings of the Board of Directors to order and shall act as chairperson of the meeting. The Secretary of the Corporation shall act as secretary of all meetings of the Board of Directors but in the absence of the Secretary, the individual responsible for acting as chair of the meeting may appoint any other person present to act as secretary of the meeting. Minutes of any regular or special meeting of the Board of Directors shall be prepared and distributed to each director. Such minutes shall be deemed to be the property of the Corporation and in case a director shall resign, fail of reelection, or any other way vacate his or her position, such minutes shall be returned to the Secretary.

**Section 3.9. Vacancies.**

Except as provided below, any vacancy occurring in the Board of Directors, including a vacancy resulting from an increase in the number of directors, may be filled by any of the following: (a) the shareholders; (b) the Board of Directors; or (c) if the directors remaining in office constitute fewer than a quorum of the Board of Directors, the directors, by the affirmative vote of a majority of all directors remaining in office. If the vacant office was held by a director elected by a voting group of shareholders, only the holders of shares of that voting group may vote to fill the vacancy if it is filled by the shareholders, and only the remaining directors elected by that voting group may vote to fill the vacancy if it is filled by the directors. A vacancy that will occur at a specific later date, because of a resignation effective at a later date or otherwise, may be filled before the vacancy occurs, but the new director may not take office until the vacancy occurs.

**Section 3.10. Compensation.**

Directors who are salaried employees of the Corporation or any of its affiliates shall not be paid compensation for service as a director of the Corporation. The Board of Directors, irrespective of any personal interest of any of its members, may establish reasonable compensation for any other directors for services to the Corporation as directors, or may delegate such authority to an appropriate committee.

**Section 3.11. Presumption of Assent.**

A director who is present at a meeting of the Board of Directors or any committee thereof when corporate action is taken assents to the action taken unless any of the following occurs: (a) the director objects at the beginning of the meeting or promptly upon his or her arrival to holding the meeting or transacting business at the meeting; (b) the director dissents or abstains from an action taken and minutes of the meeting are prepared that show the director's dissent or abstention from the action taken; (c) the director delivers written notice that complies with Wisconsin law of his or her dissent or abstention to the individual responsible for acting as chair of the meeting pursuant to Section 3.8 of these Bylaws before its adjournment or to the Corporation immediately after adjournment of the meeting; or (d) the director dissents or abstains from an action taken, minutes of the meeting are prepared

that fail to show the director's dissent or abstention from the action taken and the director delivers to the Corporation a written notice of that failure promptly after receiving the minutes. Such right of dissent or abstention shall not apply to a director who votes in favor of the action taken.

**Section 3.12. Committees.**

The Board of Directors by resolution adopted by the affirmative vote of a majority of all of the directors then in office may create one or more committees, appoint members of the Board of Directors to serve on the committees and designate other members of the Board of Directors to serve as alternates. Each committee shall have three (3) or more members who shall, unless otherwise provided by the Board of Directors, serve at the pleasure of the Board of Directors. A committee may be authorized to exercise the authority of the Board of Directors, except that a committee may not do any of the following: (a) approve or recommend to shareholders for approval any action or matter expressly required by the Wisconsin Business Corporation Law to be submitted to shareholders for approval; or (b) adopt, amend, or repeal any Bylaw of the Corporation. Unless otherwise provided by the Board of Directors in creating the committee, a committee may employ counsel, accountants and other consultants to assist it in the exercise of its authority. Each such committee shall fix its own rules governing the conduct of its activities and shall make such reports to the Board of Directors of its activities as the Board of Directors may request.

**Section 3.13. Electronic Meetings.**

Except as herein provided and notwithstanding any place set forth in the notice of the meeting or these Bylaws, members of the Board of Directors (and any committees thereof created pursuant to Section 3.12 hereof) may participate in regular or special meetings by, or through the use of, any means of communication by which all participants may simultaneously hear each other, such as by conference telephone. If a meeting is conducted by such means, then at the commencement of such meeting the individual responsible for acting as chair of the meeting pursuant to Section 3.8 of these Bylaws (or, for a committee meeting, the chair of the committee) shall inform the participating directors that a meeting is taking place at which official business may be transacted. Any participant in a meeting by such means shall be deemed present in person at such meeting. Notwithstanding the foregoing, no action may be taken at any meeting held by such means on any particular matter which the individual responsible for acting as chair of the meeting pursuant to Section 3.8 of these Bylaws (or, for a committee meeting, the chair of the committee) determines, in his or her sole discretion, to be inappropriate under the circumstances for action at a meeting held by such means. Such determination shall be made and announced in advance of such meeting.

**Section 3.14. Action without Meeting.**

Any action required or permitted by the Wisconsin Business Corporation Law to be taken at a meeting of the Board of Directors or a committee thereof created pursuant to Section 3.12 hereof may be taken without a meeting if the action is taken by all members of the Board or of the committee. The action shall be evidenced by one or more written consents describing the action taken, signed by each director or committee member and retained by the Corporation. Such action shall be effective when the last director or committee member signs the consent, unless the consent specifies a different effective date.

## ARTICLE IV. OFFICERS

### **Section 4.1. Number.**

The principal officers of the Corporation shall be a Chairman of the Board, a President, a Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. The Board of Directors may also authorize any duly appointed officer to appoint one or more officers or assistant officers. Any two (2) or more offices may be held by the same person.

### **Section 4.2. Election and Term of Office.**

The officers of the Corporation to be elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as is practicable. Each officer shall hold office until his or her successor shall have been duly elected or until his or her prior death, resignation or removal.

### **Section 4.3. Removal.**

The Board of Directors may remove any officer and, unless restricted by the Board of Directors or these Bylaws, an officer may remove any officer or assistant officer appointed by that officer, at any time, with or without cause and notwithstanding the contract rights, if any, of the officer removed. The appointment of an officer does not of itself create contract rights.

### **Section 4.4. Resignation.**

An officer may resign at any time by delivering notice to the Corporation that complies with the Wisconsin Business Corporation Law. The resignation shall be effective when the notice is delivered, unless the notice specifies a later effective date and the Corporation accepts the later effective date.

### **Section 4.5. Vacancies.**

A vacancy in any office because of death, resignation, removal, disqualification or otherwise, shall be filled by the Board of Directors, or by the appointing officer, for the unexpired portion of the term. If a resignation of an officer is effective at a later date as contemplated by Section 4.4 hereof, the Board of Directors may fill the pending vacancy before the effective date if the Board provides that the successor may not take office until the effective date.

### **Section 4.6. Chairman of the Board.**

The Board of Directors shall elect a Chairman of the Board (the "Chairman"). The Chairman of the Board shall preside at all meetings of the shareholders and of the Board of Directors at which he or she is present and shall have such further and other authority, responsibility and duties as may be granted to or imposed upon such officer by the Board of Directors.

### **Section 4.7. President.**

The President shall be the principal executive officer of the Corporation and, subject to the direction of the Board of Directors, shall in general supervise and control all of the business and affairs of the Corporation. The President shall preside at all meetings of the

shareholders and of the Board of Directors when the Chairman is absent. He or she shall have authority, subject to such rules as may be prescribed by the Board of Directors, to appoint such agents and employees of the Corporation as he or she shall deem necessary, to prescribe their powers, duties and compensation, and to delegate authority to them. Such agents and employees shall hold office at the discretion of the President. He or she shall have authority to sign, execute and acknowledge, on behalf of the Corporation, all deeds, mortgages, bonds, stock certificates, contracts, leases, reports and all other documents or instruments necessary or proper to be executed in the course of the Corporation's regular business, or which shall be authorized by resolution of the Board of Directors; and, except as otherwise provided by law or the Board of Directors, he or she may authorize any other officer or agent of the Corporation to sign, execute and acknowledge such documents or instruments in his or her place and stead. In general he or she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

**Section 4.8. The Secretary.**

The Secretary shall: (a) keep minutes of the meetings of the shareholders and of the Board of Directors (and of committees thereof) in one or more books provided for that purpose (including records of actions taken by the shareholders or the Board of Directors (or committees thereof) without a meeting); (b) see that all notices are duly given in accordance with the provisions of the Articles of Incorporation, these Bylaws or as required by the Wisconsin Business Corporation Law; (c) be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents the execution of which on behalf of the Corporation under its seal is duly authorized; (d) maintain a record of the shareholders of the Corporation, in a form that permits preparation of a list of the names and addresses of all shareholders, by class or series of shares and showing the number and class or series of shares held by each shareholder; (e) sign, with the Chairman or the President, certificates for shares of the Corporation, the issuance of which shall have been authorized by resolution of the Board of Directors; (f) have general charge of the stock transfer books of the Corporation; and (g) in general perform all duties incident to the office of Secretary and have such other duties and exercise such authority as from time to time may be delegated or assigned by the President or by the Board of Directors. In the absence of the President or in the event of the President's death, inability or refusal to act, or in the event for any reason it shall be impracticable for the President to act personally, the Secretary shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President.

**Section 4.9. The Treasurer.**

The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Corporation; (b) maintain appropriate accounting records; (c) receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Section 5.4; and (d) in general perform all of the duties incident to the office of Treasurer and have such other duties and exercise such other authority as from time to time may be delegated or assigned by the President or by the Board of Directors. In the absence of the President and the Secretary or in the event of both the President's and the Secretary's death, inability or refusal to act, or in the event for any reason it shall be impracticable for both the President and the Secretary to act personally, the Treasurer shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President.

**Section 4.10. Assistant Secretaries and Assistant Treasurers.**

There shall be such number of Assistant Secretaries and Assistant Treasurers as the Board of Directors may authorize from time to time. The Assistant Secretaries may sign, with the Chairman or the President, certificates for shares of the Corporation the issuance of which shall have been authorized by a resolution of the Board of Directors. The Assistant Treasurers shall respectively, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties and have such authority as shall from time to time be delegated or assigned to them by the Secretary or the Treasurer, respectively, or by the President or the Board of Directors.

**Section 4.11. Other Assistants and Acting Officers.**

The Board of Directors shall have the power to appoint, or to authorize any duly appointed officer of the Corporation to appoint, any person to act as assistant to any officer, or as agent for the Corporation in his or her stead, or to perform the duties of such officer whenever for any reason it is impracticable for such officer to act personally, and such assistant or acting officer or other agent so appointed by the Board of Directors or an authorized officer shall have the power to perform all the duties of the office to which he or she is so appointed to be an assistant, or as to which he or she is so appointed to act, except as such power may be otherwise defined or restricted by the Board of Directors or the appointing officer.

**ARTICLE V. FUNDS OF THE CORPORATION**

**Section 5.1. Deposits.**

All funds of the Corporation shall be deposited or invested in such depositories or in such securities as may be authorized from time to time by the Board of Directors or appropriate committee thereof.

**Section 5.2. Investments.**

All investments and deposits of funds of the Corporation shall be made and held in its corporate name, except that securities kept under a custodial agreement or trust agreement with a bank or banking and trust company may be issued in the name of a nominee of such bank or banking and trust company and except that securities may be acquired and held in bearer form.

**Section 5.3. Loans.**

All loans contracted on behalf of the Corporation and all evidences of indebtedness that are issued in the name of the Corporation shall be under the authority of a resolution of the Board of Directors. Such authorization may be general or specific.

**Section 5.4. Contracts.**

The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute or deliver any instrument in the name of and on behalf of the Corporation, and such authorization may be general or specific. In the absence of other designation, all deeds, mortgages and instruments of assignment or pledge made by the Corporation shall be executed in the name of the Corporation by the President, and in his or her absence the Secretary and also by the Secretary (if he or she has not signed in place of the President), an Assistant Secretary, the Treasurer or an Assistant Treasurer; the Secretary or an

Assistant Secretary, when necessary or required, shall affix the corporate seal, if any, thereto; and when so executed no other party to such instrument or any third party shall be required to make any inquiry into the authority of the signing officer or officers.

**Section 5.5. Disbursements.**

All checks, drafts or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner, including by means of facsimile signature, as shall from time to time be determined by or under authority of a resolution of the Board of Directors.

**Section 5.6. Borrowing Prohibited.**

No director or officer of the Corporation shall borrow money from the Corporation, or receive any compensation for selling, aiding in the sale, or negotiating for the sale of any property belonging to the Corporation, or for negotiating any loan for or by the Corporation.

**Section 5.7. Voting of Securities Owned by this Corporation.**

Subject always to the specific directions of the Board of Directors, (a) any shares or other securities issued by any other corporation and owned or controlled by this Corporation may be voted at any meeting of security holders of such other corporation by the President of this Corporation if he or she be present, or in his or her absence by the Secretary of this Corporation, or in their absence by the Treasurer of this Corporation, and (b) whenever, in the judgment of the President, or in his or her absence, the Secretary, or in their absence by the Treasurer, it is desirable for this Corporation to execute a proxy or written consent in respect to any shares or other securities issued by any other corporation and owned by this Corporation, such proxy or consent shall be executed in the name of this Corporation by the President, Secretary or Treasurer of this Corporation, without necessity of any authorization by the Board of Directors, affixation of corporate seal, if any, or countersignature or attestation by another officer. Any person or persons designated in the manner above stated as the proxy or proxies of this Corporation shall have full right, power and authority to vote the shares or other securities issued by such other corporation and owned by this Corporation the same as such shares or other securities might be voted by this Corporation.

**ARTICLE VI. CERTIFICATES FOR SHARES; TRANSFER OF SHARES**

**Section 6.1. Certificates for Shares.**

Certificates representing shares of the Corporation shall be in such form, consistent with the Wisconsin Business Corporation Law, as shall be determined by the Board of Directors. Such certificates shall be signed by the Chairman or the President and by the Secretary or an Assistant Secretary. All certificates for shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the Corporation. All certificates surrendered to the Corporation for transfer shall be cancelled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and cancelled, except as provided in Section 6.6.

**Section 6.2. Facsimile Signatures and Seal.**

The seal of the Corporation, if any, on any certificates for shares may be a facsimile. The signature of the Chairman or the President and the Secretary or Assistant Secretary upon a certificate may be facsimiles if the certificate is manually signed on behalf of a transfer agent, or a registrar, other than the Corporation itself or an employee of the Corporation.

**Section 6.3. Signature by Former Officers.**

The validity of a share certificate is not affected if a person who signed the certificate (either manually or in facsimile) no longer holds office when the certificate is issued.

**Section 6.4. Transfer of Shares.**

Prior to due presentment of a certificate for shares for registration of transfer the Corporation may treat the registered owner of such shares as the person exclusively entitled to vote, to receive notifications and otherwise to have and exercise all the rights and power of an owner. Where a certificate for shares is presented to the Corporation with a request to register for transfer, the Corporation shall not be liable to the owner or any other person suffering loss as a result of such registration of transfer if (a) there were on or with the certificate the necessary endorsements, and (b) the Corporation had no duty to inquire into adverse claims or has discharged any such duty. The Corporation may require reasonable assurance that such endorsements are genuine and effective and compliance with such other regulations as may be prescribed by or under the authority of the Board of Directors.

**Section 6.5. Restrictions on Transfer.**

The face or reverse side of each certificate representing shares shall bear a conspicuous notation of any restriction imposed by the Corporation upon the transfer of such shares.

**Section 6.6. Lost, Destroyed or Stolen Certificates.**

Where the owner claims that certificates for shares have been lost, destroyed or wrongfully taken, a new certificate shall be issued in place thereof if the owner (a) so requests before the Corporation has notice that such shares have been acquired by a bona fide purchaser, (b) files with the Corporation a sufficient indemnity bond if required by the Board of Directors or any principal officer, and (c) satisfies such other reasonable requirements as may be prescribed by or under the authority of the Board of Directors.

**Section 6.7. Consideration for Shares.**

The Board of Directors may authorize shares to be issued for consideration consisting of any tangible or intangible property or benefit to the Corporation, including cash, promissory notes, services performed, contracts for services to be performed or other securities of the Corporation. Before the Corporation issues shares, the Board of Directors shall determine that the consideration received or to be received for the shares to be issued is adequate. In the absence of a resolution adopted by the Board of Directors expressly determining that the consideration received or to be received is adequate, approval by the Board of Directors of the issuance of the shares shall be deemed to constitute such a determination. The determination of the Board of Directors is conclusive insofar as the adequacy of consideration for the issuance of shares relates to whether the shares are validly issued, fully paid and nonassessable. The Corporation may place in escrow shares issued in whole or in part for a contract for future services or benefits, a promissory note, or other property to be issued in the future, or make other arrangements to restrict the transfer of the shares, and may credit distributions in respect of the shares against their purchase price, until the services are performed, the benefits or property are received or the promissory note is paid.

If the services are not performed, the benefits or property are not received or the promissory note is not paid, the Corporation may cancel, in whole or in part, the shares escrowed or restricted and the distributions credited.

**Section 6.8. Stock Regulations.**

The Board of Directors shall have the power and authority to make all such further rules and regulations not inconsistent with law as it may deem expedient concerning the issue, transfer and registration of shares of the Corporation.

**ARTICLE VII. GENERAL**

**Section 7.1. Corporate Seal.**

The Board of Directors may provide for a corporate seal for the Corporation.

**Section 7.2. Fiscal Year.**

The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December each year.

**ARTICLE VIII. INDEMNIFICATION**

The Corporation shall, to the fullest extent permitted or required by Sections 180.0850 to 180.0859, inclusive, of the Wisconsin Statutes, including any amendments thereto (but in the case of any such amendment, only to the extent such amendment permits or requires the Corporation to provide broader indemnification rights than prior to such amendment), indemnify its Directors and Officers against any and all Liabilities, and advance any and all reasonable Expenses, incurred thereby in any Proceeding to which any such Director or Officer is a Party because he or she is or was a Director or Officer of the Corporation. The Corporation shall also indemnify an employee who is not a Director or Officer, to the extent that the employee has been successful on the merits or otherwise in defense of a Proceeding, for all Expenses incurred in the Proceeding if the employee was a Party because he or she is or was an employee of the Corporation. The rights to indemnification granted hereunder shall not be deemed exclusive of any other rights to indemnification against Liabilities or the advancement of Expenses which a Director, Officer or employee may be entitled under any written agreement, Board resolution, vote of shareholders, Wisconsin law or otherwise. The Corporation may, but shall not be required to, supplement the foregoing rights to indemnification against Liabilities and advancement of Expenses under this Section by the purchase of insurance on behalf of any one or more of such Directors, Officers or employees, whether or not the Corporation would be obligated to indemnify or advance Expenses to such Director, Officer or employee under this Section. All capitalized terms used in this Article and not otherwise defined herein shall have the meaning set forth in Section 180.0850 of the Wisconsin Statutes.

**ARTICLE IX. AMENDMENTS**

**Section 9.1. By Vote of Directors.**

These Bylaws may be amended by vote of a majority of the directors present at any meeting of the Board of Directors at which a quorum is in attendance.



**Section 9.2. Implied Amendments/Suspension of Bylaws.**

Any action taken or authorized by the shareholders or by the Board of Directors which would be inconsistent with the Bylaws then in effect but which is taken or authorized by affirmative vote of not less than the number of shares or the number of directors required to amend the Bylaws so that the Bylaws would be consistent with such action shall be given the same effect as though the Bylaws had been amended or suspended to the extent and for so long, but only to the extent and for so long, as is necessary to permit the specific action so taken or authorized.

## Exhibit I

### Directors and Officers of AFI MHC, AmFam Holdings, Inc., and Converted AFMIC

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#### AMERICAN FAMILY INSURANCE MUTUAL HOLDING COMPANY OFFICERS

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NAME	TITLE	CURRENT PRINCIPAL OCCUPATION
Jack C. Salzwedel	Chief Executive Officer; President	Chairman, Chief Executive Officer & President, American Family Mutual Insurance Company Madison, Wisconsin
Daniel J. Kelly	Chief Financial Officer; Treasurer	Chief Financial Officer; Treasurer, American Family Mutual Insurance Company Madison, Wisconsin
David C. Holman	Chief Strategy Officer; Secretary	Chief Strategy Officer; Secretary, American Family Mutual Insurance Company Madison, Wisconsin
Kristin R. Kirkconnell	Chief Information Officer	Chief Information Officer, American Family Mutual Insurance Company Madison, Wisconsin
William B. Westrate	Chief Operating Officer, American Family Agency	AmFam Agency Chief Operating Officer, American Family Mutual Insurance Company Madison, Wisconsin
Jessica J. Stauffacher	Chief Administration Officer	Chief Administration Officer, American Family Mutual Insurance Company Madison, Wisconsin
David A. Graham	Chief Investment Officer, Vice President	Chief Investment Officer, American Family Mutual Insurance Company Madison, Wisconsin
Peter C. Gunder	Chief Business Development Officer, Vice President	Chief Business Development Officer, American Family Mutual Insurance Company Madison, Wisconsin
Mark V. Afable	Chief Legal Officer, Vice President	Chief Legal Officer, American Family Mutual Insurance Company Madison, Wisconsin
Gerry W. Benusa	Chief Sales Officer, Vice President	Chief Sales Officer, American Family Mutual Insurance Company Madison, Wisconsin
Mary L. Schmoeger	Personal Lines President	Personal Lines President, American Family Mutual Insurance Company Madison, Wisconsin

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Christopher R. Listau	Commercial & Farm Ranch President	Commercial Farm Ranch President, American Family Mutual Insurance Company Madison, Wisconsin
William Todd Fancher	Life President	Life President, American Family Mutual Insurance Company Madison, Wisconsin
Troy P. Van Beek	Assistant Treasurer	Controller Vice President; Assistant Treasurer, American Family Mutual Insurance Company Madison, Wisconsin
Ann F. Wenzel	Assistant Secretary	Associate General Counsel; Assistant Secretary, American Family Mutual Insurance Company Madison, Wisconsin

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### DIRECTORS

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Jack C. Salzwedel	Chairman of the Board; Director	Chairman, Chief Executive Officer & President, American Family Mutual Insurance Company Madison, Wisconsin
Kathleen S. Barclay	Director	Retired - HR Senior Vice President, The Kroger Company Cincinnati, Ohio
Christine M. Cumming	Director	Retired – First Vice President & Chief Operating Officer, Federal Reserve Bank of New York New York, New York
Londa J. Dewey	Director	President, QTI Management Services, Inc. d/b/a QTI Group Madison, Wisconsin
Jason T. Goldberger	Director	Former Chief Digital Officer, Target Corporation and former President, target.com Eden Prairie, Minnesota
Leslie Ann Howard	Director	Senior Advisor to the CEO, United Way Worldwide Madison, Wisconsin
Ted D. Kellner, CFA	Director	Chairman & Chief Executive Officer, Fiduciary Management, Inc. Milwaukee, Wisconsin
Rakesh Khurana	Director	Dean, Harvard College Cambridge, Massachusetts
Michael M. Knetter	Director	President & Chief Executive Officer, University of Wisconsin Foundation Madison, Wisconsin
R. Scott Malmgren	Director	Retired – Senior Partner, Deloitte & Touche, LLP Chicago, Illinois

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Walter M. Oliver	Director	Retired - Human Resources & Administration Senior Vice President, General Dynamics Falls Church, Virginia
Eliot G. Protsch	Director	Retired - Chief Financial Officer, Alliant Energy Corporation Madison, Wisconsin
Paul S. Shain	Director	President & Chief Executive Officer, Singlewire Software LLC Madison, Wisconsin
Thomas J. Zimbrick	Director	Chief Executive Officer, Zimbrick, Inc. Madison, Wisconsin

**AMERICAN FAMILY MUTUAL INSURANCE COMPANY, S.I.  
OFFICERS**

<b>NAME</b>	<b>TITLE</b>	<b>CURRENT PRINCIPAL OCCUPATION</b>
William B. Westrate	President	AmFam Agency Chief Operating Officer, American Family Mutual Insurance Company Madison, Wisconsin
Daniel J. Kelly	Chief Financial Officer; Treasurer	Chief Financial Officer; Treasurer, American Family Mutual Insurance Company Madison, Wisconsin
David C. Holman	Chief Strategy Officer; Secretary	Chief Strategy Officer; Secretary, American Family Mutual Insurance Company Madison, Wisconsin
Mark V. Afable	Chief Legal Officer	Chief Legal Officer, American Family Mutual Insurance Company Madison, Wisconsin
Troy P. Van Beek	Assistant Treasurer	Controller Vice President; Assistant Treasurer, American Family Mutual Insurance Company Madison, Wisconsin
Ann F. Wenzel	Assistant Secretary	Associate General Counsel; Assistant Secretary, American Family Mutual Insurance Company Madison, Wisconsin

**DIRECTORS**

William B. Westrate	Chairman of the Board; Director	AmFam Agency Chief Operating Officer, American Family Mutual Insurance Company Madison, Wisconsin
Daniel J. Kelly	Director	Chief Financial Officer; Treasurer, American Family Mutual Insurance Company Madison, Wisconsin
David C. Holman	Director	Chief Strategy Officer; Secretary, American Family Mutual Insurance Company Madison, Wisconsin

Jessica J. Stauffacher	Director	Chief Administration Officer, American Family Mutual Insurance Company Madison, Wisconsin
Gerry W. Benusa	Director	Chief Sales Officer, American Family Mutual Insurance Company Madison, Wisconsin

**AMFAM HOLDINGS, INC.  
OFFICERS**

<b>NAME</b>	<b>TITLE</b>	<b>CURRENT PRINCIPAL OCCUPATION</b>
Jack C. Salzwedel	President	Chairman, Chief Executive Officer & President, American Family Mutual Insurance Company Madison, Wisconsin
Daniel J. Kelly	Chief Financial Officer; Treasurer	Chief Financial Officer; Treasurer, American Family Mutual Insurance Company Madison, Wisconsin
David C. Holman	Chief Strategy Officer; Secretary	Chief Strategy Officer; Secretary, American Family Mutual Insurance Company Madison, Wisconsin
Mark V. Afable	Chief Legal Officer	Chief Legal Officer, American Family Mutual Insurance Company Madison, Wisconsin
Troy P. Van Beek	Assistant Treasurer	Controller Vice President; Assistant Treasurer, American Family Mutual Insurance Company Madison, Wisconsin
Ann F. Wenzel	Assistant Secretary	Associate General Counsel; Assistant Secretary, American Family Mutual Insurance Company Madison, Wisconsin

**DIRECTORS**

Jack C. Salzwedel	Chairman of the Board; Director	Chairman, Chief Executive Officer & President, American Family Mutual Insurance Company Madison, Wisconsin
David C. Holman	Director	Chief Strategy Officer; Secretary, American Family Mutual Insurance Company Madison, Wisconsin
Daniel J. Kelly	Director	Chief Financial Officer; Treasurer, American Family Mutual Insurance Company Madison, Wisconsin
William B. Westrate	Director	AmFam Agency Chief Operating Officer, American Family Mutual Insurance Company Madison, Wisconsin

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