

FIRST AMENDMENT TO AGREEMENT AND PLAN OF MERGER

This First Amendment to Agreement and Plan of Merger (this "Amendment") is made as of January 24, 2019 by and among National Insurance Company of Wisconsin, Inc., a Wisconsin stock insurance corporation ("Company"), National Services, Inc., a Wisconsin corporation ("Seller"), Wilmington Holdings Corporation, a Delaware corporation ("Parent"), and Wilmington Insurance Company, Inc., a Delaware stock insurance corporation and a wholly-owned subsidiary of Parent ("WIC" and, with Company, Seller, and Parent, the "Parties").

RECITALS

WHEREAS, the Parties are parties to that certain Agreement and Plan of Merger dated October 5, 2018 (the "Agreement"); and

WHEREAS, the Parties desire to amend the Agreement in accordance with Section 8.4 thereof.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and premises contained in this Amendment and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Definitions. All capitalized terms used in this Amendment which are not defined in this Amendment shall have the meaning assigned to such terms in the Agreement.

2. Amendment of Section 7.2(d). Section 7.2(d) of the Agreement is hereby amended by deleting the words "and the redomestication of the Surviving Corporation to Delaware)".

3. Amendment of Section 7.3(d). Section 7.3(d) of the Agreement is hereby amended by deleting the parenthetical "(which approval shall also include the approval of the redomestication of the Surviving Corporation to Delaware)".

4. Amendment of Section 7.3(e). Section 7.3(e) of the Agreement is hereby amended and restated in its entirety to read as follows:

“(e) The approval of the WI OCI of the Pre-Closing Distribution shall have been received and shall have been delivered to Seller.”

5. Amendment of Section 7.3(f)(i). Section 7.3(f)(i) of the Agreement is hereby amended by deleting the words "and the redomestication of the Surviving Corporation to Delaware)".

6. Amendment of Exhibit A. Exhibit A to the Agreement is hereby replaced in its entirety with Exhibit A attached hereto.

7. Delivery by Facsimile or Email. This Amendment, to the extent signed and delivered by facsimile or by email with scan attachment, shall be treated in all manner and

respects as an original contract and shall be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person. At the request of any party, each other party shall re-execute original forms thereof and deliver them to all other parties. No party shall raise the use of facsimile or email to deliver a signature or the fact that any signature or Contract was transmitted or communicated by facsimile or email with scan attachment as a defense to the formation of a legally binding contract, and each such party forever waives any such defense.

8. Ratification of Agreement; Conflicts. Unless expressly modified herein, the Agreement is hereby ratified and all terms and conditions of the Agreement shall remain unmodified and in full force and effect. In the event of any conflict between the Agreement and this Amendment, the terms of this Amendment shall control.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF, each of the parties hereto has caused this Amendment to be executed as of the date first written above by their respective officers thereunto duly authorized.

SELLER:

National Services, Inc.

By: 

Terry Briscoe, Chairman & CEO

COMPANY:

National Insurance Company of Wisconsin, Inc.

By: 

Terry Briscoe, Chairman & CEO

PARENT:

Wilmington Holdings Corporation.

By: _____

David Gearhart, Chairman and CEO

WIC:

Wilmington Insurance Company, Inc.

By: _____

David Gearhart, Chairman

IN WITNESS WHEREOF, each of the parties hereto has caused this Amendment to be executed as of the date first written above by their respective officers thereunto duly authorized.

SELLER:

National Services, Inc.

By: _____
Terry Briscoe, Chairman & CEO

COMPANY:

National Insurance Company of Wisconsin, Inc.

By: _____
Terry Briscoe, Chairman & CEO

PARENT:

Wilmington Holdings Corporation.

By: David Gearhart
David Gearhart, Chairman and CEO

WIC:

Wilmington Insurance Company, Inc.

By: David Gearhart
David Gearhart, Chairman

EXHIBIT A

Form of Promissory Note

See attached.

FORM OF
PROMISSORY NOTE

[\$●]

[●] [●], 2019

FOR VALUE RECEIVED, the undersigned, Wilmington Holdings Corporation, a Delaware corporation ("Company"), promises to pay to the order of National Services, Inc., a Wisconsin corporation ("Payee"), at such place as Payee shall from time to time direct, the principal amount of [●] Dollars (\$[●]), together with interest from the date hereof on the unpaid principal balance hereof from time to time outstanding at the rate of three and five-tenths percent (3.5%) per year, compounded monthly. This promissory note (this "**Note**") is being issued by Company to Payee in connection with Section 1.7 of the Agreement and Plan of Merger, dated as of October 5, 2018, by and among Company, Payee and the other parties thereto (the "**Purchase Agreement**").

Unless sooner accelerated pursuant to the terms of this Note, all Principal and interest under this Note shall be due and payable in one single payment on [INSERT DATE 6 MONTHS AFTER CLOSING].

Company may prepay all or any portion of the unpaid principal balance of this Note at any time without penalty. In the event Company makes such prepayment, Company shall also pay interest accrued on the unpaid principal balance of this Note to the date of prepayment. Any payment not expressly designating the amount to be applied to interest and the amount to be applied to principal shall be applied first against interest and then against principal.

It shall constitute a "Default" under this Note if: (i) Company or Guarantor become insolvent or take or fail to take any action which constitutes its admission of inability to pay its debts as they mature; (ii) Company or Guarantor make an assignment for the benefit of creditors, file a petition in bankruptcy, or petition or apply to any tribunal for the appointment of a custodian, receiver or trustee for it or a substantial portion of its assets; (iii) Company or Guarantor commence any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect; (iv) Company or Guarantor have filed against it any petition in bankruptcy or petition or application for the appointment of a custodian, receiver or trustee for it or a substantial portion of its assets, which petition or application results in a proceeding in which an order for relief is entered or which remains undismissed and unstayed for a period of sixty (60) days or more; (v) Company or Guarantor indicate its consent to, approval of, or acquiescence in any such petition, application, or proceeding, or order for relief or the appointment of a custodian, receiver or trustee for it or a substantial portion of its assets; (vi) Company or Guarantor suffer any custodianship, receivership or trusteeship to continue undischarged and unstayed for a period of sixty (60) days or more, (viii) Company fails to pay all or any portion of any amount due under this Note when the same becomes due and payable and such failure continues for five days after written notice from Payee to Company; (ix) Company fails to comply with any term, covenant, obligation, condition or agreement contained in this Note and such failure continues for ten days after written notice thereof from Payee to Company; or (x) if any representation or warranty made by Company or Guarantor made in this Note is incorrect in any material respect. If any Default occurs, (a) the unpaid Principal balance of this Note,

together with all interest accrued thereon, shall become immediately due and payable without any election or action on the part of Payee and (b) interest on all of the indebtedness evidenced by this Note (including the outstanding Principal and all unpaid interest accrued thereon) shall automatically and without notice to Company accrue at 10.0% per annum.

No delay or omission on the part of Payee or any holder hereof in exercising any right or option herein given to such Payee or such holder shall impair such right or option or be considered as a waiver thereof or acquiescence in any default hereunder. Any single or partial exercise of any right hereunder shall not preclude any further or other exercise thereof or the exercise of any other right. This Note may be amended or modified only in a writing signed by Payee and Company. All remedies herein or by law shall be cumulative and shall be available to Payee until all obligations hereunder have been paid in full. This Note may not be assigned or otherwise transferred by a Company without the prior written consent of Payee and any purported assignment of rights or delegation of duties in violation hereof shall be void.

Company hereby waives presentment, demand for payment, notice of dishonor, protest or nonpayment, notice of acceleration of or intent to accelerate maturity and diligence in connection with the enforcement of this Note, and consents to any and all extensions and renewals hereof without notice.

This Note shall be governed by and construed in accordance with the laws of the State of Delaware.

In the event of a Default hereunder, Company agrees to pay all reasonable costs of collection of the indebtedness evidenced by this Note or in enforcing any of the rights and remedies of Payee under this Note, including reasonable attorneys' fees, incurred by Payee following an event of Default. Interest on such costs shall accrue at the default rate of 10% if not timely paid.

In the event that any provision of this Note is deemed to be invalid by reason of the operation of any law or by reason of the interpretation placed thereon by any governmental authority, the validity, legality and enforceability of the remaining terms and provisions of this Note shall not in any way be affected or impaired thereby, all of which shall remain in full force and effect, and the affected term or provision shall be modified to the minimum extent permitted by law so as to achieve most fully the intention of this Note.

Notwithstanding anything in this Note to the contrary, if and when the Delaware Department of Insurance approves a payment of dividends from Wilmington Insurance Company, Inc. (or its successor in interest) to Company with respect to the transactions contemplated by the Purchase Agreement, Company shall use any and all such dividend amounts to prepay any amounts outstanding under this Note, first to accrued but unpaid interest under this Note and then to the unpaid Principal balance of this Note. Such prepayment shall be made no later than ten (10) business days following the approval of the payment of the applicable dividend by the Delaware Department of Insurance.

Guarantor hereby absolutely and unconditionally guarantees to Payee the prompt and full payment of the initial principal amount, any accrued and unpaid interest thereon, and any and all

other obligations, liabilities and indebtedness of Company now or hereinafter owed by Company to Payee under this Note (including, without limitation, the payment of all reasonable legal and other costs incurred by Payee in endeavoring to collect all or a part of the debt, obligations and liabilities of Company under this Note), and hereby agrees to be bound to this Note solely for such purpose. Guarantor hereby represents and warrants to Payee that: (a) Guarantor has the power and authority to execute and deliver this Note and perform its obligations contemplated herein; (b) the execution and delivery of this Note by Guarantor constitutes a legal, valid and binding obligation of Guarantor enforceable against Guarantor in accordance with its terms; (c) Guarantor is not in default of any agreement to which it is a party, the effect of which would adversely affect the performance of Guarantor's obligations pursuant to this Note; (d) neither the execution nor delivery of this Note nor the compliance herewith violate any presently existing order, contract of any kind to which Guarantor may be bound or existing law; and (e) Guarantor currently has available and will continue to have available sufficient cash or other sources of financing to enable it to make the payment subject to the guarantee set forth herein.

Guarantor further represents and warrants to Payee that Guarantor is a significant equityholder of Company, that Guarantor will realize a substantial economic benefit from the parties entering into the Purchase Agreement, and that Payee entering into the Purchase Agreement constitutes reasonable and adequate consideration for Guarantor executing and delivering the guaranty set forth herein. Guarantor agrees that the obligations of Guarantor pursuant to this Note shall be primary obligations and shall remain in full force and effect without regard to, and shall not be released, discharged or affected in any way by, any circumstances or conditions (whether or not Guarantor shall have any knowledge thereof) other than payment in full of the obligations hereunder, cancellation or termination of this Note pursuant to the terms hereof, or as otherwise agreed to by Payee. Guarantor agrees that this Note shall be a continuing guaranty and shall inure to the benefit of any may be enforced by Payee and its successors and permitted assigns and shall be binding upon and enforceable against Guarantor and its successor and permitted assigns, in each case to the extent permitted herein.

[Signature Page Follows.]

IN WITNESS WHEREOF, the undersigned has caused this Promissory Note to be executed by its duly authorized officers as of the date first written above.

WILMINGTON HOLDINGS CORPORATION

By: _____
David Gearhart, Chairman and CEO

ACKNOWLEDGED AND AGREED
by GUARANTOR as of the date first above written:

David Gearhart

