



**SECURA**  
INSURANCE COMPANIES

**POLICYHOLDER  
INFORMATION  
BOOKLET**

**Date: July 28, 2020**

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**SECURA INSURANCE, A MUTUAL COMPANY**  
**1500 Mutual Way**  
**Neenah, Wisconsin 54956**

**Notice of Special Meeting of Members**  
**To be held on September 15, 2020**

**TO MEMBERS OF SECURA INSURANCE, A MUTUAL COMPANY:**

**NOTICE IS HEREBY GIVEN THAT** a Special Meeting of Members of SECURA INSURANCE, A Mutual Company (“SECURA” or the “Company”) will be held at the Company’s headquarters at 1500 Mutual Way, Neenah, Wisconsin, on September 15, 2020 at 10:00 am Central Time (the “Special Meeting”), for the following purpose:

To consider and vote upon a proposal to approve the Mutual Holding Company Plan of SECURA INSURANCE, A Mutual 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 Third 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 SECURA HAS APPROVED THE PLAN AND THE TRANSACTIONS CONTEMPLATED THEREBY AND BELIEVES THAT THE MUTUAL HOLDING COMPANY CONVERSION TRANSACTION PROVIDED FOR IN THE PLAN IS FAIR AND EQUITABLE TO THE POLICYHOLDERS OF SECURA AND WILL BENEFIT SECURA AND ITS POLICYHOLDERS. THE BOARD OF DIRECTORS RECOMMENDS THAT THE MEMBERS OF SECURA 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 form 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 (USING THE POSTAGE-PAID ENVELOPE PROVIDED) THE PROXY FORM 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 11:59 pm Central Time on September 8, 2020 in order to be voted at the Special Meeting.

By Order of the Board of Directors

/s/

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Daniel P. Ferris, Secretary

Neenah, Wisconsin  
July 28, 2020

In the Matter of the Mutual Holding Company Plan of SECURA INSURANCE, A Mutual Company  
by SECURA INSURANCE, A Mutual Company,

Petitioner.

Case No. 20-C43665

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NOTICE OF HEARINGS AND INVITATION FOR PUBLIC COMMENT

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**\*\*\* PRE-HEARING  
CONFERENCE IS  
SCHEDULED**

**DATE:** September 3, 2020, at 10:00 a.m.  
unless further continued by the Hearing  
Examiner.

**PLACE:** A Teleconference of the Office of the  
Commissioner of Insurance

Call-in Number: 1-888-363-4735

Passcode: 7267037

Please remember to press # after entering the  
foregoing passcode.

**\*\*\* HEARING IS  
SCHEDULED**

**DATE:** Class 1 Contested Case Administrative  
Hearing September 3, 2020, at 10:00 a.m.  
to 11:00 a.m., to follow immediately after  
the Pre-hearing Conference, unless further  
continued by the Hearing Examiner.

**DATE:** Public Hearing  
September 3, 2020, at 10:00 a.m. to  
11:00 a.m., to follow immediately after  
the Class 1 Contested Case Administrative  
Hearing, unless further continued by the  
Hearing Examiner.

**PLACE:** A Teleconference of the Office of the  
Commissioner of Insurance

Call-in Number: 1-888-363-4735

Passcode: 7267037

Please remember to press # after entering the  
foregoing passcode.

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

### Class 1 Contested Case Administrative Hearing

A Class 1 contested case administrative hearing on the proposed mutual holding company plan under chs. 227 and ss. 644.07 and 601.62, Wis. Stats., will be conducted on September 3, 2020, between 10:00 a.m. and 11:00 a.m. before Amy J. Malm, the duly appointed Hearing Examiner (unless sooner concluded, continued, or extended at the direction of the Hearing Examiner). All motions in the Class 1 hearing other than motions that necessarily must be made at the hearing, shall be filed with the Hearing Examiner not later than August 28, 2020 at 4:30 p.m. Only persons admitted as parties to the Class 1 proceeding may participate in this Class 1 administrative hearing. However, attendance by policyholders of SECURA INSURANCE, A Mutual Company and the public is welcome.

### Public Hearing

A public hearing on the proposed mutual holding company plan under chs. 227 and ss. 601.62 and 644.07, Wis. Stat., will be conducted on September 3, 2020, at the above-designated teleconference number, commencing immediately after the Class 1 administrative hearing, approximately 10:15 a.m., unless the pre-hearing conference or Class 1 administrative hearing is continued or extended by the Hearing Examiner.

Policyholders of SECURA INSURANCE, A Mutual Company 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, policyholders of SECURA INSURANCE, A Mutual Company and members of the public are invited to submit written comment as well as, or in lieu of, oral testimony. Interested persons are encouraged to submit written comments to the Hearing Examiner by September 3, 2020. Written comments may be directed to:

SECURA Mutual Restructuring Comments  
Office of the Commissioner of Insurance  
P. O. Box 7873  
Madison, Wisconsin 53707-7873

Due to pandemic conditions, comments by e-mail are likely to reach the Hearing Examiner on a timelier basis than U.S. Mail. Comments may be sent by e-mail to [ocicompanylicensing@wisconsin.gov](mailto:ocicompanylicensing@wisconsin.gov).

The Hearing Examiner will accept written comments after the September 3, 2020, conclusion of the public hearing until 4:30 p.m. on September 10, 2020.

### Issues

The issues to be considered at the hearing, and with respect to which policyholders of SECURA INSURANCE, A Mutual Company and the public are invited to comment, are as follows:

(1) The plan for the restructuring of SECURA INSURANCE, A Mutual Company to a mutual holding company and stock insurance company (the “plan”).

(2) The names, addresses, and interrelationships of all affiliates and principals of Petitioners 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 SECURA INSURANCE, A Mutual Company, the converting domestic corporation, or of the Wisconsin insureds of any participating nondomestic corporation.
- (b) The plan would be unfair or inequitable to the policyholders of SECURA INSURANCE, A Mutual Company.
- (c) The plan would be contrary to the interests of policyholders or the public.
- (d) The restructuring proposed by the plan would be detrimental to the safety and soundness of the converting insurance company, SECURA INSURANCE, A Mutual Company, or to the contractual rights and reasonable expectations of its policyholders on the effective date of the restructuring.

(4) Whether the Petitioner has complied with the filing requirements of s. 644.07, Wis. Stat.

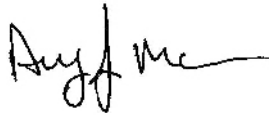
### How to Obtain Information

The mutual holding company plan is described in a Policyholder Information Booklet prepared by SECURA INSURANCE, A Mutual Company. A copy of the mutual holding company plan and exhibits thereto are included in the Policyholder Information Booklet. Any policyholder of SECURA INSURANCE, A Mutual Company that has not received the Policyholder Information Booklet by mid-August 2020 is urged to contact SECURA INSURANCE, A Mutual Company at (920) 739-3161 during normal business hours for a free copy.

In the Matter of the Mutual Holding Company Plan of SECURA INSURANCE, A  
Mutual Company Notice of Hearing  
Case No. 20-C43665

Any policyholder, director, officer, or employee of SECURA INSURANCE, A Mutual Company may inspect a complete copy of the mutual holding company plan and of the Policyholder Information Booklet, with all of its exhibits, before the public hearing by visiting the website of the Office of the Commissioner of Insurance. Anyone wishing to obtain a copy of the mutual holding company plan, the Policyholder Information Booklet, or pertinent correspondence and other statutorily required information concerning this case is encouraged to download it from the Office of the Commissioner of Insurance's web site at <https://oci.wi.gov/Pages/Companies/SecuraRestructuring.aspx>. However, copies may be obtained for the cost of reproduction by request directed to the Office of the Commissioner of Insurance.

Dated at Madison, Wisconsin, this 28th day of July 2020.

A handwritten signature in black ink, appearing to read "Amy J. Malm", written over a horizontal line.

Amy J. Malm, Administrator  
Division of Financial Regulation



## 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 SECURA INSURANCE, A Mutual Company (“SECURA” 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 SECURA?**

The Board of Directors of SECURA is proposing that SECURA change its organizational structure from a mutual insurance company to a mutual holding company-owned stock insurance company. Under this structure, SECURA would convert to a stock insurer, to be re-named SECURA Insurance Company (“Converted SECURA”), and would become an indirect wholly-owned subsidiary of the newly-organized mutual holding company. SECURA policyholders, who are currently the members of SECURA, would no longer be members of SECURA but would instead become members of the new mutual holding company, with comparable member rights. There would be no change in SECURA’s insurance policies (except that they would confer membership in the mutual holding company rather than SECURA), and those policies would remain obligations of Converted SECURA as a stock insurance company. The MHC Conversion would take place in accordance with the Mutual Holding Company Plan (the “Plan”) which has been approved by SECURA’s Board of Directors and which you and the other policyholders of SECURA 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, laws enabling the mutual insurance holding company structure began to appear in 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. More than half of the state insurance codes now include mutual holding company laws, and many insurance companies have chosen to restructure as mutual holding companies. See also “**THE MHC CONVERSION TRANSACTION—The Mutual Insurance Holding Company Organizational Form**” on page 5 of the Policyholder Information Statement.

### **3. How will the proposed MHC Conversion benefit SECURA and its policyholders?**

SECURA's Board of Directors believes that the MHC Conversion of SECURA is desirable to enhance SECURA'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 SECURA and its policyholders by, among other things, (i) giving the Company the opportunity to pursue 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, (iv) giving the Company enhanced access to capital and other forms of financing, (v) placing the Company in a more flexible position to take advantage of opportunities such as acquisitions of other mutual insurance companies, and (vi) increasing the Company's competitiveness by enhancing efficiency, management, and financial flexibility. See also "**THE MHC CONVERSION TRANSACTION—Benefits of Conversion to a Mutual Holding Company Structure**" on page 11 of the Policyholder Information Statement.

### **4. Will the proposed MHC Conversion affect the terms of my insurance policy with SECURA?**

No. All insurance policies issued by SECURA will continue as obligations of Converted SECURA as a stock insurance company after the MHC Conversion. Your rights under your existing insurance policy, including your coverage, claims payments, premiums, and policy benefits, will not be changed as a result of the MHC Conversion. See also the information presented under the heading "**Member Rights**" in the table found on page 20 of the Policyholder Information Statement.

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

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

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

On the effective date of the MHC Conversion (the "Effective Date"), you will cease being a member of SECURA 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 SECURA. See also “**THE MHC CONVERSION TRANSACTION—Effects of the MHC Conversion—Effect on Contract Rights and Voting Rights/Rights in Surplus of SECURA Members/Policyholders**” on page 18 of the Policyholder Information Statement.

As described in FAQ #6, as a result of the MHC Conversion, all persons who become policyholders of SECURA Supreme Insurance Company (“SECURA Supreme”), an indirect wholly-owned subsidiary of SECURA, after the Effective Date (whether through the issuance of new or the renewal of existing policies) will become members of the new mutual holding company. The addition of SECURA Supreme policyholders as members of the new mutual holding company will result in the dilution of the aggregate voting control held by SECURA’s members. It is difficult to estimate the amount of the dilution policyholders of SECURA will experience, but as of the date hereof, policies in force of SECURA Supreme represented approximately 44% of the combined policies in force of SECURA and SECURA Supreme.

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

Yes. All persons who become policyholders of SECURA Supreme after the Effective Date (whether through the issuance of new or the renewal of existing policies) will become members of the mutual holding company, along with the policyholders of SECURA. SECURA Supreme is a stock property and casualty insurance company established by SECURA as a second underwriting company. It is estimated that, if all current policyholders of SECURA Supreme were to become members of the new mutual holding company on the Effective Date, of the total number of members of the mutual holding company immediately after the MHC Conversion, approximately 56% would be persons who were SECURA policyholders immediately before the MHC Conversion, and approximately 44% (based on an assumed January 1, 2021, Effective Date) would be persons who were SECURA Supreme policyholders, and not SECURA policyholders, immediately before the MHC Conversion. The number of policyholders of SECURA Supreme relative to the number of policyholders of SECURA could go up or down after the Effective Date.

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

In addition, if the mutual holding company were to merge with another mutual holding company in the future, the members of the merging company would become members of the SECURA mutual holding company.

**7. How will the inclusion of policyholders of SECURA Supreme 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 SECURA immediately prior to the MHC Conversion as a result of the inclusion of the SECURA Supreme policyholders as members of the mutual holding company. Please note that growth in SECURA's membership over time would also have a dilutive effect on voting power.

Your voting rights as a member of SECURA 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, any proposed conversion of the Company from a mutual company to a stock company while simultaneously creating a mutual holding company as a parent, any proposed conversion of the 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 Company's articles of incorporation.

After the MHC Conversion, each member of the new mutual holding company will have substantially these same voting rights, except with respect to the dilution of voting control as discussed in FAQ #5. Each policyholder of Converted SECURA or SECURA Supreme will have the same mutual holding company member voting rights.

**8. How will the inclusion of policyholders of SECURA Supreme as members of the mutual holding company affect my rights in surplus?**

The inclusion of policyholders of SECURA Supreme 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 SECURA Members/Policyholders**" on page 18 of the Policyholder Information Statement.

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

Yes. After careful consideration and thorough deliberation in a series of meetings over a lengthy period, the SECURA Board of Directors has approved the Plan and the transactions contemplated thereby. Accordingly, the SECURA Board of Directors recommends that policyholders vote FOR the Plan at the Special Meeting. See also "**THE MHC CONVERSION TRANSACTION—Recommendation of Board of Directors**" on page 16 of the Policyholder Information Statement.

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

Yes. The Board of Directors considered, but rejected, other structural alternatives to the proposed MHC Conversion, including demutualization of SECURA. 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 SECURA 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 page 14 of the Policyholder Information Statement.

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

SECURA is currently regulated by the Office of the Commissioner of Insurance for the State of Wisconsin (the “Wisconsin Commissioner”). After the MHC Conversion, Converted SECURA 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 SECURA and the future regulation of the mutual holding company are described under the heading “**REGULATION**” on page 36 of the Policyholder Information Statement.

**12. Does SECURA plan to issue stock in any entity following the proposed MHC Conversion?**

No. SECURA does not have any plans to issue stock in any entity after the proposed MHC Conversion is completed. In any event, 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 SECURA’s directors or officers?**

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

**14. Will any SECURA director or officer receive any stock or stock options in connection with the MHC Conversion?**

No. SECURA’s directors and officers will not receive any stock or stock options in Converted SECURA or any other entity in connection with the MHC Conversion.

**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—Effects of the MHC Conversion—Special Considerations and Risk Factors**” on page 29 of the Policyholder Information Statement.

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

The Plan must be approved by the Wisconsin Commissioner. Additionally, the Plan must be approved by the vote of two-thirds of the members present and voting in person or by proxy at the Special Meeting. See also “**CONDITIONS TO CLOSING OF MHC CONVERSION**” on page 35 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 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 the vote of two-thirds of the members present and voting in person or by proxy at the Special Meeting, it is expected that the MHC Conversion will be completed on January 1, 2021.

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

SECURA policyholders are being asked to vote on the Plan at the Special Meeting to be held at 10:00 am local time on September 15, 2020 at the Company’s offices at 1500 Mutual Way, Neenah, 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 proxy form we sent you 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 11:59 pm on September 8, 2020 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.secura.net/mhc](http://www.secura.net/mhc)) or contact us at (920) 739-3161.

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**POLICYHOLDER INFORMATION STATEMENT**  
**RELATING TO THE**  
**PROPOSED MUTUAL HOLDING COMPANY PLAN**  
**OF**  
**SECURA INSURANCE, A MUTUAL COMPANY**  
**Dated July 28, 2020**

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 hereto, 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 SECURA INSURANCE, A Mutual Company (“SECURA”) or any other Person representing SECURA. 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 SECURA since the date hereof or that the information herein is correct as of any time subsequent to its date.

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## INTRODUCTION

This Policyholder Information Statement is being provided to Policyholders of SECURA INSURANCE, A MUTUAL COMPANY (“SECURA” or the “Company”) in connection with the Special Meeting of Members of SECURA to be held on September 15, 2020 at 10:00 am local time, at the Company’s offices at 1500 Mutual Way, Neenah, Wisconsin 54956 (the “Special Meeting”), and any adjournment thereof, at which the Members of SECURA will be asked to vote on the proposal to change the structure of SECURA 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**” on page 39 of this Policyholder Information Statement.

The proposal described herein is based upon a Mutual Holding Company Plan (the “Plan”) approved by the Board of Directors of SECURA (the “Board”) on July 28, 2020, a copy of which is attached hereto as **Exhibit A**, together with all exhibits thereto which are attached hereto as **Exhibit B** through **Exhibit I**. Prior to the vote of the Members of SECURA 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 September 3, 2020. The Plan will not take effect unless and until it has first been approved by order of the Wisconsin Commissioner after the Public Hearing and then by the requisite number of the Members of SECURA, and until certain other conditions described under the heading “**CONDITIONS TO CLOSING OF MHC CONVERSION**” on page 35 of this Policyholder Information Statement have been satisfied.

## ADDITIONAL AVAILABLE INFORMATION

Founded in 1900, SECURA is a mutual property and casualty insurance company domiciled in the State of Wisconsin which is licensed in 27 states and currently writes commercial, personal, farm-agriculture, and specialty lines of business in 12 states. SECURA 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.

In connection with obtaining approval of the Plan from the Wisconsin Commissioner, SECURA 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 SECURA may inspect and obtain copies of the Filing, as well as the financial reports and other information filed by SECURA with the Wisconsin Commissioner, during normal business hours at the offices of SECURA located at 1500 Mutual Way, Neenah, Wisconsin 54956. Members

of the public may inspect and make copies of the Filing, as well as the financial reports and certain other information filed by SECURA with the Wisconsin Commissioner, during normal business hours at the offices of the Wisconsin Commissioner located at 125 South Webster Street, Madison, Wisconsin 53703. 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 “SECURA INSURANCE, A Mutual Company to a Mutual Holding Company and Stock Insurance Company” hyperlink).

Any Policyholder who has questions about the Policyholder Information Statement, the Plan, or the Filing in general may visit our website ([www.secura.net /mhc](http://www.secura.net/mhc)) or contact us at (920) 739-3161.

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

SECURA’s Annual Statements for the years ended December 31, 2019, 2018, and 2017, as filed by SECURA with the Wisconsin Commissioner, and any Quarterly Statements filed by SECURA with the Wisconsin Commissioner during 2020, 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 this 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 distribution to Eligible Members of SECURA 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 approved the Plan on July 28, 2020, and directed that it be submitted for approval by the Wisconsin Commissioner and the Members of SECURA. The Plan will be the subject of a Public Hearing conducted by the Wisconsin Commissioner on September 3, 2020, and if approved by the Wisconsin Commissioner, will be submitted for approval by the Members of SECURA at the Special Meeting. 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 SECURA, 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 SECURA. If the Wisconsin Commissioner does not determine that the changes are materially disadvantageous to the Policyholders of SECURA, then neither an additional Public Hearing nor a separate approval by the Members of SECURA 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**” on page 35 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, laws enabling the mutual insurance holding company structure began to appear in 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, more than half of the state insurance codes now include mutual holding company laws, and increasing numbers of insurance companies have chosen to restructure as mutual holding companies. Three other mutual property and casualty insurance companies domiciled in Wisconsin have restructured as mutual holding companies since January of 2017.

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

On the Effective Date, SECURA will form a new Wisconsin mutual holding company known as SECURA Insurance Mutual Holding Company (“SECURA Insurance MHC”). It will also form a new intermediate stock holding company known as SECURA Holdings, Inc. (“SECURA Holdings”), a direct wholly-owned subsidiary of SECURA Insurance MHC, to hold Converted SECURA (defined below).

On the Effective Date, SECURA will convert to, and continue its corporate existence as, SECURA Insurance Company, a Wisconsin stock insurance company (“Converted SECURA”). Converted SECURA will become a direct wholly-owned subsidiary of SECURA Holdings and an indirect wholly-owned subsidiary of SECURA Insurance MHC. The Voting Rights and Rights in Surplus of SECURA Policyholders will be extinguished in exchange for Voting Rights and Rights in Surplus in SECURA Insurance MHC.

Also, on or before the Effective Date, SECURA Insurance Holdings, Inc., which is currently a direct wholly-owned subsidiary of SECURA, will be dissolved. As a result of the dissolution of SECURA Insurance Holdings, Inc., the ownership of SECURA Supreme Insurance Company (“SECURA Supreme”), which is currently a direct wholly-owned subsidiary of SECURA Insurance Holdings, Inc., will transfer to Converted SECURA.

In addition, all Policyholders of SECURA Supreme who renew or obtain a policy after the Effective Date will become Members of SECURA Insurance MHC in accordance with the Articles of Incorporation and Bylaws of SECURA Insurance MHC and the Wisconsin Insurance Code. The Board of Directors of SECURA Insurance MHC will have the authority to grant Member status in SECURA Insurance MHC to the Policyholders of other stock insurance company subsidiaries of SECURA Insurance MHC in the future.

A summary of the effect of the MHC Conversion on Voting Rights and Rights in Surplus of SECURA 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 SECURA Members/Policyholders**” on page 18 of this Policyholder Information Statement.

On the Effective Date, Converted SECURA will issue 100% of the stock of Converted SECURA to SECURA Holdings, and SECURA Holdings will issue 100% of the stock of SECURA Holdings to SECURA Insurance MHC.

As a result of the MHC Conversion, Converted SECURA will exist as a stock insurance company, 100% of the voting stock of which is indirectly owned by SECURA Insurance MHC, which will be 100% owned and controlled by, initially, the Policyholders of Converted SECURA and, over time, the Policyholders of Converted SECURA and SECURA Supreme.

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

**Before the MHC Conversion**



**After the MHC Conversion**

**SECURA Insurance Mutual Holding Company**  
**(“SECURA Insurance MHC” or “MHC”)**  
*Mutual insurance holding company*  
*Owned 100% by its members*

**SECURA Holdings, Inc.**  
**(“SECURA Holdings”)**  
*Business corporation*  
*Owned 100% by SECURA Insurance MHC*

**SECURA Insurance Company**  
**(“Converted SECURA”)**  
*Stock insurance company*  
*Owned 100% by SECURA Holdings*

**SECURA Supreme Insurance Company**  
**(“SECURA Supreme”)**  
*Stock insurance company*  
*Owned 100% by Converted SECURA*

## **Background of SECURA INSURANCE, A Mutual Company and Affiliates and Subsidiaries**

SECURA is a Wisconsin mutual insurance company with its headquarters in Neenah, Wisconsin.

After a devastating windstorm ripped through the community surrounding Seymour, Wisconsin, a local farmer named Julius Bubolz saw an opportunity to ease the financial burden caused by future storms. Along with a group of fellow farmers and neighbors, Julius formed a mutual insurance company in which charter members agreed to share losses and expenses. This was the beginning of The Farmers Home Mutual Hail, Tornado and Cyclone Insurance Company of Seymour, Wisconsin—now known as SECURA INSURANCE, A Mutual Company. The Company was founded on March 1, 1900 in Bubolz’s 19th-century farmhouse. In the first year, the Company insured 135 charter members and paid \$78 in claims. Since then, the Company has evolved into a super-regional property and casualty insurance company licensed in 27 states and currently writing Commercial, Personal, Farm-Ag, and Specialty Lines business in 12 states.

SECURA’s group of subsidiary companies today consists of SECURA Insurance Holdings, Inc., a stock noninsurance company, and SECURA Supreme Insurance Company, a stock insurance company.

SECURA is rated A (Excellent) by A.M. Best and has been recognized as a Ward’s 50® Top Performer. SECURA is also certified by Forbes® as a Great Place to Work, achieved the WELCOA Well Workplace Platinum award, and received the “World’s Greatest” recognition for workplace culture. SECURA and its associates actively support SECURA’s local communities through donations, time and talent.

### **Strategic Challenges Facing SECURA**

The Board wants to ensure SECURA has structural, financial and strategic flexibility to remain strong and competitive. The insurance industry is changing at an ever-increasing pace, and successful companies must be positioned to respond quickly and act decisively in the face of challenges and opportunities. Changes in underwriting, new and evolving technology, and increased access to sophisticated data and analytics are driving business and reinventing the way insurers do business. SECURA’s current structure limits the Company’s ability to respond and capitalize on the rapidly changing marketplace. Considerations include the following:

- *The Company’s ability to pursue product and state expansion through subsidiary companies while preserving and enhancing the Company’s commitment to mutual governance.*

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 want to sell their current generation of products and offer alternative products often form stock

insurance company subsidiaries to enable this approach. The policyholders of these companies are not eligible for membership in the mutual insurance company parent organization.

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

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

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

Mutual insurers cannot merge with or acquire other mutual insurers without one of the two insurers ceasing to exist. This prevents a mutual company from merging with or acquiring other mutual insurers in ways that allow for increased efficiencies and preservation of both organizations' goodwill and brand value. Further, mutual insurers have limited options to raise capital for possible mergers and acquisitions, and they cannot use stock as currency in acquisitions.

## **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 Preserving and Enhancing the Company's Commitment to Mutual Governance***

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, SECURA focuses on the interests of its Policyholders, the owners of the Company. SECURA 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, SECURA 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 insurance 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 enables SECURA to continue to expand its product offerings and improved underwriting methodologies through newly formed stock subsidiaries. As an added benefit, Policyholders who are insured by SECURA Supreme, or any other downstream stock insurance company subsidiary whose Policyholder(s) receive Member status in SECURA Insurance MHC from the MHC Board of Directors, will have 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 to provide critical support and enhancements to their insurance operations. 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 subsidiaries of the intermediate stock holding company, without being subjected to the regulatory restrictions that could limit SECURA's ability to take advantage of certain strategic opportunities. For example, SECURA Holdings 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 any distribution of funds or the provision of any other form of financial support from Converted SECURA to SECURA Holdings for purposes of such investments, or for other purposes, 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. In addition, the claims-paying ability of Converted SECURA, 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.

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

SECURA 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 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 that 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 merge, without affecting the unique identity of any downstream insurance companies in either organization. These options are not available to SECURA in its current mutual insurance company structure.

Because the MHC Conversion includes within its framework an intermediate stock holding company as well as a stock insurance company, SECURA Insurance 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 stock companies as currency in acquisitions.

### *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 through a mutual holding company conversion, 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 of SECURA at this time does not provide for the sale of voting stock, and there is 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 SECURA.
- *Continuation of Voting Control of SECURA.* SECURA Insurance MHC will, on the Effective Date, indirectly own 100% of the voting stock of Converted SECURA. In addition to requiring the approval of both the Wisconsin Commissioner and the Members of SECURA Insurance MHC, any sale of voting stock of Converted SECURA to outside investors would be subject to the requirement that SECURA Insurance MHC must at all times directly or indirectly own not less than 51% of such voting stock. As a result of this majority ownership interest, Members of SECURA Insurance MHC, who will have voting control over SECURA Insurance MHC, will at all times have indirect voting control over Converted SECURA.
- *No Sales of Voting Stock without Additional Approvals.* The Plan does not provide for any sale of voting stock of Converted SECURA or SECURA Holdings. 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 SECURA Insurance MHC of the terms of such offering. SECURA has no plans to request approval for a sale of voting stock.
- *Voting Rights/Rights in Surplus.* The MHC Conversion will result in SECURA Policyholders becoming Members of SECURA Insurance MHC with associated rights, including: (i) the right to vote at annual meetings of SECURA Insurance MHC for the election of directors of SECURA Insurance MHC and on such other matters as may be presented to Members of SECURA Insurance MHC, from time to time; (ii) the right to receive distributions from SECURA Insurance 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 SECURA Insurance MHC were ever to demutualize, which is not now contemplated.

## Consideration of Alternatives

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

### ***Preserving the Status Quo***

While SECURA'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 SECURA'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 SECURA remains in its current structure as a mutual insurance company, these limitations will prevent SECURA from realizing its full potential as compared to competitors who are not similarly restricted.

### ***Demutualization***

A demutualization would convert SECURA from a mutual insurance company into a stock insurance company without simultaneously creating a mutual holding company as a parent. In essence, SECURA 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 SECURA and/or its Members, such as the following:

- Policyholders, as Members of SECURA, would receive cash, stock or other consideration in exchange for their Voting Rights and Rights in Surplus in SECURA.
- Stock of the demutualized company could be used by the demutualized company as acquisition currency.
- The value of SECURA'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 SECURA. Investors may place a lower value on the stock of Converted SECURA as a result of their inability to acquire a controlling interest in the entity.

However, the Board has concluded that maintaining the "mutuality" of SECURA 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 SECURA 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 SECURA. Demutualization is inconsistent with both of these goals, as it would terminate SECURA's existence as a "mutual" organization ultimately owned by its Policyholders, and would eliminate SECURA'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 SECURA. Other potential disadvantages of demutualization as an alternative to the mutual holding company structure include the following:

- Demutualization would not eliminate the regulatory restrictions that place limits on the extent to which SECURA can invest in ancillary and non-insurance subsidiaries.
- 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 with the Policyholders of SECURA together with the Policyholders of SECURA Supreme. Under a demutualization, Members of SECURA 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.
- Demutualization may be an inefficient way to raise capital. In a demutualization under Wisconsin law, SECURA 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 SECURA, 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 SECURA 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.

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

On July 28, 2020, the Board 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 SECURA Policyholders, and the Board expects that the MHC Conversion will benefit SECURA 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 September 3, 2020.

The Wisconsin Commissioner may request that SECURA, Converted SECURA, SECURA Holdings and/or SECURA Insurance 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 SECURA to represent SECURA in all negotiations with the Wisconsin Commissioner related to the review and approval of the Plan and has further authorized the officers of SECURA to negotiate and execute, on behalf of SECURA and, if necessary, Converted SECURA, SECURA Holdings and/or SECURA Insurance 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; should any proposed changes to the Plan as a result of such negotiations be deemed by the officers of SECURA to be material, however, then the officers of SECURA will so notify the Wisconsin Commissioner and seek the Board's approval of such changes as a condition of final agreement to such changes.

**THE BOARD OF DIRECTORS OF SECURA RECOMMENDS THAT ELIGIBLE MEMBERS OF SECURA VOTE "FOR" APPROVAL OF THE PLAN AT THE SPECIAL MEETING.**

### **Effects of the MHC Conversion**

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

#### ***Operations and Business of SECURA***

The MHC Conversion will not result in any material changes in SECURA'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 SECURA into a stock insurance company will in no way annul, modify or change any of SECURA'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 SECURA 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 SECURA 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 SECURA Members/Policyholders***

Currently, Members of SECURA 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 of Policyholders 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 SECURA. Every Policy that has been issued by SECURA which is in force on the Effective Date will remain in force at the Effective Date and continue as a Policy of Converted SECURA. 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 SECURA can be summarized as follows:

### *Voting Rights:*

- The right to elect the directors of SECURA;
- The right to approve or disapprove proposed changes in the SECURA 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 SECURA's Members.

### *Rights in Surplus:*

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

As a matter of law, distributions to a Member of SECURA in the case of either a demutualization or dissolution would be capped at the amount of premiums such Member has paid to SECURA, 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 SECURA will be replaced with Voting Rights/Rights in Surplus as Members of SECURA Insurance MHC. Members will not receive any cash, stock or other consideration in exchange for their Voting Rights/Rights in Surplus in SECURA. Rather, the Members’ Voting Rights/Rights in Surplus in SECURA will be extinguished and replaced with Voting Rights/Rights in Surplus in SECURA Insurance MHC, as summarized in the chart below under the heading “After MHC Conversion.” Also, persons who obtain or renew a policy issued by SECURA Supreme subsequent to the Effective Date will become Members of SECURA Insurance MHC, with Voting Rights/Rights in Surplus as summarized in the chart below.

Holders of Policies issued by Converted SECURA or SECURA Supreme on or after the Effective Date will automatically become Members of SECURA Insurance MHC.

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

<b>Contract Rights</b>		
	<b>Before MHC Conversion</b>	<b>After MHC Conversion</b>
<i>Right to insurance coverage</i>	Insurance coverage is provided by Policies which are obligations of SECURA.	Policy obligations to provide insurance coverage continue unchanged for SECURA Policyholders, who are now Policyholders of Converted SECURA. Converted SECURA is the same company as SECURA except that it is reorganized as a stock insurance company. The Plan will not increase premiums, decrease policy benefits or alter policy obligations.

<b>Member Rights</b>		<b>Before MHC Conversion</b>	<b>After MHC Conversion</b>
<b>Voting Rights</b>	<i>Right to vote for election of directors and on other corporate matters</i>	Each SECURA Member is entitled to one vote on all matters subject to Member vote. Only Policyholders of SECURA are Members of SECURA.	Each SECURA Insurance MHC Member is entitled to one vote on all matters subject to Member vote. All Policyholders of Converted SECURA and SECURA Supreme will ultimately be Members of SECURA Insurance MHC.
<b>Rights in Surplus</b>	<i>In the event of a dissolution or liquidation</i>	Any surplus remaining after payment of all liabilities of SECURA 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 SECURA, 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 SECURA Insurance 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 value of all insurance premiums paid by such Member to SECURA/Converted SECURA, 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.

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**Member Rights**

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	<b>Before MHC Conversion</b>	<b>After MHC Conversion</b>
<i>In the event of a reorganization to a stock insurer (also called a demutualization)</i>	Persons who have been Policyholders of SECURA 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 SECURA over such five-year period, as a percentage of all net premiums received by SECURA over the same period, capped at the value of all insurance premiums paid by such Person to SECURA, 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 SECURA/Converted SECURA 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 SECURA/Converted SECURA over such five-year period, as a percentage of all net premiums received by SECURA/Converted SECURA over the same period, capped at the value of all insurance premiums paid by such Person to SECURA/Converted SECURA, 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.

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***Directors and Executive Officers***

On the Effective Date (i) the Board of Directors of SECURA Insurance MHC will consist of the same directors that comprise the Board of Directors of SECURA immediately prior to the Effective Date, (ii) the Principal Officers of SECURA Insurance MHC will be the same individuals serving in those positions for SECURA immediately prior to the Effective Date, (iii) the Board of Directors of Converted SECURA will consist of the same directors that comprise the Board of Directors of SECURA Insurance MHC, (iv) the Principal Officers of Converted SECURA will be the same individuals serving as the Principal Officers of SECURA Insurance MHC, (v) the Board of Directors of SECURA Holdings will consist of the same directors that comprise the Board of Directors of SECURA Insurance MHC, and (vi) the Principal Officers of SECURA Holdings will be the same individuals

serving as the Principal Officers of SECURA Insurance MHC. For more information regarding the proposed directors and executive officers of SECURA Insurance MHC, Converted SECURA and SECURA Holdings, see “**DIRECTORS AND OFFICERS OF SECURA INSURANCE MUTUAL HOLDING COMPANY, SECURA HOLDINGS, INC., AND CONVERTED SECURA**” attached hereto as **Exhibit I**.

### ***Corporate Governance***

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

After the MHC Conversion, Converted SECURA will operate under the direction of its Board of Directors and all voting rights, including the election of the Board of Directors of Converted SECURA, will be vested exclusively in the holder(s) of its outstanding voting stock, specifically SECURA Holdings. All of the voting rights of SECURA Holdings, in turn, will be vested exclusively in the holder(s) of its outstanding voting stock, specifically SECURA Insurance MHC. Accordingly, SECURA Insurance MHC, as sole shareholder of SECURA Holdings, will have indirect voting control over the outcome of all matters presented to the shareholders of Converted SECURA for resolution by vote, including the election of the Board of Directors for Converted SECURA. SECURA Insurance MHC will operate under the direction of its Board of Directors. All voting rights, including the election of the Board of Directors of SECURA Insurance MHC, will be vested exclusively in the Members of SECURA Insurance MHC, *i.e.*, the Policyholders of Converted SECURA and SECURA Supreme. These Members will be entitled to vote on all matters requiring action by the Members, including the election of the directors of SECURA Insurance MHC.

### ***Comparison of Articles of Incorporation and Bylaws of SECURA Insurance MHC with Current Articles of Incorporation and Bylaws of SECURA***

SECURA Insurance MHC will be organized as a mutual holding company under Chapter 644 of the Wisconsin Insurance Code. The proposed Articles of Incorporation of SECURA Insurance MHC (the “Proposed SECURA Insurance MHC Articles”) and the proposed Bylaws of SECURA Insurance MHC (the “Proposed SECURA Insurance MHC Bylaws”) 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 SECURA Insurance MHC Articles and Proposed SECURA Insurance MHC Bylaws in their entirety.

Certain provisions of the Proposed SECURA Insurance MHC Articles and Proposed SECURA Insurance MHC 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 Insurance Code and the entirety of the Proposed SECURA Insurance MHC Articles and Proposed SECURA Insurance MHC Bylaws.

## Purpose

SECURA Insurance MHC is formed for the purpose of owning, at all times, directly or indirectly, at least fifty-one percent (51%) of the voting stock of Converted SECURA and engaging in all lawful activities permitted to mutual holding companies under Wisconsin law. SECURA Insurance MHC will not be engaged in the business of insurance. By contrast, SECURA 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 SECURA will become a Member of SECURA Insurance MHC on the Effective Date, and every person who becomes a Policyholder of SECURA Supreme after the Effective Date (whether through the issuance of new or the renewal of existing policies) will become a Member of SECURA Insurance MHC. The Board of Directors of SECURA Insurance MHC is also authorized to admit Policyholders of additional stock insurance company subsidiaries of SECURA Insurance MHC as future Members of SECURA Insurance MHC. In addition, if another mutual insurance holding company were to merge into SECURA Insurance MHC, the members of such other mutual insurance holding company would become members of SECURA Insurance MHC. Each Member of SECURA Insurance MHC will have one vote on all matters subject to a Member vote, including the election of directors of SECURA Insurance MHC. Each Member of SECURA Insurance MHC will also have certain Rights in Surplus, but only to the extent such Members have paid premiums to SECURA and/or Converted SECURA within the past five years. Further discussion of SECURA Insurance 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 SECURA Members/Policyholders***" on page 18 of this Policyholder Information Statement.

## Board of Directors

Pursuant to the Current SECURA Articles and Bylaws, SECURA is governed by a Board of Directors that must include no fewer than nine and no more than eleven individuals who serve staggered three-year terms to ensure continuity in Board service. There are currently eleven individuals serving on SECURA's Board. The provisions with respect to the Board of Directors in the Proposed SECURA Insurance MHC Articles and the Proposed SECURA Insurance MHC Bylaws are substantially similar to the provisions in the Current SECURA Articles and the Current SECURA Bylaws, except that the Proposed SECURA Insurance MHC Bylaws provide that the Board of Directors must include no fewer than the minimum number of directors required under Wisconsin law, with the exact number to be designated annually.



### Officers

The Proposed SECURA Insurance MHC Bylaws authorize the election by SECURA Insurance MHC's Board of Directors of corporate officers, including President, one or more Vice Presidents, Secretary and Treasurer. The provisions with respect to officers in the Proposed SECURA Insurance MHC Bylaws are substantially similar to those in the Current SECURA Bylaws.

### Member Meetings

The Proposed SECURA Insurance MHC Articles and the Proposed SECURA Insurance MHC Bylaws provide for annual and special meetings of the Members of SECURA Insurance MHC. The Current SECURA Bylaws also provide for annual and special meetings of the Members of SECURA. The provisions of the Proposed SECURA Insurance MHC Bylaws for the calling of special meetings of Members of SECURA Insurance MHC are substantially similar to those provisions in the Current SECURA Bylaws.

### Dividends

The Proposed SECURA Insurance MHC Articles do not provide authority for SECURA Insurance MHC to pay dividends to Members of SECURA Insurance MHC. The Current SECURA Articles likewise do not provide authority for SECURA to pay dividends to Members of SECURA. Nevertheless, the Current SECURA Articles permit SECURA to pay dividends to holders of an insurance Policy in accordance with the Wisconsin Insurance Code Wis. Stat. § 631.51.

### Amendment of Articles of Incorporation and Bylaws

The Current SECURA Articles can be amended by the vote of at least two-thirds of the votes entitled to be cast by Members present in person or represented by proxy at a meeting of the Members. The Proposed SECURA Insurance MHC Articles 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 of the Members, or (ii) a majority of the voting power held by the Members.

The Current SECURA Bylaws can be amended (i) by the Board of Directors by a vote of a majority of the entire Board, unless the Bylaw specifically states that it may not be amended by the Board, or (ii) by majority vote of the Members of SECURA. The Proposed SECURA Insurance MHC Bylaws can be amended (i) by the Board of Directors by a vote of a majority of the entire Board, unless the Bylaw specifically states that it may not be amended by the Board, or (ii) by majority vote of the Members voting at the meeting.

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

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

Certain provisions of the Proposed Converted SECURA Articles and Proposed Converted SECURA 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 Proposed Converted SECURA Articles and the Proposed Converted SECURA Bylaws.

### **Purpose**

Converted SECURA is being converted into a stock insurance corporation to continue the existence of SECURA after the consummation of the MHC Conversion, and, like SECURA, will have the purpose of insuring its Policyholders against all hazards authorized or permitted for a property and casualty insurance company by Wisconsin law. After the Effective Date, Converted SECURA will be a direct, wholly-owned subsidiary of SECURA Holdings, which in turn will be a direct, wholly-owned subsidiary of SECURA Insurance MHC. As such, SECURA Insurance MHC Members will indirectly control Converted SECURA through the right to elect the directors of SECURA Insurance MHC, which in turn has the right to elect the directors of SECURA Holdings, which in turn has the right to elect the directors of Converted SECURA. Converted SECURA will continue the insurance business currently conducted by SECURA. Pursuant to the Plan, SECURA Supreme, currently an indirect, wholly-owned subsidiary of SECURA and wholly-owned subsidiary of SECURA Insurance Holdings, Inc., will continue as an indirect, wholly-owned subsidiary of SECURA Holdings and wholly-owned subsidiary of Converted SECURA following the Effective Date.

### **Membership; Ability to Issue Stock**

Because SECURA 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 SECURA. Each SECURA Member is entitled to one vote regardless of the number of SECURA Policies she or he owns. By contrast, Converted SECURA will be authorized by the Proposed Converted SECURA Articles to issue common stock, and will not have any members. Each share of common stock will confer one vote per share for purposes of each matter voted on at a meeting of Converted SECURA shareholders. SECURA Insurance MHC must at all times directly or indirectly own not less than 51% of the voting stock of Converted SECURA.

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

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

### Quorum at Meetings of Members/Shareholders

The Current SECURA 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 Converted SECURA Bylaws, holders of a majority of votes entitled to be cast on a matter by a voting class shall constitute a quorum with respect to that class and that matter. Note that the Proposed Converted SECURA Articles provide for only one voting class of stock, the common stock, so holders of a majority of the shares of common stock present in person or by proxy will constitute a quorum.

### Amendment of Articles of Incorporation and Bylaws

The Current SECURA Articles can be amended by the vote of at least two-thirds of the Members present and voting in person or by proxy at a meeting of the Members. The Proposed Converted SECURA Articles can be amended in certain respects (as permitted by Chapter 611 of the Wisconsin Insurance Code) by a majority of the Converted SECURA Board of Directors without shareholder approval, and in all respects by majority vote of the shareholders of Converted SECURA.

The Current SECURA Bylaws can be amended (i) by the Board of Directors by a vote of a majority of the entire Board, unless the Bylaw specifically states that it may not be amended by the Board, or (ii) by majority vote of the Members of SECURA. The Proposed Converted SECURA Bylaws can be amended by (i) by the vote of a majority of the directors present at a meeting at which a quorum is present, unless the Bylaw specifically states that it may not be amended by the Board, or (ii) by majority vote of the shareholders entitled to vote present at any meeting of the shareholders at which a quorum is present.

### ***Summary of Articles of Incorporation and Bylaws of SECURA Holdings***

SECURA Holdings will be organized as a stock corporation under Chapter 180 of the Wisconsin Statutes. The Articles of Incorporation of SECURA Holdings (the “SECURA Holdings Articles”) and the Bylaws of SECURA Holdings (the “SECURA Holdings Bylaws”) 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 SECURA Holdings Articles and SECURA Holdings Bylaws in their entirety.

Certain provisions of the SECURA Holdings Articles and the SECURA Holdings 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 SECURA Holdings Articles and the SECURA Holdings Bylaws.

#### Purpose

SECURA Holdings, which will be formed as a Wisconsin business corporation in order to hold the voting stock of Converted SECURA, will after the Effective Date be a direct, wholly-owned subsidiary of SECURA Insurance MHC. As such, SECURA Insurance MHC Members will indirectly control SECURA Holdings through the right to elect the Board of Directors of SECURA Insurance MHC, which in turn has the right to elect the Board of Directors of SECURA Holdings. SECURA Holdings will not be engaged in the insurance business, but it will directly own Converted SECURA and indirectly own SECURA Supreme (which will be directly owned by Converted SECURA), and will directly and indirectly own certain other subsidiaries of SECURA Insurance MHC, including insurance and noninsurance subsidiaries.

#### Ability to Issue Stock

SECURA Holdings is authorized by the SECURA Holdings Articles to issue one class of common stock. Each share of common stock will confer one vote per share on matters subject to a vote of SECURA Holdings shareholders. SECURA Insurance MHC must at all times directly or indirectly own not less than 51% of the voting stock of SECURA Holdings.

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

Under the SECURA Holdings Bylaws, each share of common stock of SECURA Holdings will confer one vote for the election of directors and all other matters subject to a vote of SECURA Holdings shareholders. Accordingly, the number of shares of common stock held by a shareholder of SECURA Holdings will determine the relative voting power of that shareholder.

#### Quorum at Meetings of Shareholders

Under the SECURA Holdings Bylaws, a majority of the votes of a class of stock entitled to be cast on a matter shall constitute a quorum of the voting group for action on that matter. Therefore, a majority of the votes of common stock holders entitled to be cast on a matter will constitute a quorum.

## Amendment of Articles of Incorporation and Bylaws

The SECURA Holdings Articles can be amended in certain respects (as permitted by Chapter 180 of the Wisconsin Statutes) by the SECURA Holdings Board of Directors, and in all respects by majority vote of the shareholders of SECURA Holdings.

The SECURA Holdings Bylaws can be amended (i) by the shareholders if the votes cast favoring the amendment exceed the votes cast opposing the amendment, or entitled to vote present at any meeting of the shareholders at which a quorum is present or (ii) by a vote of a majority of the directors present at any meeting of the Board of Directors at which a quorum is present, unless the Bylaw specifically states that it may not be amended by the Board.

## ***Federal Tax Consequences***

This Policyholder Information Statement does not purport to describe all tax consequences that may be relevant to a Member or to SECURA. 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 SECURA obtain an opinion of a qualified law firm or other independent tax counsel to SECURA substantially to the effect that neither SECURA, SECURA Holdings, SECURA Insurance MHC nor SECURA's Policyholders will recognize gain or loss for U.S. federal income tax purposes in connection with the MHC Conversion. It is anticipated that such legal opinion will reflect the following:

- On the Effective Date, Voting Rights/Rights in Surplus in SECURA currently held by SECURA Members will be extinguished and such former SECURA Members will automatically receive Voting Rights/Rights in Surplus in SECURA Insurance MHC. Such Policyholders' contract rights and obligations under their Policies will remain with Converted SECURA. The terms and provisions of SECURA Policies in force at the Effective Date will not be changed.
- The extinguishment of Members' Voting Rights/Rights in Surplus in SECURA in exchange for a grant of Voting Rights/Rights in Surplus in SECURA Insurance 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 SECURA Insurance MHC received by Members whose SECURA Voting Rights/Rights in Surplus are extinguished will be zero.

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

The consummation of the MHC Conversion is subject to the condition that SECURA 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 a qualified law firm or other independent legal counsel to SECURA 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 SECURA Members in the MHC Conversion, as would occur if SECURA were to demutualize. In the case of a conversion to a mutual holding company structure, Members of the mutual insurance company receive non-transferable Voting Rights and Rights in Surplus in the mutual 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, Converted SECURA and SECURA Holdings could issue debt in amounts greater than SECURA would be permitted to issue if SECURA were to remain a mutual insurance company, so it might be possible for the SECURA Mutual group of companies to become financially leveraged to a greater extent than is now possible for SECURA.
- *Benefits May Not Be Achieved.* It is possible that any or all of the anticipated benefits of the mutual holding company structure may never be achieved.
- *Risks Associated with Growth.* There can be no assurance that SECURA will grow more efficiently and cost-effectively as part of a mutual holding company structure than it would 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.* SECURA’s Board, officers, and other management employees have a track record of profitable operation of a variety of insurance and related companies. SECURA’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 executives and managers who have relevant experience and knowledge.

- *Acquisitions May Not Be Forthcoming.* SECURA Insurance MHC may not take advantage of the expanded opportunity to make acquisitions, or acquisition opportunities may be limited.
- *Restrictions on Movement of Funds.* The ability of SECURA Insurance MHC to engage in certain transactions may depend in part upon its ability to receive sufficient funds from Converted SECURA and/or SECURA Holdings 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 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 has concluded that the MHC Conversion is fair and equitable to SECURA Policyholders and that implementing the MHC Conversion is in the best interests of SECURA and its Policyholders. In addition, the MHC Conversion cannot proceed without the Wisconsin Commissioner's determination that the MHC Conversion is fair and equitable to, and not contrary to the interests of, SECURA's Policyholders or the public. However, 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 SECURA has no plans to sell any stock to third parties, if shares of stock of Converted SECURA and/or SECURA Holdings were ever approved for sale by the Wisconsin Commissioner and the SECURA Insurance MHC Members 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 SECURA Insurance MHC would be reduced, and the book value of SECURA Insurance MHC Members' indirect aggregate ownership percentage in Converted SECURA or SECURA Holdings, as the case may be, would be diluted.
- *Dilution of Voting Rights.* It is currently anticipated that the MHC Conversion will, over time, result in the dilution of the ultimate voting control held by SECURA's Members as a result of the admission of Policyholders of

SECURA Supreme as Members of SECURA Insurance MHC. However, it is difficult to estimate the amount of the dilution Policyholders of SECURA will experience. In the future, dilution could occur more quickly than it would have solely as a result of sales of new Policies by SECURA or SECURA Supreme and renewals of existing Policies by SECURA Supreme, if the SECURA Insurance MHC Board of Directors takes action to admit Policyholders of any future stock insurance company subsidiaries as Members of SECURA Insurance MHC, if the Board of Directors and Members of SECURA Insurance MHC approve a merger with another MHC, or if the Board of Directors of SECURA Insurance MHC proposes, and the Wisconsin Commissioner and the Members approve, a sale of voting stock of SECURA Holdings or Converted SECURA.

- *Potential Conflicts among SECURA Insurance MHC Members.* SECURA Insurance MHC Members who are admitted as Members as a result of their status as Policyholders of SECURA Supreme may have certain conflicts with the interests of SECURA Insurance MHC Members who are admitted as Members as a result of their status as SECURA Policyholders, in light of the different equitable shares in the proceeds of a demutualization or dissolution of SECURA Insurance 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) SECURA 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 SECURA Insurance 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 SECURA. Over time, as more Policies are renewed and/or sold by SECURA Supreme, and/or if the Board of Directors of SECURA Insurance MHC admits the Policyholders of any additional stock insurance company subsidiaries as Members of SECURA Insurance MHC, Policyholders of Converted SECURA could come to represent a minority of the voting power of SECURA Insurance MHC.
- *Transfer of Assets Out of Converted SECURA.* The mutual holding company structure creates an opportunity for the future distribution of assets out of Converted SECURA to one or more affiliates which are not directly or indirectly owned by Converted SECURA. 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. Any future distribution of cash or other assets of Converted SECURA to SECURA Insurance MHC or SECURA Holdings could result in



a reduction of Converted SECURA's assets and earnings (although Converted SECURA 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 SECURA Insurance MHC and/or SECURA Holdings, whether as a result of distributions of such assets from Converted SECURA to SECURA Insurance MHC or SECURA Holdings (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 other subsidiaries of SECURA Insurance MHC, may not be available to pay claims of Converted SECURA Policyholders. This could, in turn, under certain extreme circumstances, contribute to pressure for Converted SECURA to increase premiums in order to pay claims, or an inability of Converted SECURA 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 SECURA and its Members, who are the Policyholders of SECURA. After the MHC Conversion, the duties and obligations of the Board of Directors of SECURA Insurance MHC will be to act in the best interests of SECURA Insurance MHC and its Members. There may be conflicts among the interests of the Members of SECURA Insurance MHC in connection with certain types of transactions. Furthermore, if Converted SECURA or SECURA Holdings 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.*, SECURA Holdings, in the case of Converted SECURA, and SECURA Insurance MHC, in the case of SECURA Holdings). Accordingly, there would be the potential for the development of conflicting interests between the Members of SECURA Insurance MHC and the minority shareholders of Converted SECURA or SECURA Holdings (collectively, the “Shareholders”). One potential conflict would be between the interests of the Members of SECURA Insurance 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 SECURA Insurance 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, (i) no sale of stock to outside investors is being undertaken or is presently contemplated, (ii) any initial stock offering would require the approval of the Wisconsin Commissioner and the SECURA Insurance MHC Members, and (iii) the Plan is generally similar to plans for forming mutual holding companies which have been approved and adopted in Wisconsin and other states.
- *Provision of Legal Advice by Related Party.* Anne E. Ross, one of our directors, is a partner in the law firm of Foley & Lardner LLP, which has assisted SECURA and other outside legal advisors to SECURA in the preparation of documents related to the proposed MHC Conversion, and has represented SECURA in various other aspects of the proposed MHC Conversion.
- *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 five Wisconsin mutual insurance companies that have completed a mutual holding company conversion in Wisconsin, one of which is no longer 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 SECURA Insurance MHC and/or its Members. Converted SECURA Policyholders will receive Voting Rights/Rights in Surplus in SECURA Insurance MHC that may be subject to different insurance regulatory oversight from that of an insurance company. There can be no assurances that any regulations adopted by the Wisconsin Commissioner will not affect the future operations of SECURA Insurance MHC.

- *Differences in Insolvency Laws.* A Wisconsin mutual insurer, such as SECURA, 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 SECURA, 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 Converted SECURA.

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

## **SPECIAL MEETING OF MEMBERS**

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

This Policyholder Information Statement is being furnished to Eligible Members of SECURA in connection with the solicitation of proxies by the Board for use at the Special Meeting to be held on September 15, 2020 at 10:00 am, Central Time, at the Company's headquarters at 1500 Mutual Way, Neenah, 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 Second Amended and Restated Articles of Incorporation of the Company in the form of the Third Amended and Restated Articles of Incorporation of Converted SECURA.

### **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 it is approved by the vote of two-thirds of the Members present and voting in person or by proxy at the Special Meeting.

Proxies must be received before 11:59 pm on September 8, 2020 in order to be counted. The Special Meeting requires a quorum of at least ten Eligible Members present in person or represented by proxy. 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 SECURA a written revocation. Attending the Special Meeting and voting in person will constitute a revocation of an Eligible Member's prior 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 SECURA**

As required by the Plan, the Wisconsin Insurance Code, and applicable provisions of the Current SECURA Articles and Current SECURA Bylaws, the Plan and the transactions contemplated thereby must be approved by the vote of at least two-thirds of the Members present and voting in person or by proxy at the Special Meeting.

### **Receipt of Tax Opinion**

SECURA must receive an opinion of a qualified law firm or other independent tax counsel to SECURA substantially to the effect that:

- None of the Policyholders of SECURA will recognize taxable gain or loss in connection with the MHC Conversion; and
- Neither SECURA Insurance MHC, SECURA Holdings nor SECURA will recognize taxable gain or loss in connection with the MHC Conversion.

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

SECURA 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 a qualified law firm or other independent legal counsel to SECURA 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 SECURA and a certificate of incorporation to SECURA Insurance 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 SECURA'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 SECURA, 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 SECURA's Policyholders or the Wisconsin Commissioner, or both.

## **REGULATION**

SECURA is licensed to transact the business of insurance in, and is therefore subject to regulation and supervision by the insurance regulatory agencies of, Wisconsin and all other insurance regulators in various states in which it is licensed to do business. The degree of regulation and supervision varies by jurisdiction, but Wisconsin and the other jurisdictions with regulatory authority over SECURA 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 SECURA will continue to be subject to the same degree of insurance regulation and supervision in each of the states where SECURA is currently licensed to transact the business of insurance, except that Converted SECURA will be regulated as a stock insurance company whereas SECURA is currently regulated as a mutual insurance company. Additionally, certain provisions of Chapter 644 of the Wisconsin Insurance Code will apply to Converted SECURA that do not currently apply to SECURA.

As a Wisconsin mutual holding company, SECURA Insurance MHC will be subject to regulation by the Wisconsin Commissioner. Generally, the Wisconsin Commissioner will have power over SECURA Insurance MHC to ensure that the interests of the Policyholders of Converted SECURA and any other insurance company subsidiaries of SECURA Insurance MHC are protected. The Wisconsin Insurance Code regulates mutual holding companies in a number of ways, including the following:

- Requiring SECURA Insurance MHC to at all times maintain direct or indirect ownership and control of at least 51% of the outstanding shares of Converted SECURA's voting stock;
- Allowing SECURA Insurance MHC to make substantive amendments to its Articles of Incorporation only with approval by not less than a majority of votes cast by SECURA Insurance MHC's Members;

- Requiring SECURA Insurance 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 SECURA Insurance MHC from engaging in the business of insurance (other than through insurance company subsidiaries, including Converted SECURA);
- Prohibiting SECURA Insurance MHC from entering into any contract or agreement that has the effect of delegating to any Person, to the substantial exclusion of SECURA Insurance MHC's Board of Directors, the authority to exercise management and control of SECURA Insurance MHC or any of its major corporate functions;
- Prohibiting SECURA Insurance 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 SECURA Insurance MHC except with approval by not less than a majority of votes cast by SECURA Insurance MHC's Members and prior written approval from the Wisconsin Commissioner; and
- Prohibiting the merger of SECURA Insurance 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 SECURA for each of the three years ended December 31, 2019, 2018, and 2017 is derived from audited annual statutory financial statements of SECURA and its consolidated subsidiaries. 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 SECURA Insurance 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 SECURA on a GAAP or SAP basis, respectively, no pro forma financial information for SECURA Insurance MHC is presented in this Policyholder Information Statement.

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**SECURA INSURANCE, A Mutual Company**  
**Consolidated Statutory Financial Highlights**

**Year Ended December 31,**

(000's omitted)	<b>2019</b>	<b>2018</b>	<b>2017</b>
Premiums earned	640,964,221	597,828,157	553,421,901
Losses & loss adjustment expenses incurred	417,214,152	352,700,913	340,622,171
Other underwriting expenses	<u>218,127,836</u>	<u>198,645,048</u>	<u>177,682,736</u>
Net underwriting income	5,622,233	46,482,196	35,116,994
Net investment income	33,577,147	32,245,141	27,828,090
Net realized capital gains	3,982,828	1,404,783	4,896,625
Other income	(887,033)	63,826	303,731
Dividends to policyholders	<u>12,410,327</u>	<u>13,022,291</u>	<u>12,634,981</u>
Income before taxes	29,884,848	67,173,655	55,510,459
Income tax expense	<u>(234,702)</u>	<u>11,298,507</u>	<u>14,544,709</u>
Net income	30,119,550	55,875,148	40,965,750
Total admitted assets	1,415,977,206	1,330,074,817	1,233,243,888
Total liabilities	920,202,752	868,586,208	801,507,911
Total policyholders' surplus	495,774,454	461,488,609	431,735,977

## 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 SECURA Articles” means the Second Amended and Restated Articles of Incorporation of SECURA in effect prior to the Effective Date.

“Current SECURA Bylaws” means the Second Amended and Restated Bylaws of SECURA 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 SECURA and a certificate of incorporation to SECURA Insurance MHC.

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

“Member” means a Policyholder who, by the records of SECURA and by the articles of incorporation and bylaws of SECURA and SECURA Insurance MHC, as applicable, is a member of SECURA or SECURA Insurance MHC, as applicable. “Member” also includes Policyholders of SECURA Supreme who renew or purchase Policies from SECURA Supreme on and after the Effective Date.

“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 July 28, 2020, the date established by the Board to determine Eligible Members entitled to vote at the Special Meeting of Members.



“Resolution Date” means July 28, 2020, 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 SECURA Policyholders and expected to benefit SECURA Policyholders, and are approved by the Board.

“Rights in Surplus” means any rights of a Member of SECURA arising under the Current SECURA Articles or Chapter 611 of the Wisconsin Insurance Code to a return of the surplus in respect of Policies of SECURA 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 SECURA Insurance MHC arising under its articles of incorporation or Chapter 644 of the Wisconsin Insurance Code to the net worth of SECURA Insurance MHC, including rights of Members of SECURA Insurance MHC to a distribution of any portion of the net worth of SECURA Insurance 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 of SECURA arising under the Wisconsin Insurance Code and the articles of incorporation and bylaws of SECURA, 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 of SECURA Insurance MHC arising under the Wisconsin Insurance Code and the articles of incorporation and bylaws of SECURA Insurance MHC, including the right to vote for the Board of Directors of SECURA Insurance 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 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**  
**SECURA INSURANCE, A MUTUAL COMPANY**  
**Under Chapter 644 of the**  
**Wisconsin Insurance Code**  
**Dated July 28, 2020**

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## **PREAMBLE**

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

## **RECITALS**

A. The Board of Directors of SECURA (the “Board of Directors”) believes that restructuring into an insurance mutual holding company system will provide benefits to SECURA and its current and future policyholders, including but not limited to:

- Maintaining the mutuality that has been part of SECURA’s structure and culture since its inception in 1900, and giving the Company the opportunity to pursue expansion through subsidiary companies while maintaining that mutuality;
- Enhancing SECURA’s ability to respond to the future needs of policyholders, prospective policyholders and other Company stakeholders in a rapidly changing insurance marketplace through the development of insurance and non-insurance products and services and investment in ancillary and non-insurance businesses;
- Providing an avenue to obtain additional capital that will give SECURA new debt and equity financing opportunities in the event additional capital is required in the future;
- Placing SECURA in a more flexible position to more expeditiously take advantage of opportunities as they present themselves, such as mergers and acquisitions of other mutual insurance companies; and
- Increasing the Company’s competitiveness by enhancing the efficiency, management and financial flexibility of SECURA’s insurance operations.

B. At a meeting duly called and held on July 28, 2020, SECURA’s Board adopted certain resolutions attached hereto as Exhibit A (the “Adopting Resolutions”), approving SECURA’s Mutual Holding Company Plan which, among other things, (i) found that the Restructuring is fair and equitable to SECURA’s Policyholders and is expected to benefit SECURA 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, with such changes as may be required by the Wisconsin Commissioner, provided such changes are not material, be submitted for approval by SECURA’s Members. In addition, the Board directed that Converted SECURA’s proposed Third Amended and Restated Articles of Incorporation (attached hereto as Exhibit B) (the “Amended and Restated Articles”) be submitted for approval by SECURA’s Members, as provided by Wis. Stat. § 644.07(8)

and/or applicable provisions of SECURA's current Second Amended and Restated Articles of Incorporation dated April 29, 2019 (the "Current SECURA Articles") and SECURA's current Bylaws (the "Current SECURA Bylaws");

C. 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/or 351(a) of the Internal Revenue Code, respectively, and that this Plan be 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 are 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.

"Amended and Restated Articles" means the proposed Third Amended and Restated Articles of Incorporation of Converted SECURA (attached hereto as Exhibit B) that will go into effect on the Effective Date of the Restructuring.

"Board of Directors" means SECURA's Board of Directors.

"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 SECURA" means SECURA Insurance Company, the mutual insurance company converted from a mutual insurance company to a stock insurance company through the restructuring.

"Current SECURA Articles" means SECURA's Second Amended and Restated Articles of Incorporation dated April 29, 2019, and in effect as of the date hereof.

"Current SECURA Bylaws" means SECURA's Second Amended and Restated Bylaws dated November 12, 2019, and in effect as of the date hereof.

"Effective Date" means the date upon which the Restructuring becomes effective, which will be the date a certificate of incorporation is issued to SECURA Insurance MHC by the Wisconsin Commissioner, which is expected to be January 1, 2021.

"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 SECURA or SECURA Insurance MHC, and by their respective Articles of Incorporation and Bylaws, is a Member of SECURA or SECURA Insurance 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 SECURA Articles and Current SECURA 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 SECURA Insurance 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.

“Merger Partner Members” means the members, as of the merger effective date, of any mutual insurance holding company which may be merged with and into SECURA Insurance MHC after the Effective Date.

“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 in the course of business and not cancelled or otherwise terminated.

“Policyholder” means a Person identified in the records of SECURA and/or Converted SECURA 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 SECURA 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 July 28, 2020, the date the Board of Directors passed the final 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 SECURA Articles or Chapter 611 of the Wisconsin Insurance Code to a return of the surplus in respect of Policies of SECURA, 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 SECURA Insurance MHC arising under its Articles of Incorporation or Chapter 644 of the Wisconsin Insurance Code to the net worth of SECURA Insurance MHC, including any rights of Members of SECURA Insurance MHC to a distribution of any portion of the net worth of SECURA Insurance MHC in dissolution or conversion proceedings under Chapter 644 of the Wisconsin Insurance Code.

“SECURA Insurance MHC” means SECURA Insurance Mutual Holding Company.

“SECURA” means SECURA INSURANCE, A Mutual Company.

“SECURA Member Company” means SECURA Insurance Company, SECURA Supreme Insurance Company, and any other company designated as a SECURA Member Company in the manner provided for in the Articles of Incorporation or Bylaws of SECURA Insurance MHC.

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

“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 SECURA Holdings, Inc.** On or before the Effective Date, SECURA shall incorporate SECURA Holdings, Inc. as a Wisconsin business corporation under Chapter 180 of the Wisconsin Statutes.

**2.2 Liquidation and Dissolution of SECURA Insurance Holdings, Inc.** On or before the Effective Date, SECURA Insurance Holdings, Inc. shall be liquidated and dissolved by the filing of Articles of Dissolution with the Wisconsin Department of Financial Institutions. One hundred percent of the outstanding stock of SECURA Supreme Insurance Company, together with all other assets of SECURA Insurance Holdings, Inc. remaining after satisfaction of its liabilities, will be distributed to SECURA in its capacity as the sole shareholder of SECURA Insurance Holdings, Inc.



**2.3 Formation of SECURA Insurance MHC.** Pursuant to Wis. Stat. § 644.07(10)(a), on the Effective Date, SECURA Insurance 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.

**2.4 Preservation of Mutuality.** As more particularly described in Section 2.5, on and after the Effective Date, the former Members of SECURA, together with any Merger Partner Members, and the Policyholders of other SECURA Member Companies who or which have become Members as provided for herein and in the Articles of Incorporation and Bylaws of SECURA Insurance MHC, will hold 100% of the Membership Interests and 100% of the Rights in Surplus of SECURA Insurance MHC, and SECURA Insurance MHC will indirectly own 100% of the shares of voting stock of Converted SECURA. In this manner, the mutuality of SECURA is preserved.

**2.5 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) SECURA Insurance MHC will be formed and will be capitalized at Five Hundred Thousand Dollars (\$500,000.00) by SECURA.

(b) SECURA will become a Wisconsin stock insurance company.

(c) All Membership Interests and Rights in Surplus of SECURA will be extinguished, and SECURA's Members will become Members of SECURA Insurance MHC, with Membership Interests and Rights in Surplus of SECURA Insurance MHC as provided pursuant to the Wisconsin Insurance Code and the Articles of Incorporation and Bylaws of SECURA Insurance MHC.

(d) SECURA Insurance MHC will be issued 100% of the outstanding shares of stock of SECURA Holdings, Inc.

(e) SECURA Holdings, Inc. will be issued 100% of the outstanding shares of stock of Converted SECURA.

**2.6 Corporate Existence of Converted SECURA.** On the Effective Date, SECURA shall change its name to "SECURA Insurance Company". Converted SECURA shall be considered to have been organized at the time that SECURA was organized. The Board of Directors of SECURA will continue to serve as the Board of Directors of Converted SECURA. Except as otherwise provided herein, the officers, agents, and employees of Converted SECURA shall continue in like capacity without regard to the Restructuring, subject to any and all existing rights and obligations of such parties and Converted SECURA pursuant to existing contracts and applicable law.

**2.7 Continuation of Rights and Obligations.** The Restructuring of SECURA into a stock insurance company subsidiary of SECURA Holdings, Inc., shall in no way annul, modify or change any of SECURA's existing suits, rights, property interests, contracts or liabilities. Converted SECURA 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 SECURA 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 SECURA Insurance MHC, as provided in Section 2.5(c).

**2.8 Continuation of Policies.** On and after the Effective Date, every Policy of SECURA which is In Force shall continue as a Policy of Converted SECURA, and all Contract Rights of all such Policies shall remain as they existed immediately prior to the Effective Date as Contract Rights of Policies of Converted SECURA, except with respect to the Membership Interests and Rights in Surplus that are extinguished and replaced by Membership Interests and Rights in Surplus of SECURA Insurance MHC, as provided in Section 2.5(c).

**2.9 Members of SECURA Insurance MHC.**

(a) Each person who, and each entity which, is a member of SECURA, as provided in SECURA's records and in accordance with the Current SECURA Articles and the Current SECURA Bylaws immediately prior to the Effective Date, shall become a Member of SECURA Insurance MHC on 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 SECURA Insurance MHC is derived remains in force.

(b) After the Effective Date, new Members will be admitted in accordance with the provisions of the Articles of Incorporation and Bylaws of SECURA Insurance MHC attached hereto as Exhibits D and E.

(c) Any person who, or entity which, has become a Member of SECURA Insurance MHC as described in Section 2.9(a) or (b) shall cease to be a Member and, unless otherwise provided by law, 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.

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

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

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

**2.13 Sale of Voting Stock.** The Board of Directors has no current plans for the sale of voting stock of Converted SECURA, SECURA 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 at a meeting duly called and held on July 28, 2020.

### **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 review, a formal Public Hearing and approval. In addition to the Plan, SECURA will submit to the Wisconsin Commissioner, among other things, the following documents:

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

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

(c) The proposed Amended and Restated Articles and proposed Amended and Restated Bylaws of Converted SECURA;

(d) So much of the following information relative to SECURA Insurance 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 SECURA Insurance 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 of SECURA Insurance MHC;
- (6) A business plan of SECURA Insurance MHC for the first five (5) years of operation; and
- (7) The amended agreements among SECURA affiliated companies.

**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.** SECURA shall mail notice of the Public Hearing to the last-known address of each person who was a SECURA Policyholder on the Resolution Date as such appears on the records of SECURA. 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. SECURA's failure to send notice to a Policyholder as required by this Section 4.3 will not invalidate a Public Hearing if the Wisconsin Commissioner determines that SECURA substantially complied with this Section 4.3 and attempted in good faith to send 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 Section 4.3 shall also be mailed to the insurance commissioner or similar authority of every jurisdiction in which SECURA 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 Section 4.3 and any insurance commissioner or similar authority identified in Section 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 SECURA, Converted SECURA, SECURA Insurance MHC, and/or SECURA 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 Section 4.6. The Board of Directors has authorized SECURA's officers to represent SECURA in all negotiations with the Wisconsin Commissioner related to his or her review and approval of the Plan and has further authorized SECURA's officers to negotiate and execute, on behalf of SECURA and, if necessary, Converted SECURA, SECURA Insurance MHC and/or SECURA 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; should any proposed changes to the Plan as a result of such negotiations be deemed by SECURA's officers to be material, however, then SECURA's officers will so notify the Wisconsin Commissioner and seek Board approval as a condition of final agreement.

## **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 SECURA Members on the Record Date. Voting on the Plan shall be in accordance with: (i) Wis. Stat. § 644.07(8); and (ii) the Current SECURA Articles and Current SECURA Bylaws. Wis. Stat. § 644.07(8) provides that voting on the Plan shall be in accordance with the Current SECURA Articles and Current SECURA 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 SECURA Articles provide that an amendment to such Articles (which amendment is a component element of the Plan) must be approved by a vote of two-thirds 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 two-thirds 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 20 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 Section 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 Amended and Restated Articles of Incorporation and Amended and Restated Bylaws of Converted SECURA, the proposed Articles of Incorporation and Bylaws of SECURA Holdings, Inc. and the proposed Articles of Incorporation and Bylaws of SECURA Insurance MHC) is approved by the Wisconsin Commissioner as set forth in Article 4;

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

**6.2 Tax Opinion.** This Plan shall not become effective, and the Restructuring shall not be consummated, until SECURA receives an opinion from a qualified law firm or other independent tax counsel to SECURA, in either case or in combination, substantially to the effect that:

(a) The Members of SECURA will not recognize taxable gain or loss in connection with the Restructuring, and

(b) Neither SECURA Insurance MHC, SECURA Holdings, Inc., nor SECURA 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 SECURA receives either a “no action” letter from the Securities and Exchange Commission, or an opinion from a qualified law firm or other independent legal counsel in form and substance satisfactory to the Board of Directors 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 SECURA has received all other regulatory approvals that the Board of Directors deems 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 SECURA and a certificate of incorporation for SECURA Insurance MHC.

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

**7.1 Directors and Officers.** Upon Restructuring, the directors and officers of SECURA Insurance MHC, SECURA Holdings, Inc., and Converted SECURA 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 SECURA Insurance MHC shall not, by virtue of being a Member, be personally liable for the acts, debts, liabilities, or obligations of SECURA Insurance MHC.

**7.3 Expenses.** SECURA shall not pay compensation of any kind to any Person in connection with this Plan other than regular salaries to SECURA personnel. This Section 7.3 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 SECURA shall be borne by SECURA.

**7.4 Amendment or Withdrawal of Plan.** At any time before the Effective Date, SECURA 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 Section 4.2 changes this Plan in a manner that is materially disadvantageous to the Policyholders of SECURA 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.

**7.5 Agreements Among Affiliates.** SECURA Insurance 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 Section headings contained in this Plan are used for convenience only and shall not be considered in construing or interpreting any of the provisions hereof.

**ARTICLE 8**

IN WITNESS WHEREOF, SECURA INSURANCE, A Mutual Company, by authority of its Board of Directors, has caused this Plan to be signed by its Chief Executive Officer and attested to by its Secretary on July 28, 2020.

SECURA INSURANCE, A MUTUAL COMPANY

By: /s/  
David Gross, President and CEO

ATTEST:

By: /s/  
Daniel Ferris, Secretary



**Exhibit B**  
**SECURA INSURANCE, A MUTUAL COMPANY**

**Resolutions**

**FINAL BOARD APPROVAL OF MUTUAL HOLDING COMPANY PLAN  
AND RELATED TRANSACTIONS  
AND ESTABLISHMENT OF A RECORD DATE  
AND DATE FOR SPECIAL POLICYHOLDERS MEETING**

Board of Directors Meeting  
July 28, 2020

Pursuant to Wis. Stat. § 644.07(2), the Board of Directors (“Board”) of SECURA INSURANCE, A Mutual Company (“SECURA” or “Company”), a mutual insurance company organized and existing under Chapter 611 of the Wisconsin Insurance Code, at the Board’s meeting duly held on July 28, 2020, adopts the following resolutions.

**WHEREAS**, the Board considered and confirmed certain benefits of the Company’s mutuality, but also identified certain limitations imposed by the Company’s structure as a mutual insurance company on the Company’s ability to adapt quickly in a rapidly changing insurance marketplace, to move quickly to take advantage of business opportunities in that marketplace and to maintain mutuality with its policyholders; and

**WHEREAS**, throughout its history, the Board has been involved in discussions regarding the benefits of “mutuality” to the Company and its policyholders and regarding its corporate structure; and

**WHEREAS**, with the assistance of the officers and other management level employees of the Company (“Management”), and outside legal advisors, over the last three years, the Board reviewed and evaluated various structural alternatives to the Company’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 November 6, 2018, the Board determined to focus on the proposed restructuring of the Company into a stock insurance company owned by a newly organized mutual insurance holding company (“MHC”) as provided for in Chapter 644 of the Wisconsin Insurance Code (the “Restructuring Transaction”), and requested that Management present how the Company could use an MHC structure to further its strategies; and

**WHEREAS**, at the July 30, 2019 Board meeting, Management presented the strategic value of an MHC structure for the Company and discussed with the Board anticipated uses of the MHC, and the Board concluded that restructuring into an MHC system will provide benefits to the Company, including but not limited to:

- Maintaining the mutuality that has been part of SECURA's structure and culture since its inception in 1900, and giving the Company the opportunity to pursue expansion through subsidiary companies while maintaining that mutuality;
- Enhancing SECURA's ability to respond to the future needs of policyholders, prospective policyholders and other Company stakeholders in a rapidly changing insurance marketplace through the development of insurance and non-insurance products and services and investment in ancillary and non-insurance businesses;
- Providing an avenue to obtain additional capital that will give SECURA new debt and equity financing opportunities in the event additional capital is required in the future;
- Placing SECURA in a more flexible position to more expeditiously take advantage of opportunities as they present themselves, such as mergers and acquisitions of other mutual insurance companies; and
- Increasing the Company's competitiveness by enhancing the efficiency, management and financial flexibility of SECURA's insurance operations.

At the July 30, 2019 meeting, the Board also passed a resolution authorizing Management to continue its activities to achieve the Restructuring Transaction, and also authorized Management to draft all required documents and to bring such documents to effect the Restructuring Transaction to the Executive Committee of the Board for review and recommendation, and to the Board in November 2019 for anticipated approval of a resolution authorizing Management to file an application and the MHC documentation and other required filing materials with the Wisconsin Office of the Commissioner of Insurance ("Commissioner") to request approval for the restructuring; and

**WHEREAS**, Management, with the assistance of the Company's outside legal advisors, had prepared and reviewed with the Executive Committee on October 29, 2019 and with the Board on November 12, 2019 an initial proposed form of Mutual Holding Company Plan (inclusive of all exhibits referenced therein, the "MHC Plan"), as well as a draft Policyholder Information Booklet relating to the MHC Plan (the "Policyholder Information Booklet"), and certain other related materials, all as previously provided to the Board and incorporated herein by reference; and

**WHEREAS**, in Board resolutions adopted at its November 12, 2019 meeting (the "November 2019 Resolutions"), the Board determined that the Restructuring Transaction, as detailed in the MHC Plan, will enhance the Company's mutuality

as well as enhance its ability to grow and respond to future needs, challenges, and opportunities in a rapidly changing insurance industry; including, in particular, by enhancing the Company's ability to successfully address the strategic challenges and opportunities identified by the Board. At its November 12, 2019 meeting, the Board further determined that the MHC Plan and the transactions contemplated therein are fair and equitable to the policyholders of the Company 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 Restructuring Transaction, the Company is required by the Wisconsin Insurance Code to file the MHC Plan and related documents (the "Wisconsin Filing") with the Commissioner, and is also required to make certain other filings with governmental entities which are necessary to effect the Restructuring Transaction (collectively, the "Regulatory Filings"); and

**WHEREAS**, the Company initially filed its MHC Plan and relevant supporting documents with the Commissioner on February 24, 2020, as authorized by the Board in its November 2019 Resolutions, which filing was subsequently revised by a filing with the Commissioner on May 8, 2020; and

**WHEREAS**, in addition to approval by the Company's Board, adoption of the MHC Plan will require the issuance of an order approving the MHC Plan by the Commissioner after a public hearing, certain other regulatory approvals, and approval by the Company's policyholders (the "Members") at a meeting called for that purpose (the "Special Policyholders Meeting").

**NOW, THEREFORE, IT IS:**

**RESOLVED:** That the following resolutions supersede and replace the November 2019 Resolutions (to the extent they are in conflict) and will be deemed to constitute the resolutions of the Board required pursuant to Wis. Stat. § 644.07(2), adopted on the same date as the "record date" established by the Board for purposes of determining Members eligible to receive notice of, and to vote on, the MHC Plan at the Special Policyholders Meeting, in accordance with Wis. Stat. § 644.07(8).

**1. Approval of MHC Plan and Restructuring Transaction**

**RESOLVED:** That the Board does hereby reaffirm that the MHC Plan and the Restructuring Transaction are fair and equitable to the policyholders of the Company and are expected to benefit the policyholders and the Company in the manner described in the recitals hereto.

**RESOLVED:** That the MHC Plan, in substantially the form as initially presented to the Board at its meeting of February 25, 2020 and subsequently revised and presented to the Board on July 28, 2020 (the "July 2020 Board Meeting"), 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 Commissioner and the Members, and the fulfillment of all other conditions precedent to the consummation of

the MHC Plan, the officers of the Company be, and each of them individually hereby is, authorized and directed, in the name and on behalf of the Company, to: (1) execute the MHC Plan, with such changes or additions thereto (including 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 officers of the Company shall, in their 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 Company under the MHC 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 MHC Plan, or deemed by the officers of the Company to be necessary or desirable in connection therewith.

**RESOLVED:** That, effective on January 1, 2021, or such later date as the Company has received the requisite regulatory and Member approval (the “Effective Date”) the Company form SECURA Insurance Mutual Holding Company, a Wisconsin mutual holding company, as set forth in, and contemplated by, the MHC Plan.

**RESOLVED:** That, on the Effective Date, the Company form SECURA Holdings, Inc., a Wisconsin business corporation, as set forth in, and contemplated by, the MHC Plan.

**RESOLVED:** That, on the Effective Date, the Articles of Incorporation of the Corporation be amended and restated in the form set forth in the MHC Plan (the “Third Amended and Restated Articles of Incorporation”) and the Bylaws of the Company be amended and restated in the form set forth in the MHC Plan.

## **2. Regulatory Filings**

**RESOLVED:** That the Policyholder Information Booklet together with the MHC Plan and all such other reports, applications, statements, documents, and other information relevant to the Restructuring Transaction in substantially the form provided to the Board at the July 2020 Board Meeting, with updates necessary because of the passage of time are hereby approved by the Board.

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

**RESOLVED:** That the officers of the Company are hereby authorized to negotiate the terms of any Stipulation and Consent Order that may be proposed by the Commissioner as a condition of approving the Restructuring Transaction, and the officers of the Company are hereby authorized to execute and deliver any such Stipulation and Consent Order that may be deemed necessary and desirable to achieve the benefits of the Restructuring Transaction on behalf of the Company and

its Members, provided, however, that any material changes to the MHC 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 MHC Plan to the Members as provided for below.

### **3. Submission of the MHC Plan to Members for Approval**

**RESOLVED:** That, subject to the approval of the MHC Plan by the Commissioner, the MHC Plan, including the proposed Third Amended and Restated Articles of Incorporation of the Company included as an element of the MHC Plan, be submitted for approval by the Members at a Special Policyholders Meeting to be held on September 15, 2020 (or any adjournment thereof) called by the Secretary of the Company for such purpose.

**RESOLVED:** That the officers of the Company shall cause the Policyholder Information Booklet, with such changes and additions, consistent with the MHC Plan, as may be required by the Commissioner or deemed necessary or appropriate by the officers of the Company in their sole discretion, to be distributed to the Members in advance of the Special Policyholders 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 MHC Plan and the Restructuring Transaction, and to communicate other information that a Member might reasonably deem to be material to the decision whether to vote to approve the MHC Plan.

**RESOLVED:** That the Board fixes the date of this resolution as the record date for purposes of determining the Members eligible to receive notice of, and to vote on the MHC Plan at, the Special Policyholders Meeting.

**RESOLVED:** That the Board recommends to the Members that they vote to approve the MHC Plan.

**RESOLVED:** That the Secretary of the Company is hereby authorized to designate one or more representatives of the Company to solicit, receive, vote, and tabulate Member proxies and otherwise assist with the conduct of the Special Meeting, and if any such representative requires a resolution in any form different from, but generally consistent with, the foregoing, such resolution shall be deemed to have been fully approved and adopted hereby when so certified by the Secretary.

**RESOLVED:** That the officers of the Company are hereby authorized and directed to adopt and approve rules and procedures for the conduct of voting by the Company's policyholders to approve or disapprove the MHC Plan and the transactions contemplated thereby in substantially the form provided to the Board at the July 2020 Board Meeting (with such changes or additions thereto as made by Management pursuant to these resolutions).

#### **4. Liquidation and Dissolution of SECURA Insurance Holdings, Inc. Prior to Effective Date**

**RESOLVED:** That the Company, as the sole shareholder of SECURA Insurance Holdings, Inc., a Wisconsin corporation (“Old Holdings”), approves and adopts a Plan of Dissolution (the “Plan of Dissolution”) describing how Old Holdings will be dissolved and providing for all of Old Holdings’ assets (including, without limitation, the stock of SECURA Supreme Insurance Company) remaining after satisfaction of Old Holdings’ liabilities to be distributed to the Company as shareholder of Old Holdings.

**RESOLVED:** That the Company accepts Old Holdings’ proposal to dissolve in accordance with the terms of the Plan of Dissolution on or before the Effective Date.

#### **5. Issuance of Stock of Converted Company**

**RESOLVED:** That upon the consummation of the Restructuring Transaction, SECURA Insurance Company will issue 100% of the outstanding shares of stock of SECURA Insurance Company to SECURA Holdings, Inc. pursuant to and in accordance with the MHC Plan.

#### **6. General**

**RESOLVED:** That any officer of the Company is authorized and directed in the name and on behalf of the Company, 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 officer of the Company is authorized and directed on behalf of the Company to pay all fees and expenses incurred in connection with the Restructuring Transaction, including, without limitation, fees and expenses of the Company’s advisors and agents, filing fees, and printing and mailing expenses.

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

**Exhibit C**  
**THIRD AMENDED AND RESTATED ARTICLES OF INCORPORATION**  
**OF**  
**SECURA INSURANCE COMPANY**

**(a Wisconsin Stock Insurance Corporation)**

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

**ARTICLE I**  
**CORPORATE NAME AND PRINCIPAL OFFICE**

The name of the Corporation is SECURA Insurance Company (“Corporation”) and its principal office and place of business is 1500 Mutual Way, Neenah, Wisconsin 54956. The address of the principal office of the Corporation may be changed from time to time by the Board of Directors of the Corporation.

**ARTICLE II**  
**NATURE OF BUSINESS**

Section 1. This Corporation is organized under Chapter 611 of the Wisconsin Statutes.

Section 2. The business of this Corporation shall be to engage in any lawful activity for which stock insurance companies may be organized under the laws of the State of Wisconsin, but as limited by section 610.21 of the Wisconsin Statutes.

Section 3. Insurance may be written in any state, territory, district or possession of the United States or in any foreign country subject to the rights conferred upon stock insurance corporations or permitted to them under the laws of the State of Wisconsin.

**ARTICLE III**  
**AUTHORIZED SHARES**

Section 1. The aggregate number of shares which this Corporation shall have authority to issue is Ten Million (10,000,000) consisting of one class only, designated as “Common Stock”, with a par value of One Dollar (\$1.00) per share.

Section 2. Each share of Common Stock shall have one vote in any and all matters affecting the Corporation.

**ARTICLE IV**  
**ACTION WITHOUT SHAREHOLDERS' 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 V**  
**DIRECTORS**

Section 1. The corporate powers granted by law to the Corporation shall be exercised by and under the direction of a Board of Directors, consistent with these Articles of Incorporation and the Corporation's Bylaws.

Section 2. The Board of Directors shall consist of not less than five (5), nor more than fifteen (15), members as determined by the Bylaws from time to time, each of whom shall hold office, except as hereinafter provided, for a term of three (3) years or until their successor is elected and qualified. Directors shall be chosen by election at an annual meeting of the Corporation. Directors shall be divided into three classes, as nearly equal as possible, to be designated first, second, and third class. The term of office of one of such classes shall expire each year.

Section 3. Any vacancy in the Board of Directors, however occurring, during the interim between annual meetings of the shareholders, may be filled by the Board of Directors. If the directors remaining in office constitute fewer than a quorum of the Board, the directors by the affirmative vote of a majority of all directors remaining in office may fill any vacancy in the Board of Directors.

Section 4. In the event of an increase in the number of members of the Board of Directors, the directors elected to fill the vacancies created by the increase in the number of directors shall be assigned to the class or classes of directors as will keep the three classes of directors as nearly equal in number as possible.

Section 5. The Board of Directors may enact, amend, or repeal Bylaws for the conduct of affairs of the corporation consistent with these Articles and the laws of the State of Wisconsin.

Section 6. The Board of Directors may do any acts permitted under the Wisconsin Statutes.

**ARTICLE VI**  
**OFFICERS**

The principal officers of the Corporation, including each officer's powers and responsibilities, shall be set forth in the Bylaws of the Corporation.



**ARTICLE VII  
LIMITATIONS ON TRANSFER OF STOCK**

The transferability of any of the stock of the Corporation may be restricted from time to time by the shareholders by appropriate provision in the Bylaws or by agreement or agreements entered into by any shareholder or shareholders with the Corporation and/or any other shareholders, and/or with any third persons, and the shares of stock of such shareholder or shareholders thereupon shall be subject to such Bylaws, agreement or agreements and shall be transferable only upon proof of compliance therewith; provided, however, that such Bylaws, agreement or agreements shall be filed with the Corporation and reference thereto placed on the certificate or certificates of stock.

**ARTICLE VIII  
PURCHASE OF SHARES BY CORPORATION**

The Corporation is authorized by action of the Board of Directors to purchase, take, receive or otherwise acquire shares of the capital stock of the Corporation, subject to the applicable provisions of Wisconsin law.

**ARTICLE IX  
REGISTERED OFFICE AND AGENT**

The address of the registered office of the Corporation is 1500 Mutual Way, Neenah, Wisconsin 54956, and the name of the registered agent at such office is Daniel P. Ferris. The address of the registered office of the Corporation and the identity of the registered agent of the Corporation may be changed from time to time by the Board of Directors of the Corporation.

**ARTICLE X  
AMENDMENTS**

The Articles of Incorporation may be amended as provided in Chapter 611 of the Wisconsin Statutes.

IN WITNESS WHEREOF, these Articles of Incorporation are executed on behalf of SECURA Insurance Company.

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

By: \_\_\_\_\_  
David D. Gross, Sole Incorporator

**Exhibit D**  
**THIRD AMENDED AND RESTATED BYLAWS**  
**OF**  
**SECURA INSURANCE COMPANY**  
**(a Wisconsin Stock Insurance Corporation)**

**ARTICLE I**  
**OFFICES**

1.01 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. The initial principal place of business and home office of the Corporation shall be at 1500 Mutual Way, Neenah, Wisconsin 54956.

1.02 Registered Office. The registered office of the Corporation required by the Wisconsin Insurance Code to be maintained in the State of Wisconsin may be, but need not be, identical with the 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**

2.01 Annual Meeting. The annual meeting of the shareholders shall be held on the last Monday in April for the purpose of electing directors and for the transaction of such other business as may come before the meeting, or at such time and date as may be fixed by or under the authority of the Board of Directors. The annual meeting may commence immediately following the conclusion of the annual meeting of the shareholders of SECURA Holdings, Inc., whose annual meeting commences immediately following the conclusion of the annual meeting of the members of SECURA Insurance Mutual Holding Company, whose annual meeting commences at 1:30 p.m. on the same date and at the same location as this Corporation's. 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. In case the annual meeting for any year shall not be duly called or held, the Board of Directors or the President may call a special meeting to be held as soon as may be convenient thereafter in lieu of and for the purpose of such annual meeting and all proceedings at such special meeting shall have the same force and effect as if taken at the regular meeting.

2.02 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 or the President. The Corporation shall call a special meeting of shareholders in the event that the holders of at least 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.

2.03 Place of Meeting. The Board of Directors may designate any place, either within or outside of 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.

2.04 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 personally, by mail or other method of delivery or by electronic means, by or at the direction of 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. 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.

2.05 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) if the meeting is a special meeting, 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.

2.06 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 2.02 hereof, shareholders entitled to take any other action, or shareholders for any other purpose. Such record date shall not be less than ten (10) nor 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 in Section 2.02 hereof, the record date shall be the date that the first shareholder signs the demand. Except as provided by the Wisconsin Insurance Code 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.

2.07 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 2.07. 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.

2.08 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 2.08. 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 these Bylaws or 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 is 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.

2.09 Conduct of Meeting. 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. The President, and in his or her absence, a Vice President in the order provided under Section 6.07 hereof, and in their 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 presiding officer may appoint any other person to act as secretary of the meeting.

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. Proxies must be transmitted or 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 shareholders and any proxy not so filed shall not be voted. 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.

2.11 Voting of Shares. Except as provided in the Articles of Incorporation or in the Wisconsin Insurance Code, each outstanding share, regardless of class, is entitled to one vote on each matter voted on at a meeting of shareholders.

2.12 Action without 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.

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**

3.01 General Powers. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation managed under the direction of, the Board of Directors. The Board of Directors may delegate its powers and responsibilities as authorized under Wisconsin law.

3.02 Number, Tenure and Qualifications. The Board of Directors shall not exceed eleven (11) members, with the actual number of the directors to be designated annually by the Board of Directors prior to the annual meeting. 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 or until their successors are elected and qualified; the term of office of the directors in Group II shall expire at the second annual meeting after their initial election or until their successors are elected and qualified; and the term of office of the directors in Group I shall expire at the third annual meeting after the initial election or 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, or until their successors are elected and qualified. Directors whose term expires shall be eligible for reelection, unless otherwise limited by these Bylaws or Wisconsin law. Each director shall hold office until his or her term expires and until his or her successor shall have been elected and, if necessary, qualify or until there is a decrease in the number of directors which take 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 votes cast to remove the director exceed 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) or to the Secretary. A director's resignation is effective when such 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.

3.03 Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly, one in each calendar quarter. Board of Directors meetings may be held at such time and place, either within or without the State of Wisconsin, as the Board

of Directors may provide. Any or all Directors may participate in Board meetings or in Committee meetings of the Board of Directors through the use of any means of communication permitted by applicable Wisconsin law.

3.04 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President, Secretary or any two (2) directors. The President or Secretary may fix any place, either within or outside of 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.

3.05 Notice; Waiver. Notice of each special meeting of the Board of Directors shall be given by written notice delivered or communicated in person, by telegraph, teletype, facsimile or other form of wire or wireless communication, or by mail or private carrier, 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 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 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 telegram, such notice shall be deemed to be effective when the telegram is delivered to the telegraph company. 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 Insurance Code, 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.

3.06 Quorum. Except as otherwise provided by Wisconsin law or by the Articles of Incorporation or these Bylaws, a majority of the number of directors currently serving 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 Article IV 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.



3.07 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.

3.08 Conduct of Meetings. The President, and in his or her absence, a Vice President in the order provided under Section 6.07, 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.

3.09 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.

3.10 Compensation. The Board of Directors, by affirmative vote of a majority of directors then in office, and irrespective of any personal interest of any of its members, may establish reasonable compensation of all directors for services to the Corporation as directors, officers or otherwise, 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 directors, officers and employees and to their estates, families, dependents or beneficiaries on account of prior services rendered by such directors, officers and employees to the Corporation.

3.11 Presumption of Assent. A director who is present and is announced as present at a meeting of the Board of Directors or any committee thereof created in accordance with Article IV hereof, 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's dissent or abstention from the action taken is entered in the minutes of the meeting; (c) the director delivers written notice that complies with Wisconsin law of his or her dissent or abstention to the presiding officer of the meeting 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.

3.12 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 IV 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 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. If action is to be taken at any meeting held by such means on any of the following: (a) a plan of merger or share exchange; (b) a sale, lease, exchange or other disposition of substantial property or assets of the Corporation; or (c) a voluntary dissolution or the revocation of voluntary dissolution proceedings, then the identity of each director participating in such meeting must be verified by the disclosure at such meeting by each such director of each such director's social security number to the secretary of the meeting before a vote may be taken on any of the foregoing matters. For purposes of the preceding clause (b), the phrase "sale, lease, exchange or other disposition of substantial property or assets" shall mean any sale, lease, exchange or other disposition of property or assets of the Corporation having a net book value equal to 10% or more of the net book value of the total assets of the Corporation on and as of the close of the fiscal year last ended prior to the date of such meeting and as to which financial statements of the Corporation have been prepared. 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 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.

3.13 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 Article IV 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 BOARD COMMITTEES**

4.01 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 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 as provided in the Wisconsin Statutes.

4.02 Authority. The Board of Directors will have the power to change the members of any committee at any time, fill vacancies on any committee, and discharge any committee, at any time and for any reason. The Chairperson shall appoint Chairs and, if appropriate, Vice Chairs of each committee. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace absent or disqualified members at any meeting of the committee. In the absence or disqualification of a member of any committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another director to act at the meeting in place of any such absent or disqualified member. Each committee, to the extent permitted by law and to the extent provided by the Board of Directors, the committee's charter, and these Bylaws, shall have and may exercise the powers and authority of the Board in the management of the business and affairs of the Corporation, except that no committee shall have the authority to adopt, amend, or repeal any Bylaw of the Corporation.

4.03 Procedures and Notice of Meetings of Committees. Unless the Board otherwise provides or as otherwise provided in these Bylaws, each committee designated by the Board pursuant to this Article IV may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board conducts its business pursuant to Article III of these Bylaws. Notwithstanding the foregoing, (i) no notice of regular meetings of any committee shall be necessary, and (ii) reasonable notice shall be given of special meetings of any committee, but the action of a majority at any regular or special meeting of any committee shall be valid notwithstanding any defect in the notice of such meeting. Each committee shall make such reports to the Board of its activities as the Board may request.

**ARTICLE V**  
**CHAIRPERSON OF THE BOARD**

The Board of Directors may elect from their members a Chairperson of the Board. The Chairperson shall preside at all meetings of shareholders of the Corporation and of the Board of Directors; shall be an ex-officio member of the Executive Committee, if any, with voting rights and preside at all meetings of the Executive Committee, if any; shall advise and counsel the President; shall be responsible for the coordination of policies and programs of the Corporation and its subsidiaries; and shall have such other powers and duties as the Board of Directors may authorize and define by resolution from time to time.

**ARTICLE VI**  
**OFFICERS**

6.01 Number. The principal officers of the Corporation shall be a President, the number of Vice Presidents as authorized from time to time by the Board of Directors, 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 authorized officer to appoint one or more officers or assistant officers. Any two or more offices may be held by the same person; provided, however, that the principal offices of President, Secretary and Treasurer shall be held by at least three separate natural persons.

6.02 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.

6.03 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.

6.04 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.

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

as contemplated by Section 6.04 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.

6.06 President. The President shall be the chief 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. 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 Wisconsin law or the Board of Directors, he or she may authorize any Vice President or 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.

6.07 The Vice Presidents. 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 Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order designated by the Board of Directors, or in the absence of any designation, then in the order of their election) 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. Any Vice President may sign, with the Secretary or Assistant Secretary, certificates for shares of the Corporation; and shall perform such other duties and have such authority as from time to time may be delegated or assigned to him or her by the President or by the Board of Directors. The execution of any instrument of the Corporation by any Vice President shall be conclusive evidence, as to third parties, of his or her authority to act in the stead of the President.

6.08 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 these Bylaws or as required by 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 President, or a Vice 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.

6.09 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 depositaries as shall be selected in accordance with the provisions of Section 7.04; 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. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine.

6.10 Assistant Secretaries and Assistant Treasurers. There shall be such number of Assistant Secretaries and Assistant Treasurers as the Board of Directors may from time to time authorize. The Assistant Secretaries may sign with the President or a Vice 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.

6.11 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.

6.12 Salaries. The salaries of the principal officers shall be fixed from time to time by the Board of Directors or by a duly authorized committee thereof, and no officer shall be prevented from receiving such salary by reason of the fact that he or she is also a director of the Corporation.

6.13 Powers of Attorney. The President or the Secretary, subject to such limitations as the Board of Directors may prescribe, shall execute such powers of attorney as are necessary to make effective the insurance policies and contracts of the Corporation.

**ARTICLE VII**  
**CONTRACTS, LOANS, CHECKS AND DEPOSITS;**  
**SPECIAL CORPORATE ACTS**

7.01 Contracts. The Board of Directors may authorize any principal officer, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authorization may be general or confined to specific instances. 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 or one of the Vice Presidents, and in his or her absence the Secretary, 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.

7.02 Loans. No indebtedness for borrowed money shall be contracted on behalf of the Corporation and no evidences of such indebtedness shall be issued in its name unless authorized by or under the authority of a resolution of the Board of Directors. Such authorization may be general or confined to specific instances. 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.

7.03 Checks, Drafts, etc. 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 the authority of a resolution of the Board of Directors.

7.04 Deposits. All funds of the Corporation not otherwise employed shall be deposited or invested from time to time to the credit of the Corporation in such banks, trust companies or other depositories as may be selected by or under the authority of a resolution of the Board of Directors.

7.05 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.

7.06 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 any Vice President of this Corporation who may be present, and (b) whenever, in the judgment of the President, or in his or her absence, of any Vice 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, such proxy or consent shall be executed in the name of this Corporation by the President or one of the Vice Presidents 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 VIII**

### **CERTIFICATES FOR SHARES; TRANSFER OF SHARES**

8.01 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 President or a Vice 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 canceled 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 8.06.

8.02 Facsimile Signatures and Seal. The seal of the Corporation, if any, on any certificates for shares may be a facsimile. The signature of the President or Vice 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.

8.03 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.



8.04 Transfer of Shares. Prior to due presentation 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.

8.05 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.

8.06 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.

8.07 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.

8.08 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 IX FISCAL YEAR**

The fiscal year of the Corporation shall begin on the 1st day of January and end on the 31st day of December in each year.

## **ARTICLE X SEAL**

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

## **ARTICLE XI INDEMNIFICATION**

11.01 Indemnification of Directors and Officers. 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.

11.02 Indemnification of Employees. 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, including an employee acting as a director or officer of an entity in which the Corporation owns shares of capital stock, of which the Corporation is a creditor, or which the Corporation otherwise supports or endorses.

11.03 Indemnification not Exclusive. 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 shareholders, the Wisconsin Insurance Code or the Wisconsin Business Corporation Law or otherwise.

11.04 Willful Misconduct; Settlements. Notwithstanding the foregoing, the Corporation shall not indemnify any director, officer or employee with respect to matters as to which he or she shall be finally adjudged in any such action, suit, or Proceeding to have been liable for willful misconduct in the performance of his

or her duties as such director, officer or employee. In the event that a settlement or compromise is effected, indemnification may be had only if the Board of Directors shall have been furnished with an opinion of counsel for the Corporation to the effect that such settlement or compromise is in the best interest of the Corporation and that such director, officer or employee is not liable for willful misconduct in the performance of his or her duties with respect to such matters, and if the Board of Directors shall have adopted a resolution approving such settlement or compromise.

11.05 Insurance. The Corporation may, but shall not be required to, supplement the foregoing rights to indemnification against Liabilities and advancement of Expenses under this Article XI 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 XI. All capitalized terms used in this Article XI and not otherwise defined herein shall have the meaning set forth in Section 180.0850 of the Wisconsin Statutes.

11.06 Controlled Subsidiaries. All officers, directors and employees of controlled subsidiaries of the Corporation shall be deemed for purposes of this Article XI to be serving as officers, directors and employees at the request of the Corporation. The right to indemnification granted to such officers, directors and employees by this Article XI shall not be subject to any limitation or restriction imposed by any provisions of the Articles of Incorporation or Bylaws of a controlled subsidiary; provided, however, that any right to indemnification so granted shall be subject to and limited by the laws and regulations of any applicable regulatory authority to which any controlled subsidiary is subject. For purposes hereof, a “controlled subsidiary” means any other corporation at least 80 percent of the outstanding voting stock of which is owned by the Corporation or by another controlled subsidiary of the Corporation.

11.07 Liberal Construction. In order for the Corporation to obtain and retain qualified directors, officers and employees, the foregoing provisions will be liberally administered in order to afford maximum indemnification of directors, officers and employees and, accordingly, the indemnification above provided for will be granted in all cases unless to do so would clearly contravene applicable law, controlling precedent or public policy.

## **ARTICLE XII AMENDMENTS**

12.01 By Shareholders. These Bylaws may be amended or repealed and new Bylaws may be adopted by a majority vote of the shareholders at any annual or special meeting of the shareholders at which a quorum is in attendance.

12.02 By Directors. Except as otherwise provided by Wisconsin law or the Articles of Incorporation, these Bylaws may also be amended or repealed and new Bylaws may be adopted by the Board of Directors by affirmative vote of a majority of the number of directors present at any meeting at which a quorum is in attendance; provided,

however, that the shareholders in adopting, amending or repealing a particular bylaw may provide therein that the Board of Directors may not amend, repeal or readopt that bylaw.

12.03 Implied Amendments. 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 the 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 temporarily 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.

### **ARTICLE XIII EMERGENCIES**

Notwithstanding any other provision of these Bylaws, the Board of Directors may, at any time, adopt a resolution in accordance with authority now or hereafter vested in it under which, to the extent and upon the terms stated therein, corporate powers may be exercised during the existence of emergency conditions.

**Exhibit E**  
**ARTICLES OF INCORPORATION**  
**OF**  
**SECURA 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 611, 644, and 181 of the Wisconsin Statutes.

**Article I**  
**NAME**

The name of the Corporation is SECURA 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 1500 Mutual Way, Neenah, Wisconsin 54956. The registered office of the Corporation required by the laws of the State of Wisconsin to be maintained in the State of Wisconsin may be, but need not be, identical with the principal office of the Corporation in the State of Wisconsin. The address of the principal office of the Corporation may be changed from time to time by the Board of Directors.

The registered office of the Corporation shall initially be 1500 Mutual Way, Neenah, Wisconsin 54956. The name of the Corporation's initial registered agent at such address is Daniel P. Ferris. The address of the registered office of the Corporation and the identity of the registered agent of the Corporation may be changed from time to time by the Board of Directors.

**Article III**  
**INCORPORATOR**

The name and address of the sole incorporator is David D. Gross, c/o SECURA Insurance Company, 1500 Mutual Way, Neenah, Wisconsin 54956.

**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 Chapters 644 and 611 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 SECURA Insurance Company, the stock insurer into which SECURA INSURANCE, A Mutual Company ("SIC") 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 and Cessation of Membership. The criteria and procedures for admission of “Members”, and cessation of membership, shall be as set forth in the Bylaws of the Corporation.

5.2 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.

5.3 Rights in Surplus. The 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**

6.1 Powers. The corporate powers granted by law to the Corporation shall be exercised by and under the direction of a Board of Directors, consistent with these Articles of Incorporation and the Corporation’s Bylaws. The Board of Directors may enact, amend, or repeal Bylaws for the conduct of affairs of the Corporation consistent with these Articles and the laws of the State of Wisconsin. The Board of Directors may do any acts permitted under the Wisconsin Insurance Code.

6.2 Number. The Board of Directors shall consist of not less than nine, nor more than fifteen members, as determined by the Bylaws from time to time, each of whom shall hold office for three years or until their successor is elected and qualified. Directors shall be chosen by ballot at an annual meeting of the Corporation. Directors shall be divided into three classes as nearly equal in members as possible, to be designated first, second, and third class. The term of office of one of such classes shall expire each year. The initial Board of Directors shall be those individuals named in the Plan. Thereafter, the Board of Directors shall be elected by the Members.

6.3 Vacancies. In the event of an increase in the number of members of the Board of Directors, the directors elected to fill the vacancies created by the increase in the number of directors shall be assigned to the class or classes of directors as will keep the three classes of directors as nearly equal in number as possible. Any vacancy in the Board of Directors, however occurring, during the interim between annual meetings of the members, may be filled by the Board of Directors. If the directors remaining in office constitute fewer than a quorum of the Board as set forth in the Bylaws, the directors by the affirmative vote of a majority of all directors remaining in office may fill any vacancy on the Board of Directors.

**Article VII  
OFFICERS**

The principal officers of the Corporation, including each officer's powers and responsibilities, shall be set forth in the Bylaws of the Corporation.

**Article VIII  
AMENDMENT OF ARTICLES**

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.

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

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

By: \_\_\_\_\_  
David D. Gross, Sole Incorporator

**Exhibit F**  
**BYLAWS OF**

**SECURA INSURANCE MUTUAL HOLDING COMPANY**  
**(a Wisconsin Mutual Insurance Holding Company)**

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

**Article I**  
**OFFICES**

The principal office of SECURA Insurance Mutual Holding Company (the “Corporation”) shall be at 1500 Mutual Way, in the City of Neenah, County of Winnebago, State of Wisconsin, 54956. The registered office of the Corporation required by the laws of the State of Wisconsin to be maintained in the State of Wisconsin may be, but not need be, identical with the principal office in the State of Wisconsin. The Corporation may have such other offices either within or outside of the State of Wisconsin as the Board of Directors (the “Board”) may designate or as the business of the Corporation may require from time to time.

**Article II**  
**MEMBERS**

Section 2.1 Entitlement to Membership. The term “Member” shall mean, for purposes of these Bylaws and the Articles of Incorporation of the Corporation, each person and each entity which is deemed a Member of the Corporation pursuant to paragraph (a), (b), or (c) of this Section 2.1.

(a) Each person who, and each entity which, became a Member of the Corporation in accordance with the 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, was, immediately prior to the effective time of any merger of another mutual insurance holding company with and into the Corporation pursuant to Chapter 644 of the Wisconsin Statutes, a member of such other mutual insurance holding company shall become a Member of the Corporation without further act, commencing as of the effective time of such merger and continuing for so long as at least one (1) policy of insurance by virtue of which such membership in such other mutual insurance holding company was derived remains in force, and thereafter, so long as such person or entity is the owner of one (1) or more policies of insurance issued, renewed, or assumed by a SECURA Mutual Member Company.

(c) Each person who, and each entity which: (i) is not a Member pursuant to Section 2.1(a) or Section 2.1(b); 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 Bylaws as a SECURA Mutual 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.

For purposes of these Bylaws, if a single policy of insurance issued by a SECURA Mutual Member Company covers more than one individual or entity as an insured, the individual or entity shown as the first named insured on such policy, and no other individual or entity, will represent all such insureds for purposes of exercising any membership rights arising out of the ownership of such policy and, in such capacity, may exercise all the rights of an individual Member. For purposes of these Bylaws, a corporation, limited liability company, partnership, or other entity which becomes a Member of the Corporation may authorize any person to represent it, and that person, as the Member's representative, will have all the rights of an individual Member. Until the Corporation has received written notice to the contrary from a corporation, limited liability company, partnership, or other entity, or until the Corporation has received written notice that some other person has been authorized to represent such an entity, the Corporation may assume that any officer, member, or other representative of such an entity purporting to act for the entity is its duly authorized representative and is entitled to act and vote on its behalf. Whenever in the Articles of Incorporation of the Corporation or these Bylaws the word "Member" is used, it will be deemed and construed to mean, according to the context, either the policyholder, whether individual, corporation, limited liability company, partnership, or other entity, or the authorized representative of such an entity that is a policyholder or such multiple individuals or entities covered as insureds under a single policy.

Section 2.2 SECURA Mutual Member Companies. Initially, the designated SECURA Mutual Member Companies shall be SECURA Insurance Company and SECURA Supreme 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 SECURA Mutual Member Company, and, at the time it takes any such action to designate an additional SECURA Mutual 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 a SECURA Mutual 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 direct or indirect subsidiaries that are not SECURA Mutual Member Companies.

Section 2.3 Cessation of Membership. Any person who, or entity which, has become a Member as described in Section 2.1 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, as provided under Chapter 644 of the Wisconsin Statutes, as amended from time to time, or any successor provisions of

Wisconsin law, 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.

Section 2.4 Interest in the Corporation. The Corporation has one class of Members, all of which have equal voting rights. The “Membership Interest” of a Member consists of the right to vote for the election of directors as provided in these Bylaws, the right to vote at an annual or special meeting of the Members on any other matter submitted to a vote of the Members, and such other rights as provided by these Bylaws and by law. 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 on each matter presented for membership consideration regardless of the number or type of policies owned by the Member. The owner of any group policy shall have but one vote regardless of the number of individuals insured or benefited thereunder. 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.

Section 2.5 Restrictions on Transfer. No Member may transfer any rights arising out of such Member’s status as a Member; provided, however, that such limitation shall not restrict a Member’s right to assign a policy that is otherwise permissible pursuant to the terms of such policy and these Bylaws; and provided, further, that this Section 2.5 shall not restrict any Member’s ability to appoint a proxy as provided for herein.

Section 2.6 Annual Meetings. The annual meeting of the Members 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 last Monday in April at 1:30 p.m., in each year, or at such other time and date within thirty (30) days before or after such date as may be fixed by the Board. 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. In case the annual meeting for any year shall not be duly called or held, the Board or the President shall call a special meeting to be held as soon as may be convenient thereafter in lieu of and for the purpose of such annual meeting and all proceedings at such special meeting shall have the same force and effect as if taken at the regular meeting. The notice of such meeting printed conspicuously 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 2.7 Special Meetings. Special meetings of the Members shall be held at the principal office of the Corporation upon call by the Board or President, who shall call such special meeting, upon written request, filed with the President (1) at least sixty (60) days in advance of the date of such meeting by a majority of the Board, or (2) at least ninety (90) days in advance of the date of such meeting by not less than

five percent (5%) of the Members, in which case such written request must be dated and signed by the Members requesting such special meeting. Each 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 no more than sixty (60) nor less than ten (10) 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.

Section 2.8 Conduct of Meetings. The Chairperson or, in his or her absence, the President, shall set and approve the agenda for all meetings of the Members. The Chairperson or, in his or her absence, the President, shall call each 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, the presiding chairperson may appoint any other person to act as secretary of the meeting.

Section 2.9 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 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, and any adjournments of such meeting, unless otherwise provided in the proxy. The Board 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 seven (7) days prior to the date of any annual or special meeting of the Members and any proxy not so filed shall not be voted. If two or more persons qualify as policyholders under a single policy and are therefore deemed under Section 2.3 of these Bylaws to be one Member for purposes of voting, then the Corporation shall be entitled to treat a proxy executed by the individual or entity authorized under Section 2.4 of these Bylaws to act for the Member as the proxy of such Member.

Section 2.10 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 Chairperson or, in his or her absence, the President, may adjourn such meeting

from time to time without notice other than by announcement at the meeting. At any adjourned and reconvened meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally noticed. 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 and present either in person or by proxy.

Section 2.11 Fixing of Record Date.

(a) Notice and Voting. For the purpose of determining the Members entitled to notice of an annual or special meeting of the Members or to vote or take any other action, the Board may fix in advance a date as the record date. Such record date shall be not less than ten (10) nor more than ninety (90) days prior to the date on which the particular action requiring such determination of Members is to be taken. If no record date is so fixed by the Board for the determination of Members entitled to notice of or to vote at an annual or special meeting of the Members, the record date for determination of such Members shall be:

(i) for an annual meeting of the Members, the close of business on the tenth (10th) day before the date of such annual meeting;

(ii) for a special meeting of the Members called by the Board or any person specifically authorized by the Board or these Bylaws to call a meeting, the close of business on the day before the first notice is delivered to the members; and

(iii) for a special meeting of the Members demanded by the Members, the close of business on the date the first Member signs the demand.

(b) Adjournment. When a determination of Members entitled to vote at any annual or special meeting of the Members has been made as provided in this Section 2.11, such determination shall apply to any adjournment thereof unless the Board fixes a new record date which it must do if the meeting is adjourned to a date more than seventy (70) days after the record date for determining Members entitled to notice of the original meeting.

Section 2.12 Waiver of Notice by Members. Whenever any notice is required to be given to any Member under the Articles of Incorporation or Bylaws or any provision of Wisconsin 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 Wisconsin 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 III**

### **DIRECTORS**

Section 3.1 General Powers and Number. The business and affairs of the Corporation shall be managed by a Board of not more than eleven (11) and not less than the number required by Wisconsin law, at the discretion of the Board. The actual number of the Directors shall be designated annually within these limits by the Board prior to the annual meeting. Except as expressly limited by Wisconsin law, all corporate powers of the Corporation shall be vested in and may be exercised by the Board.

Section 3.2 Classification. The Board 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 or until their successors are elected and qualified; the term of office of the Directors in Group II shall expire at the second annual meeting after their initial election or until their successors are elected and qualified; and the term of office of the Directors in Group I shall expire at the third annual meeting after the initial election or until their successors are elected and qualified. At each annual meeting after the initial classification of the Board, 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, or until their successors are elected and qualified. Directors whose term expires shall be eligible for reelection, unless otherwise limited by these Bylaws or Wisconsin law.

Section 3.3 Tenure and Qualifications. Each Director shall hold office until the end of his or her term or 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 cause by affirmative vote of a majority of the remaining members of the Board, 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.

Section 3.4 Regular and Special Meetings. Regular meetings of the Board shall be held at the Corporation's principal office or at such other place as may be designated by the Board. Such meetings shall be held at least quarterly at such times as the Directors shall prescribe; however, (i) one such regular meeting shall be the annual meeting of the Directors discussed in Section 3.5 and (ii) the other three quarterly meetings shall be held, one in each calendar quarter, other than the calendar quarter in which the annual meeting falls, at such time and place, either within or outside the State of Wisconsin, as the Board may provide from time to time. The President, Secretary, or any two (2) Directors, may call a special meeting of the Directors, and may fix any place as the place for the holding of such special meeting; if no place is fixed, the place of the meeting shall be at the Corporation's principal office. The Secretary shall give notice of all special meetings in the manner provided herein.

Section 3.5 Annual Meeting. The annual meeting of the Directors shall be held within 24 hours after the annual meeting of the Members at such time and place as may be set forth in a notice provided to the Directors in the manner provided for herein; provided, that if no such notice is given, then 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, without any notice other than this Bylaw; and provided, further, that such meeting may be adjourned to another place upon order of the President or Chairperson upon ten (10) days' written notice delivered to the Directors either personally, by electronic mail, facsimile, or by regular mail. 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 3.6 Chairperson of the Board. The Board may elect from their members a Chairperson of the Board. If a Chairperson is elected, the Chairperson shall preside at all meetings of Members and of the Board; shall be an ex officio member of the Executive Committee with voting rights and preside at all meetings of the Executive Committee; shall advise and counsel the President; shall be responsible for the coordination of policies and programs of the Corporation and its subsidiaries; and shall have such other powers and duties as the Board may authorize and define by resolution.

Section 3.7 Quorum and Manner of Acting. A majority of the Directors in office shall constitute a quorum for the transaction of business. If a quorum is not present at any meeting of the Board, the Directors present at such meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present. 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, unless the act of a greater number is required by Wisconsin law or by the Articles of Incorporation or these Bylaws. The Chairperson shall preside at all meetings of the Board. In the absence or inability or refusal of the Chairperson to act, any Director chosen by the Directors present shall preside at such meetings. The Secretary, or any person designated by the presiding officer to act as recording secretary, will act as secretary of all meetings of the Board.

Section 3.8 Notice; Waiver. Notice of each meeting of the Board (with the exception of any annual meeting of the Directors discussed in Section 3.5) 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 meeting of the Board or the business to be transacted at such meeting unless such meeting is a special

meeting, in which case the notice shall specify the business to be transacted at such special meeting. If delivered by facsimile or e-mail, such notice shall be deemed to be given at the time the transmission is completed. If mailed, such notice shall be deemed to be given after being 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 one (1) business day after delivery to the private carrier. Whenever any notice is required to be given to any Director 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, including a vacancy created by an increase in the number of Directors, may be filled for the unexpired portion of the applicable term by the affirmative vote of a majority of the Directors then in office, though less than a quorum of the Board.

Section 3.10 Compensation. The Board, by affirmative vote of a majority of the Directors then in office, and irrespective of any personal interest of any of the members, may establish reasonable compensation for all the Directors for services to the Corporation as Directors, Officers or otherwise, or may delegate such authority to an appropriate committee. A Director may also serve the Corporation in any other capacity and receive compensation therefor. The Board also shall have authority to provide for or to delegate authority to an appropriate committee to provide pension, disability or death benefits and other benefits or payments to Directors, Officers, and employees and to their estates, families, dependents or beneficiaries on account of prior service rendered by such Directors, Officers and employees to the Corporation.

Section 3.11 Presumption of Assent. A Director who is present at, or participates in, a meeting of the Board 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 dissent to such action is entered in the minutes of the meeting or his or her written dissent 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 immediately after adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 3.12 Consent without Meeting. Any action required or permitted by the Articles of Incorporation or Bylaws or any provision of Wisconsin law to be taken by the Board or any of its committees at a meeting 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, by all of the voting members of such committee. Such consent shall have the same force and effect as a unanimous vote.

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 (and any committees thereof created pursuant to Article IV 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 IV BOARD COMMITTEES**

Section 4.1 Executive Committee. The Board may elect an Executive Committee. The Executive Committee shall be comprised of not less than three (3) Directors as determined by the Board, one of whom shall be the President. The duties and authority of the Executive Committee shall be set forth in its Charter, which authority is expressly approved and granted by the Board.

(a) Tenure. The members of the Executive Committee shall be elected by vote of a majority of the Board for a term of one year. The election shall be held after the annual meeting of Members.

(b) Vacancies and Additions. Vacancies or additions to the Executive Committee shall be filled by action of the Board in a manner approved by a majority of the Board.

(c) Quorum. A majority of the Executive Committee shall constitute a quorum of the Executive Committee for the transaction of business.

(d) Meetings. Meetings of the Executive Committee shall be called by the President upon his or her initiative.

(e) Powers of the Executive Committee. The Executive Committee shall have the authority to act when the Board is not in session and shall have the power of the Board in the management of the affairs of the Corporation. Such power shall be as defined in the Wisconsin Statutes applicable to such Committee.

Section 4.2 Additional Committees. The Board may, by resolution adopted by a majority of the authorized number of Directors, elect such other committees as the Board may from time to time determine, each committee to consist of one or more Directors.



Section 4.3 Authority. The Board will have the power to change the members of any committee at any time, fill vacancies on any committee, and discharge any committee at any time and for any reason. The Chairperson shall appoint Chairs and, if appropriate, Vice Chairs of each committee. The Board may designate one or more Directors as alternate members of any committee, who may replace absent or disqualified members at any meeting of the committee. In the absence or disqualification of a member of any committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another Director to act at the meeting in place of any such absent or disqualified member. Each committee, to the extent permitted by law and to the extent provided by the Board, the committee's charter, and these Bylaws, shall have and may exercise the powers and authority of the Board in the management of the business and affairs of the Corporation, except that no committee shall have the authority to adopt, amend, or repeal any Bylaw of the Corporation.

Section 4.4 Procedures and Notice of Meetings of Committees. Unless the Board otherwise provides or as otherwise provided in these Bylaws, each committee designated by the Board pursuant to this Article IV may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board conducts its business pursuant to Article III of these Bylaws. Notwithstanding the foregoing, (i) no notice of regular meetings of any committee shall be necessary, and (ii) reasonable notice shall be given of special meetings of any committee, but the action of a majority at any regular or special meeting of any committee shall be valid notwithstanding any defect in the notice of such meeting. Each committee shall make such reports to the Board of its activities as the Board may request.

## **Article V OFFICERS**

Section 5.1 Principal Officers. The Principal Officers of the Corporation shall be the President, one or more Vice Presidents, one or more of whom may be designated as Executive Vice President or as Senior Vice President, Secretary, and Treasurer, each of whom shall be elected by the Board. Any two or more offices may, at the direction of the Board, be held by the same person, except the offices of President and Secretary and President and Vice President. Additional officers may be elected by the Board, including without limitation one or more Vice Presidents, Assistant Treasurers and Assistant Secretaries (together with the Principal Officers, the "Officers"). The Board may at any time remove any officer so elected and appointed. The Board may also authorize any Officer to appoint one or more of such additional officers. The duties of the Officers shall be those enumerated herein and any further duties designated by the Board or appointing Officer. An Officer may serve in more than one Officer position.

Section 5.2 President. The President shall be the chief executive officer of the Corporation and, subject to the review of the Board, shall supervise and control the Officers and all of the business and affairs of the Corporation. The President shall be

a Director. He or she shall have authority, subject to such rules as may be prescribed by the Board, to appoint such Officers, 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 Officers, 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; and, except as otherwise provided by Wisconsin law or the Board, he or she may authorize any Vice President or other Officer or agent of the Corporation to sign, execute and acknowledge such documents or instruments in his or her place and stead. He or she shall keep the minutes of the meetings of the Executive Committee in one or more books provided for that purpose. He or she shall have the power of attorney to vote on behalf of the Corporation all equity interests owned by the Corporation, including that of its subsidiaries and ancillary corporations. He or she or his or her designee shall vote all proxies submitted by Members. He or she shall, in the absence of the Chairperson, preside at all meetings of the members, the Board, and the Executive Committee. 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 from time to time.

Section 5.3 Vice-Presidents. During absence of the President, or in the event of his or her death, inability, or refusal to act, the Vice President (or in the event there is more than one Vice President or class of Vice President, the Vice President in order designated by class at the time of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions applicable to the President. Any Vice President may sign, with the Secretary or Assistant Secretary, corporate documents and shall perform such other duties and have such authority as from time to time may be assigned to them by the President or by the Board. For purposes of these Bylaws, the class of Vice President from highest to lowest shall be: Executive Vice President, Senior Vice President, and Vice President.

Section 5.4 Secretary. The Secretary shall: (a) keep the minutes of the meetings of the Members and the Board in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by Wisconsin law; (c) be custodian of 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) keep a register of the post office address of each Member; (e) sign with the President all policies issued by the Corporation, the issuance of which shall have been authorized by the Board; (f) prepare agendas for the Board meetings and annual meetings of Members; and (g) in general, perform all duties incident to the office of Secretary and exercise such authority as from time to time may be delegated or assigned to him or her by the President or by the Board.

Section 5.5 Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Corporation; (b) be authorized to invest the funds of the Corporation in securities, loans, mortgages, bonds and other investment instruments subject to the direction of the President and the Board; (c) in general, perform all the duties incident to the office of the Treasurer and have such other duties and exercise such other authority as from time to time may be delegated or assigned to him or her by the President or by the Board; and (d) receive and give receipts for money due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these Bylaws. If required by the Board, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine.

Section 5.6 The Assistant Vice Presidents, Assistant Secretaries and Assistant Treasurers. There shall be such numbers of Assistant Vice Presidents, Assistant Secretaries, and Assistant Treasurers as the Board may from time to time authorize. The Assistant Vice Presidents, Assistant Secretaries, and Assistant Treasurers shall perform such duties and have such authority as shall from time to time be determined by the President or the Board.

Section 5.7 Term and Removal. All Officers shall hold office for one year or until their successors are elected and qualified, or until their prior death, resignation, or removal. The Board or the President (subject to ratification by the Board) may remove any Officer with or without cause whenever in its, his, or her judgement the best interests of the Corporation will be served thereby; but such removal shall be without prejudice to the contract rights, if any, of the person so removed. A vacancy in any elective office because of death, resignation, removal, disqualification or otherwise may be filled by the Board for the unexpired portion of the term. In case any Officer other than a Director shall be temporarily absent or unable to perform his or her duties, the Board or President may appoint a person to act in the absence or disability and may give to such person the full powers of such Officer or such portions thereof as they shall determine. The appointment of an Officer does not of itself create contract rights.

## **Article VI**

### **FUNDS OF THE CORPORATION, CONTRACTS, LOANS, AND DEPOSITS**

Section 6.1 Deposits, Checks, Drafts. 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, or by appropriate committee under authorization of the Board. The Officers and employees of the Corporation handling funds and securities of the Corporation shall give surety bonds in such sums as the Board may require. The premiums on such bonds are to be paid by the Corporation.

Section 6.2 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 6.3 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 the resolution of the Board. Such authorization may be general or specific.

Section 6.4 Contracts. The Board may authorize one or more 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 confined to specific instances. No contract or other transaction between the Corporation and one or more of its Directors or any other corporation, firm, association or other entity in which one or more of its Directors are directors or officers or are financially interested, will be either void or voidable because of such relationship or interest or because such Director or Directors are present at the meeting of the Board or a committee thereof which authorizes, approves or ratifies such contract or transaction if: (1) the transaction at the time it is entered into is reasonable and fair to the interests of the Corporation; (2) the transaction has, with full knowledge of its terms and of the interests involved, been approved in advance by the Board; and (3) the transaction was reported to the Commissioner of Insurance as required by Wisconsin law after such approval. Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof which authorizes, approves or ratifies such contract or transaction but may not vote on the transaction.

Section 6.5 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.

Section 6.6 Borrowing Prohibited. No Director or Officer 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 6.7 Voting of Securities Owned by the Corporation. Subject always to the specific directions of the Board, (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, or the President's designee, and (b) whenever, in the judgment of 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, the

President, or the President's designee, without necessity of any authorization by the Board, affixation of corporate seal, or countersignature or attestation by the Secretary or Assistant Secretary, may execute such proxy or written consent. 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.

Section 6.8 Corporate Seal. The Corporation shall not be required to have a corporate seal, and all formal corporate documents may (but are not required to in order to be legally effective) carry the designation "No Seal" along with the signatures of the applicable officers.

## **Article VII**

### **INDEMNIFICATION OF DIRECTORS AND OFFICERS**

Section 7.1 Indemnification of Directors and Officers. Subject to the conditions hereinafter set forth, the Corporation shall indemnify all of its Directors, Officers or employees or former Directors, Officers or employees or any other person who may have served at its request as a Director, Officer, employee or otherwise, for any other corporation, partnership, joint venture, trust or other entity, against reasonable expenses including attorneys' fees, settlement payments, judgments and fines, actually and reasonably incurred by such persons in connection with any action, suit or proceeding or threat or claim of any action, suit or proceeding, or any appeal thereof, no matter by whom brought, in which such persons is made a party or parties by reason of being or having been a Director, Officer or employee of the Corporation or of such other corporation, partnership, joint venture, trust or other entity, unless the liability was incurred because the Director, Officer or employee breached or failed to perform a duty such Director, Officer or employee owes to the Corporation and the breach or failure to perform constitutes: (a) a willful failure to deal fairly with the Corporation in connection with the matter in which the Director, Officer or employee has a material conflict of interest; (b) a violation of criminal law, unless the Director, Officer or employee had reasonable cause to believe such Director's, Officer's or employee's conduct was lawful or no reasonable cause to believe such Director's, Officer's or employee's conduct was unlawful; (c) a transaction from which the Director, Officer or employee derived an improper personal profit; or (d) willful misconduct. The termination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of no contest or an equivalent plea, shall not, by itself, create a presumption that indemnification of the director or officer is not required under this bylaw.

Any determination required by the immediately preceding provision shall be made in the following manner and order:

- (i) By a majority of the members of the Board who were not parties to such action, suit or proceeding; or

(ii) If there are no such Directors who are not parties to such action, suit or proceedings, then upon the written opinion of independent legal counsel, retained by the Corporation, recommending indemnification, in whole or in part, after due consideration of the circumstances and these Bylaws; or

(iii) By a majority of the Members entitled to vote thereon.

Any decision of the noninterested Directors shall be conclusive and not subject to challenge.

Section 7.2 Indemnification not Exclusive. 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, vote of the Members, the Wisconsin Insurance Code or otherwise.

Section 7.3 Advance Payments. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding if authorized in the manner provided in Section 7.1 above upon receipt of an undertaking by or on behalf of the Director, Officer or employee to repay such amount unless it shall ultimately be determined that such persons are entitled to be indemnified by the Corporation pursuant to these Bylaws.

Section 7.4 Insurance. The Corporation may, but shall not be required to, supplement the foregoing rights to indemnification against Liabilities and advancement of Expenses under this Article VII by the purchase of insurance on behalf of any one or more of such Directors, Officers or employees, or otherwise of another corporation, partnership, joint venture, trust or other entity against any liability asserted against such persons and incurred by such persons in any such capacity, or arising out of such persons' status as such, whether or not the Corporation would be obligated to indemnify or advance Expenses to such Director, Officer, employee or persons under this Article. All capitalized terms used in this Article VII and not otherwise defined herein shall have the meaning set forth in Section 181.0871 of the Wisconsin Statutes.

Section 7.5 Controlled Subsidiaries. All Officers, Directors and employees of controlled subsidiaries of the Corporation shall be deemed for purposes of this Article VII to be serving as Officers, Directors and employees at the request of the Corporation. The right to indemnification granted to such Officers, Directors and employees by this Article VII shall not be subject to any limitation or restriction imposed by any provisions of the Articles of Incorporation or Bylaws of a controlled subsidiary; provided, however, that any right to indemnification so granted shall be subject to and limited by the laws and regulations of any applicable regulatory authority to which any controlled subsidiary is subject. For purposes hereof, a "controlled subsidiary" means any other corporation at least 80 percent of the outstanding voting stock of which is owned by the Corporation or by another controlled subsidiary of the Corporation.

Section 7.6 Liberal Construction. In order for the Corporation to obtain and retain qualified Directors, Officers and employees, the foregoing provisions will be liberally administered in order to afford maximum indemnification of Directors, Officers and employees and, accordingly, the indemnification above provided for will be granted in all cases unless to do so would clearly contravene applicable law, controlling precedent or public policy.

### **Article VIII EMERGENCIES**

Notwithstanding any other provision of these Bylaws, the Board may, at any time, adopt a resolution in accordance with authority now or hereafter vested in it under which, to the extent and upon the terms stated therein, corporate powers may be exercised during the existence of emergency conditions.

### **Article IX FISCAL YEAR**

The fiscal year of the Corporation shall begin on January 1st and end on December 31st of each year.

### **Article X AMENDMENTS**

Section 10.1 Amendment by Board Action. The Board may from time to time, by vote of a majority thereof, adopt, amend, restate or repeal any or all of the Bylaws of this Corporation, including amending, restating, or repealing any Bylaw adopted by the Members of the Corporation, unless the Bylaw specifically states that same may not be amended, restated, or repealed by the Directors.

Section 10.2 Amendment by Member Action. These Bylaws may be amended or a provision of the Bylaws waived by a majority vote of the Members voting at a regular or special meeting of the Members, including any Bylaw that may also be amended or repealed by the Board.

Section 10.3 Implied Amendments. Any action taken or authorized by the Board, 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 Members or 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**  
**SECURA 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 SECURA 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; VOTING**

The aggregate number of shares which the Corporation shall have authority to issue is Ten Thousand (10,000), consisting of a single class designated as “Common Stock” and having a par value of One Cent (\$0.01) per share. Each outstanding share of Common Stock is entitled to one vote on each matter voted on at a shareholder meeting. Cumulative voting shall not be allowed in the election of directors or for any other purpose.

**Article IV**  
**DIRECTORS**

The number of directors on the Board of Directors shall be as provided from time to time in the Bylaws. The Bylaws may (but shall not be required to) provide for staggering the terms of the directors by dividing the total number of directors into two or three groups, as provided in the Bylaws.

**Article V**  
**REGISTERED OFFICE AND REGISTERED AGENT**

The address of the registered office of the Corporation is 1500 Mutual Way, Neenah, Wisconsin 54956. The name of the Corporation’s initial registered agent at such address is Daniel P. Ferris. The address of the registered office of the Corporation and the identity of the registered agent of the Corporation may be changed from time to time by the Board of Directors.



**Article VI**  
**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 VII**  
**QUORUM AND VOTING REQUIREMENTS**

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 VIII**  
**INCORPORATOR**

The name and address of the sole incorporator of the Corporation is David D. Gross, c/o SECURA Insurance Company, 1500 Mutual Way, Neenah, Wisconsin 54956.

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

By: \_\_\_\_\_  
David D. Gross, Sole Incorporator

**Exhibit H  
BYLAWS**

**OF**

**SECURA HOLDINGS, INC.  
(a Wisconsin Business Corporation)**

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

**Article I  
OFFICES**

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. The initial principal place of business and home office of the Corporation shall be at 1500 Mutual Way, Neenah, Wisconsin 54956.

1.2 Registered Office. The registered office of the Corporation required by the Wisconsin Business Corporation Law to be maintained in the State of Wisconsin may be, but need not be, identical with 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**

2.1 Annual Meeting. The annual meeting of the shareholders shall be held on the last Monday in April for the purpose of electing directors and for the transaction of such other business as may come before the meeting, or at such time and date as may be fixed by or under the authority of the Board of Directors. The annual meeting may commence immediately following the conclusion of the annual meeting of the members of SECURA Insurance Mutual Holding Company, whose annual meeting commences at 1:30 p.m. on the same date and at the same location as this Corporation's. 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. In case the annual meeting for any year shall not be duly called or held, the Board of Directors or the President may call a special meeting to be held as soon as may be convenient thereafter in lieu of and for the purpose of such annual meeting and all proceedings at such special meeting shall have the same force and effect as if taken at the regular meeting.

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 or the President. The Corporation shall call a special meeting of shareholders in the event that the holders of at least 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.

2.3 Place of Meeting. The Board of Directors may designate any place, either within or outside of 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.

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 personally, by mail or other method of delivery or by electronic means, by or at the direction of 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. 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.

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) if the meeting is a special meeting, 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.

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 less than ten (10) nor 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.

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.

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 these Bylaws or 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 is 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.

2.9 Conduct of Meeting. 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. The President, and in his or her absence, a Vice President in the order provided under Section 6.7 hereof, and in their 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 presiding officer may appoint any other person to act as secretary of the meeting.

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. Proxies must be transmitted or 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 shareholders and any proxy not so filed shall not be voted. 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.

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.

2.12 Action without 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.

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**

3.1 General Powers. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation managed under the direction of, the Board of Directors. The Board of Directors may delegate its powers and responsibilities as authorized under the Wisconsin Business Corporation Law.

3.2 Number, Tenure and Qualifications. The Board of Directors shall not exceed eleven (11) members, with the actual number of the directors to be designated annually by the Board of Directors prior to the annual meeting. 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 or until their successors are elected and qualified; the term of office of the directors in Group II shall expire at the second annual meeting after their initial election or until their successors are elected and qualified; and the term of office of the directors in Group I shall expire at the third annual meeting after the initial election or 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, or until their successors are elected and qualified. Directors whose term expires shall be eligible for reelection, unless otherwise limited by these Bylaws or the Wisconsin Business Corporation Law. Each director shall hold office until his or her term expires and until his or her successor shall have been elected and, if necessary, qualify or until there is a decrease in the number of directors which take 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 votes cast to remove the director exceed 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 President (in his or her capacity as Chairperson of the Board of Directors) or to the Secretary. A director's resignation is effective when such 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.

3.3 Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly, one in each calendar quarter. Board of Directors meetings may be held at such time and place, either within or without the State of Wisconsin, as the Board

of Directors may provide. Any or all Directors may participate in Board meetings or in Committee meetings of the Board of Directors through the use of any means of communication permitted by the Wisconsin Business Corporation Law.

3.4 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President, Secretary or any two (2) directors. The President or Secretary may fix any place, either within or outside of 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.

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 telegraph, teletype, facsimile or other form of wire or wireless communication, or by mail or private carrier, 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 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 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 telegram, such notice shall be deemed to be effective when the telegram is delivered to the telegraph company. 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.

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 number of directors currently serving 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 Article IV 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.



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.

3.8 Conduct of Meetings. The President, and in his or her absence, a Vice President in the order provided under Section 6.7, 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.

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.

3.10 Compensation. The Board of Directors, by affirmative vote of a majority of directors then in office, and irrespective of any personal interest of any of its members, may establish reasonable compensation of all directors for services to the Corporation as directors, officers, or otherwise, 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 directors, officers and employees and to their estates, families, dependents or beneficiaries on account of prior services rendered by such directors, officers and employees to the Corporation.

3.11 Presumption of Assent. A director who is present and is announced as present at a meeting of the Board of Directors or any committee thereof created in accordance with Article IV hereof, 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's dissent or abstention from the action taken is entered in the minutes of the meeting; (c) the director delivers written notice that complies with the Wisconsin Business Corporation Law of his or her dissent or abstention to the presiding officer of the meeting 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.

3.12 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 IV 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 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. If action is to be taken at any meeting held by such means on any of the following: (a) a plan of merger or share exchange; (b) a sale, lease, exchange or other disposition of substantial property or assets of the Corporation; or (c) a voluntary dissolution or the revocation of voluntary dissolution proceedings, then the identity of each director participating in such meeting must be verified by the disclosure at such meeting by each such director of each such director's social security number to the secretary of the meeting before a vote may be taken on any of the foregoing matters. For purposes of the preceding clause (b), the phrase "sale, lease, exchange or other disposition of substantial property or assets" shall mean any sale, lease, exchange or other disposition of property or assets of the Corporation having a net book value equal to 10% or more of the net book value of the total assets of the Corporation on and as of the close of the fiscal year last ended prior to the date of such meeting and as to which financial statements of the Corporation have been prepared. 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 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.

3.13 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 Article IV 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 BOARD COMMITTEES**

4.1 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 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 as provided in the Wisconsin Statutes.

4.2 Authority. The Board of Directors will have the power to change the members of any committee at any time, fill vacancies on any committee, and discharge any committee, at any time and for any reason. The Chairperson shall appoint Chairs and, if appropriate, Vice Chairs of each committee. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace absent or disqualified members at any meeting of the committee. In the absence or disqualification of a member of any committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another director to act at the meeting in place of any such absent or disqualified member. Each committee, to the extent permitted by law and to the extent provided by the Board of Directors, the committee's charter, and these Bylaws, shall have and may exercise the powers and authority of the Board in the management of the business and affairs of the Corporation, except that no committee shall have the authority to adopt, amend, or repeal any Bylaw of the Corporation.

4.3 Procedures and Notice of Meetings of Committees. Unless the Board otherwise provides or as otherwise provided in these Bylaws, each committee designated by the Board pursuant to this Article IV may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board conducts its business pursuant to Article III of these Bylaws. Notwithstanding the foregoing, (i) no notice of regular meetings of any committee shall be necessary, and (ii) reasonable notice shall be given of special meetings of any committee, but the action of a majority at any regular or special meeting of any committee shall be valid notwithstanding any defect in the notice of such meeting. Each committee shall make such reports to the Board of its activities as the Board may request.

**Article V**  
**CHAIRPERSON OF THE BOARD**

The Board of Directors may elect from their members a Chairperson of the Board. The Chairperson shall preside at all meetings of shareholders of the Corporation and of the Board of Directors; shall be an ex-officio member of the Executive Committee, if any, with voting rights and preside at all meetings of the Executive Committee, if any; shall advise and counsel the President; shall be responsible for the coordination of policies and programs of the Corporation and its subsidiaries; and shall have such other powers and duties as the Board of Directors may authorize and define by resolution from time to time.

**Article VI**  
**OFFICERS**

6.1 Number. The principal officers of the Corporation shall be a President, the number of Vice Presidents as authorized from time to time by the Board of Directors, 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 authorized officer to appoint one or more officers or assistant officers. Any two or more offices may be held by the same person; provided, however, that the principal offices of President, Secretary and Treasurer shall be held by at least three separate natural persons.

6.2 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.

6.3 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.

6.4 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.

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

as contemplated by Section 6.4 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.

6.6 President. The President shall be the chief 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. 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 the Wisconsin Business Corporation Law or the Board of Directors, he or she may authorize any Vice President or 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.

6.7 The Vice Presidents. 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 Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order designated by the Board of Directors, or in the absence of any designation, then in the order of their election) 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. Any Vice President may sign, with the Secretary or Assistant Secretary, certificates for shares of the Corporation; and shall perform such other duties and have such authority as from time to time may be delegated or assigned to him or her by the President or by the Board of Directors. The execution of any instrument of the Corporation by any Vice President shall be conclusive evidence, as to third parties, of his or her authority to act in the stead of the President.

6.8 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 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 President, or a Vice 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.

6.9 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 depositaries as shall be selected in accordance with the provisions of Section 7.4; 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. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine.

6.10 Assistant Secretaries and Assistant Treasurers. There shall be such number of Assistant Secretaries and Assistant Treasurers as the Board of Directors may from time to time authorize. The Assistant Secretaries may sign with the President or a Vice 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.

6.11 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.

6.12 Salaries. The salaries of the principal officers shall be fixed from time to time by the Board of Directors or by a duly authorized committee thereof, and no officer shall be prevented from receiving such salary by reason of the fact that he or she is also a director of the Corporation.

6.13 Powers of Attorney. The President or the Secretary, subject to such limitations as the Board of Directors may prescribe, shall execute such powers of attorney as are necessary to make effective the insurance policies and contracts of the Corporation.

**Article VII**  
**CONTRACTS, LOANS, CHECKS AND DEPOSITS;**  
**SPECIAL CORPORATE ACTS**

7.1 Contracts. The Board of Directors may authorize any principal officer, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authorization may be general or confined to specific instances. 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 or one of the Vice Presidents, and in his or her absence the Secretary, 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.

7.2 Loans. No indebtedness for borrowed money shall be contracted on behalf of the Corporation and no evidences of such indebtedness shall be issued in its name unless authorized by or under the authority of a resolution of the Board of Directors. Such authorization may be general or confined to specific instances. 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.

7.3 Checks, Drafts, etc. 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 the authority of a resolution of the Board of Directors.

7.4 Deposits. All funds of the Corporation not otherwise employed shall be deposited or invested from time to time to the credit of the Corporation in such banks, trust companies or other depositories as may be selected by or under the authority of a resolution of the Board of Directors.

7.5 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.

7.6 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 any Vice President of this Corporation who may be present, and (b) whenever, in the judgment of the President, or in his or her absence, of any Vice 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, such proxy or consent shall be executed in the name of this Corporation by the President or one of the Vice Presidents 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 VIII**

#### **CERTIFICATES FOR SHARES; TRANSFER OF SHARES**

8.1 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 President or a Vice 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 canceled 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 8.6 hereof.

8.2 Facsimile Signatures and Seal. The seal of the Corporation, if any, on any certificates for shares may be a facsimile. The signature of the President or Vice 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.



8.3 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.

8.4 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.

8.5 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.

8.6 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.

8.7 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.

8.8 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 IX FISCAL YEAR**

The fiscal year of the Corporation shall begin on the 1st day of January and end on the 31st day of December in each year.

## **Article X SEAL**

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

## **Article XI INDEMNIFICATION**

11.1 Indemnification of Directors and Officers. 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.

11.2 Indemnification of Employees. 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, including an employee acting as a director or officer of an entity in which the Corporation owns shares of capital stock, of which the Corporation is a creditor, or which the Corporation otherwise supports or endorses.

11.3 Indemnification not Exclusive. 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 shareholders, the Wisconsin Business Corporation Law or otherwise.

11.4 Willful Misconduct; Settlements. Notwithstanding the foregoing, the Corporation shall not indemnify any director, officer or employee with respect to matters as to which he or she shall be finally adjudged in any such action, suit,

or Proceeding to have been liable for willful misconduct in the performance of his or her duties as such director, officer or employee. In the event that a settlement or compromise is effected, indemnification may be had only if the Board of Directors shall have been furnished with an opinion of counsel for the Corporation to the effect that such settlement or compromise is in the best interest of the Corporation and that such director, officer or employee is not liable for willful misconduct in the performance of his or her duties with respect to such matters, and if the Board of Directors shall have adopted a resolution approving such settlement or compromise.

11.5 Insurance. The Corporation may, but shall not be required to, supplement the foregoing rights to indemnification against Liabilities and advancement of Expenses under this Article 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 XI. All capitalized terms used in this Article XI and not otherwise defined herein shall have the meaning set forth in Section 180.0850 of the Wisconsin Statutes.

11.6 Controlled Subsidiaries. All officers, directors and employees of controlled subsidiaries of the Corporation shall be deemed for purposes of this Article XI to be serving as officers, directors and employees at the request of the Corporation. The right to indemnification granted to such officers, directors and employees by this Article XI shall not be subject to any limitation or restriction imposed by any provisions of the Articles of Incorporation or Bylaws of a controlled subsidiary; provided, however, that any right to indemnification so granted shall be subject to and limited by the laws and regulations of any applicable regulatory authority to which any controlled subsidiary is subject. For purposes hereof, a “controlled subsidiary” means any other corporation at least 80 percent of the outstanding voting stock of which is owned by the Corporation or by another controlled subsidiary of the Corporation.

11.7 Liberal Construction. In order for the Corporation to obtain and retain qualified directors, officers and employees, the foregoing provisions will be liberally administered in order to afford maximum indemnification of directors, officers and employees and, accordingly, the indemnification above provided for will be granted in all cases unless to do so would clearly contravene applicable law, controlling precedent or public policy.

## **Article XII AMENDMENTS**

12.1 By Shareholders. These Bylaws may be amended or repealed and new Bylaws may be adopted by a majority vote of the shareholders at any annual or special meeting of the shareholders at which a quorum is in attendance.

12.2 By Directors. Except as otherwise provided by the Wisconsin Business Corporation Law or the Articles of Incorporation, these Bylaws may also be amended or repealed and new Bylaws may be adopted by the Board of Directors by affirmative

vote of a majority of the number of directors present at any meeting at which a quorum is in attendance; provided, however, that the shareholders in adopting, amending or repealing a particular bylaw may provide therein that the Board of Directors may not amend, repeal or readopt that bylaw.

12.3 Implied Amendments. Any action taken or authorized by the shareholders or the Board of Directors, which would be inconsistent with the Bylaws then in effect but which is taken or authorized by the 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 temporarily 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.

### **Article XIII EMERGENCIES**

Notwithstanding any other provision of these Bylaws, the Board of Directors may, at any time, adopt a resolution in accordance with authority now or hereafter vested in it under which, to the extent and upon the terms stated therein, corporate powers may be exercised during the existence of emergency conditions.

**Exhibit I**  
**DIRECTORS AND OFFICERS OF**  
**SECURA INSURANCE MHC AND**  
**SECURA HOLDINGS, INC. (“SHI”)**

The directors and officers of Converted SECURA and SECURA Supreme Insurance Company (“SSIC”) will remain the same after the restructuring. The directors of Converted SECURA and SSIC will also serve on the Boards of Directors of SECURA Insurance MHC and SHI. The initial directors and officers of SECURA Insurance MHC and SHI are set forth below:

**DIRECTORS**

**SECURA INSURANCE MHC AND SHI:**

<b><u>Name</u></b>	<b><u>Title</u></b>
John A. Bykowski	Chairperson and Director
David D. Gross	Director
Mary Lou Casey	Director
Wayne R. Micksch	Director
Daniel E. Neufelder	Director
Anne E. Ross	Director
Catherine J. Tierney	Director
Timothy M. Bergstrom	Director
Mark C. Behrens	Director
Alice H. Gannon	Director

**OFFICERS**

<b><u>Name</u></b>	<b><u>Title</u></b>
David D. Gross	President
Jeffrey R. Kargus	Vice President and Treasurer
Daniel P. Ferris	Vice President and Secretary

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