

# **AGREEMENT OF MERGER**

## **PREAMBLE**

CSA FRATERNAL LIFE AND BETTERLIFE are fraternal benefit societies providing insurance and other fraternal benefits to their members.

THE BOARDS OF DIRECTORS OF CSA FRATERNAL LIFE AND BETTERLIFE have determined that they share common purposes and deem it advisable and in the best interests of the Parties and their respective members, that CSA Fraternal Life merge with and into BetterLife pursuant to the terms and conditions set forth in this Agreement.

THIS AGREEMENT OF MERGER ("Merger Agreement" or "Agreement") is entered into this 3rd day of January 2025, by and between CSA Fraternal Life, an Illinois domiciled nonprofit corporation and fraternal benefit society, and BetterLife, a Wisconsin nonprofit corporation and fraternal benefit society. Such societies are collectively referred to as the "Parties" and individually as a "Party." The Parties agree as follows:

## **Article I. MERGER & CLOSING**

### **Section 1.01 Merger & Effective Time.**

In accordance with the provisions of Applicable Law and subject to the terms and conditions of this Agreement, CSA Fraternal Life, will be merged with and into BetterLife (the "Merger") as of 12:00 A.M. central standard time on January 1, 2026 or at such earlier or later time as the Parties may agree (the "Effective Time").

### **Section 1.02 Effect of Merger.**

At the Effective Time, and in accordance with and to the maximum extent of Applicable Law, the Parties will be merged into a single corporation and the separate existence of CSA Fraternal Life will cease and BetterLife will be the Surviving Society (the "Surviving Society"). The rights, privileges and interests of the Parties, and all property, real, personal, and mixed, and all debts due to the Parties on whatever account, including without limitation, premiums, the rights and obligations of any member or employee of the Parties, and other choses in action belonging to the Parties, will be taken and be deemed invested in the Surviving Society without further act or deed. All property, rights, privileges, and franchises, and every other interest will be thereafter the property of the Surviving Society as they were of the Parties. The title to any real estate or interest therein, vested by deed or otherwise in the Parties, will not revert or be in any way impaired by reason of the Merger. The Surviving Society will be responsible and liable for all the liabilities and obligations of the Parties, including without limitation, the Parties' obligations to fund and perform on benefit contracts issued by the Parties to their members, any agreements between the Parties and third parties, such as reinsurers, vendors, lessors or employees, the rights and obligations of any employee, including any liability accruing under an employment agreement entered into by a Party and any Parties' pension plan. The rights of the creditors of the Parties, or of any persons dealing with the Parties, will not be impaired by the Merger and any claim existing or action or proceeding pending by or on behalf of the Parties may be prosecuted to judgment as if the Merger had not taken place, or the Surviving Society may be proceeded against or substituted in its place.

### **Section 1.03 CSA Fraternal Life Name.**

The Surviving Society will retain the right to use the names, trademarks, and servicemarks of each Party including, but not limited to, "CSA" and "CSA Fraternal Life" and any other names currently in use by CSA.

### **Section 1.04 CSA Fraternal Life Members.**

On the Effective Time, the members of CSA Fraternal Life will become members of the Surviving Society, with the rights, obligations, and privileges of membership accruing thereto under the Articles of Incorporation and Bylaws of BetterLife.

### **Section 1.05 CSA Fraternal Life Lodges.**

On the Effective Time, all Lodges of CSA Fraternal Life will continue as subordinate Chapters of the Surviving Society. Operations of the Lodges will be subject to the terms of a plan approved in writing by the Parties ("Fraternal Transition Plan").

### **Section 1.06 CSA Fraternal Life Investments.**

On the Effective Time, the investments of CSA Fraternal Life will become the investments of the Surviving Society and will be invested in accordance with the Surviving Society's Investment Policy.

### **Section 1.07 Closing.**

The closing of the transactions contemplated by this Agreement (the "Closing") will take place at the time and place as mutually agreed upon by the Parties, after all conditions to the Parties' obligations set forth in this Agreement have been satisfied or waived by the Party entitled to the benefit of such condition. Following the Closing, the Surviving Society will handle all insurance, corporate and state and federal tax filing responsibilities accruing to CSA Fraternal Life prior to the Effective Time.

## **Article II. GOVERNANCE OF THE SURVIVING SOCIETY**

### **Section 2.01 Name.**

As of the Effective Time and thereafter, the name of the Surviving Society will be BetterLife.

### **Section 2.02 Articles of Incorporation & Bylaws of the Surviving Society.**

On the Effective Time, the Articles of Incorporation and Bylaws of BetterLife will be the Articles of Incorporation and Bylaws of the Surviving Society.

### **Section 2.03 Directors.**

Subject to Section 2.02 above, the directors of BetterLife in office on the Effective Time will be directors of the Surviving Society and will hold office for the terms for which they have been elected until their successors are duly elected and qualified pursuant to the Articles of Incorporation and Bylaws, as applicable, of the Surviving Society. In addition, one director of CSA Fraternal Life

will be selected by the BetterLife Board of Directors to serve as an elected director of the Board of Directors of the Surviving Society for a term as of the Effective Time through December 31, 2028. Members of the Surviving Society will have the ability to seek leadership roles within the Surviving Society as described in the Articles of Incorporation and Bylaws of the Surviving Society.

#### **Section 2.04 BetterLife Member Advisory Board.**

The directors of CSA Fraternal Life in office immediately prior to the Effective Time, other than the director appointed to the BetterLife Board of Directors under Section 2.03, will be appointed to the BetterLife Member Advisory Board (the “Advisory Board”). The Advisory Board, a standing advisory committee to the CEO, serves annual terms and is remunerated with an annual stipend. The CEO of BetterLife selects members. CSA Life Members will serve through the calendar year 2026.

#### **Section 2.05 Officers & Committees.**

All persons who, on the Effective Time, are officers or members of any committee of the Board of Directors of BetterLife will, on the Effective Time, hold the same office in the Surviving Society as they heretofore held in BetterLife until their successors are duly appointed or elected pursuant to the Bylaws of the Surviving Society. The President and CEO of BetterLife will be the current incumbent President and CEO of the Surviving Society, subject to the selection and removal as provided for by the Surviving Society's Articles of Incorporation and Bylaws.

#### **Section 2.06 CSA Fraternal Life Employees.**

CSA Fraternal Life and BetterLife will develop and agree to a plan for employment of CSA Fraternal Life employees (the “Employment Plan”) prior to the Closing. The Employment Plan will outline terms, benefits, and expectations for continuing employment of CSA Fraternal Life employees following the Effective Time and the integration or assumption by BetterLife of any pension or benefit plans offered by CSA Fraternal Life to its employees. The Employment Plan will also describe a schedule of stay bonuses to be offered to employees of CSA Fraternal Life who continue employment with the Surviving Society.

#### **Section 2.07 Offices.**

The home office of the Surviving Society as of the Effective Time will be the home office of BetterLife in Madison, Wisconsin.

### **Article III. ADDITIONAL AGREEMENTS**

#### **Section 3.01 Transaction Expenses.**

Except as otherwise provided in this Agreement, each Party to this Agreement will bear all of its Transaction Expenses, regardless of whether the Transaction is consummated. This includes all fees and expenses relating to the Transaction, including the negotiation of this Agreement, the performance of any obligations under this Agreement and all ancillary agreements hereto, and the consummation of the transactions contemplated hereby and thereby (including, without limitation, the fees and expenses of any attorneys, accountants, financial advisors or other advisors).

### **Section 3.02 Further Assurances.**

Each Party to this Agreement will take all reasonably appropriate action and execute any additional documents, instruments and conveyances of any kind which may be reasonably necessary to carry out any of the provisions of this Agreement or consummate any of the transactions contemplated hereby or thereby.

### **Section 3.03 Confidentiality.**

Except as required by Applicable Law, the Parties to this Agreement will hold, and will cause each of their directors, officers, employees, accountants, counsel, financial advisors and other representatives and affiliates to hold, any Confidential Information obtained from the other Party, or their affiliates, advisors and other agents in confidence to the extent required by, and in accordance with the provisions of, the confidentiality agreement dated June 25, 2024, and entered into by and between CSA Fraternal Life and BetterLife (the "Confidentiality Agreement"), provided, however, that the obligations of the Surviving Society under the Confidentiality Agreement will expire on the Closing Date as to all Confidential Information, except to the extent that disclosure of such information is prohibited by Applicable Law.

## **Article IV. CLOSING CONDITIONS**

### **Section 4.01 Conditions to a Party's Obligations.**

The obligations of a Party to consummate the transactions contemplated by this Agreement are subject to the satisfaction of the following conditions at or before the Closing Date:

(a) Representations, Warranties, & Covenants.

The representations and warranties agreed to by the Parties will be true and correct as of the date of this Agreement and, except for any such representations and warranties that only speak as an earlier specified date, as of the Closing Date with the same force and effect as though made on and as of the Closing Date, except for such failures of such representations and warranties to be true and correct as would not, individually or in the aggregate, have a Material Adverse Effect. Each Party will have performed or complied in all respects with all covenants and agreements of the Party to be performed or complied with on or prior to the Closing Date.

(b) Government Consents.

All Government Consents that are required for the consummation of the transactions contemplated by this Agreement have been obtained and will be in full force and effect.

(c) Consents.

Any required third-party consents will have been obtained and will be in full force and effect; provided, however, that any such consents not obtained by a Party, but waived by the other Party, will not be an unfulfilled condition.

(d) No Prohibitions.

There will not be any pending action or proceeding, before any Governmental Entity, (i) challenging or seeking to make illegal, or to delay or otherwise directly or indirectly restrain or prohibit, the consummation of the transactions contemplated hereby or seeking to obtain material damages in connection with such transactions, (ii) seeking to prohibit direct or indirect ownership or operation by the Surviving Society of all or a material portion of CSA Fraternal Life assets as a result of the transactions contemplated hereby, (iii) seeking to invalidate or render unenforceable any material provision of this Agreement or (iv) otherwise relating to and materially adversely affecting the transactions contemplated hereby.

(e) Material Adverse Effect.

There will not have occurred between the date of this Agreement and the Closing Date any Material Adverse Effect.

(f) Liens.

Any Lien on the CSA Fraternal Life assets (other than Liens permitted in writing by BetterLife) will have been released.

(g) Authorization of Supreme Governing Body.

Each Party's supreme governing body, by a resolution duly adopted, has approved this Agreement and the transactions hereby contemplated pursuant to Applicable Law and their Articles of Incorporation and Bylaws.

(h) Employment Plan.

On or prior to the Closing, the Parties have agreed upon an Employment Plan.

(i) Fraternal Transition Plan.

On or prior to the Closing, the Parties have agreed upon a Fraternal Transition Plan.

(j) Closing Certificates.

At or prior to the closing, each Party will provide the other with a certificate of good standing from its state of domicile, foreign qualifications applicable to its operations, a certificate from its President attesting to and confirming its tax exempt status, and satisfactory evidence that each Party is authorized to transact insurance as a fraternal benefit society in each state where it transacts insurance.

(k) New York Withdrawal.

CSA Fraternal Life will have completed a withdrawal from the State of New York under Regulation 109.

(l) California Transfer.

CSA Fraternal Life will have completed a transfer of its California certificates to another organization.

## **Article V. TERMINATION**

### **Section 5.01 Termination.**

This Agreement and the Merger contemplated thereby may be terminated at any time prior to the Closing Date as follows:

- (a) by the mutual written consent of BetterLife and CSA Fraternal Life;
- (b) by either BetterLife or CSA Fraternal Life if there has been a material misrepresentation, material breach of warranty or breach of covenant on the part of the other Party in the representations, warranties and covenants agreed to by the Parties that has not been cured within thirty (30) days after receipt of written notice of such misrepresentation or breach, but only to the extent that such misrepresentation or breach would have a Material Adverse Effect, provided, however, the Party in breach will have no right to terminate the Agreement under this Section 5.01(b);
- (c) by either BetterLife or CSA Fraternal Life if the transactions contemplated hereby have not been consummated by July 1, 2026, which time will be extended by mutual written agreement if notice of a misrepresentation or breach is given under Section 5.01(b) and the Party to whom notice is directed is making a diligent effort to cure such breach or misrepresentations; provided, however, that a Party will not be entitled to terminate this Agreement pursuant to this Section 5.01(c) if such Party's breach of this Agreement has prevented the consummation of the transactions contemplated by this Agreement; or
- (d) by either Party, if there will be any order, injunction, or decree of any Governmental Entity which prohibits or restrains either Party from consummating the transactions contemplated hereby, and such order, injunction or decree will have become final and non-appealable; provided, however, that prior to termination under this Section 5.01(d), the Party seeking to terminate this Agreement will have used all reasonable efforts to have such order, injunction, or decree vacated.

### **Section 5.02 Effect of Termination.**

- (a) Except for remedies for breach of the Confidentiality Agreement, the sole and exclusive remedy of either Party, prior to the Closing, due to an act or omission of the other Party related to the transactions contemplated by this Agreement will be limited to specific performance or termination under Section 5.01, and not for any damages or costs.
- (b) In the event of the termination of this Agreement by either BetterLife or CSA Fraternal Life as provided in Section 5.01, and subject to Section 6.01, all provisions of this Agreement will terminate, and there will be no liability on the part of BetterLife or CSA Fraternal Life or their respective members, officers, directors, or agents, except that the provisions of Section 3.03 of this Agreement will survive any such termination.
- (c) Each Party will promptly cause to be returned to the other Party all documents and information obtained in connection with Agreement and the transactions contemplated by this Agreement and all documents and information obtained in connection with that Party's investigations of the operation and financial and legal affairs of the other Party, including

any copies made by a Party or any of their representatives of any such documents or information.

## **Article VI. CONTINUATION AND SURVIVAL OF REPRESENTATIONS AND WARRANTIES**

### **Section 6.01 Continuation & Survival.**

The representations and warranties agreed to by the Parties will continue and survive until the Closing Date.

## **Article VII. MISCELLANEOUS**

### **Section 7.01 Press Releases & Announcements.**

Prior to the Closing Date, the Parties will cooperate to prepare a press release for issuance upon the Closing, announcing the consummation of the transactions contemplated herein. Other than the foregoing, no Party hereto will issue any press release (or make any other public announcement) related to this Agreement or the transactions contemplated hereby without prior written approval of the other Party, except to the extent that the Party reasonably determines that any such press release or other announcement is necessary in order to comply with any Applicable Law, in which case such Party will consult the other prior to issuing such press release or other announcement.

### **Section 7.02 Amendment & Waiver.**

This Agreement may not be amended or waived except in a writing executed by the Party against which such amendment or waiver is sought to be enforced. No course of dealing between or among any persons having any interest in this Agreement will be deemed effective to modify or amend any part of this Agreement or any rights or obligations of any person under or by reason of this Agreement.

### **Section 7.03 Notices.**

All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement will be in writing and will be deemed to have been given when personally delivered or three days after being mailed, if mailed by first class mail, return receipt requested, or when receipt is acknowledged, if sent by facsimile or other electronic transmission device. Notices, demands and communications to BetterLife or CSA Fraternal Life will, unless another address is specified in writing, be sent to the address indicated below:

**Notices to BetterLife:**  
Christopher Campbell  
Chief Executive Officer  
BetterLife  
6522 Grand Teton Plaza  
Madison, WI 53719

**With a copy (which will not constitute Notice) to:**  
Todd Martin

Pierson Ferdinand, LLP  
856 Wickersham Ct.  
Sun Prairie, WI 53590  
Todd.Martin@pierferd.com

**Notices to CSA Fraternal Life:**

John J. Kielczewski  
President  
CSA Fraternal Life  
2050 Finley Rd. #70  
Lombard, IL 60148

**With a copy (which will not constitute Notice) to:**

Christopher T. Nowotarski, P.C.  
691 Middleton Lane  
Des Plaines, IL 60016  
[cnowotarski@spklaw.com](mailto:cnowotarski@spklaw.com)

**Section 7.04 Assignment.**

This Agreement and all of the provisions hereof will be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns, and neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by any Party hereto without the prior written consent of the other Party hereto.

**Section 7.05 Third-Party Beneficiaries.**

Except for those rights and liabilities assumed by or vested in the Surviving Society pursuant to Section 1.02 or Applicable Law, nothing in this Agreement will confer any rights upon or create any liabilities in any person or entity that is not a Party or permitted assignee of a Party to this Agreement.

**Section 7.06 Severability.**

Whenever possible, each provision of this Agreement will be interpreted in such a manner as to be effective and valid under Applicable Law, but if any provision of this Agreement is held to be prohibited by or invalid under Applicable Law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

**Section 7.07 Complete Agreement.**

This Agreement and the other documents referred to herein contain the complete agreement of the Parties and supersede any prior understandings, agreements or representations by or among the Parties, written or oral, which may have related to the subject matter hereof in any way; provided, however, the Confidentiality Agreement will survive the execution and delivery of this Agreement. The section, paragraph and other headings of this Agreement are for reference purposes and will not affect the meaning or interpretation of the Agreement.



### **Section 7.08 Time of the Essence.**

With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

### **Section 7.09 Signatures; Counterparts.**

This Agreement may be executed in one or more counterparts, any one of which need not contain the signatures of more than one Party, but all such counterparts taken together will constitute one and the same instrument. A facsimile or electronic signature will be considered an original signature.

### **Section 7.10 Governing Law.**

The internal Applicable Law, without regard for conflicts of laws principles, of the State of Wisconsin will govern all questions concerning the construction, validity and interpretation of this Agreement and the performance of the obligations imposed by this Agreement, except to the extent the terms and approval of this Agreement are subject to the regulatory authority of Illinois law and the Illinois Department of Insurance.

## **Article VIII. DEFINITIONS**

### **Section 8.01 Definitions.**

The following terms have the following meanings for purposes of this Agreement:

“Agreement” has the meaning specified in the introductory paragraph.

“Applicable Law” means any constitution, law, ordinance, rule, principle of common law, regulation, statute, treaty, order, judgment, decree or injunction or other requirements of any jurisdiction applicable.

“Closing” has the meaning specified in Section 1.07.

“Closing Date” means the date on which the Closing occurs.

“Confidential Information” has the meaning defined in the Confidentiality Agreement dated June 25, 2024, and entered into by and between CSA Fraternal Life and BetterLife.

“Effective Time” has the meaning specified in Section 1.01.

“Employment Plan” has the meaning specified in Section 2.06.

“Governmental Entity” means any federal, state, local, foreign, international or multinational entity or authority exercising executive, legislative, judicial, regulatory, administrative or taxing functions of or pertaining to government.

“Lien” means any charge, claim, condition, equitable interest, lien, option, pledge, security interest, right of first refusal or restriction of any kind.

"Material Adverse Effect" means a material adverse effect on (i) the financial condition or results of operation of a Party which is reasonably expected to exceed 10% of the current surplus of such Party or (ii) the ability of a Party to consummate the transactions contemplated by this Agreement, other than (a) any material change in the financial, banking, currency or capital markets; (b) conditions and events generally affecting the insurance and reinsurance industry; and (c) conditions or effects resulting from or relating to announcement of this Agreement or the transactions contemplated herein or therein; and (d) any material change in Applicable Law or regulation, including law, regulatory and accounting standards relating to insurance.


"Merger" has the meaning set forth in Section 1.01.

"Parties" and "Party" have the meanings set forth in the opening paragraph.

"Surviving Society" has the meaning set forth in Section 1.02.


IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

CSA FRATERNAL LIFE

By:   
John J. Kielczewski, President  
CSA Fraternal Life

Witness: 

BETTERLIFE

By:   
Christopher Campbell, CEO  
BetterLife

Witness: 

# REPRESENTATIONS, WARRANTIES, AND COVENANTS

## SECTION 1. REPRESENTATIONS AND WARRANTIES OF THE PARTIES

As a material inducement to CSA Fraternal Life and BetterLife (collectively the “Parties”) to enter into the Plan and Agreement of Merger (“Merger Agreement,”) each Party respectively represents and warrants to the other, except as otherwise disclosed in writing by one Party to the other Party, as of the date of the Merger Agreement and through the Closing Date, as follows:

### 1.1. Execution, Delivery, Valid and Binding Agreement.

The execution, delivery and performance of the Merger Agreement and the consummation of the transactions contemplated have been duly and validly authorized by all requisite action, and no other proceedings on either Party's part are necessary to authorize the execution, delivery and performance of the Merger Agreement. The Merger Agreement has been duly executed and delivered by CSA Fraternal Life and BetterLife and constitutes a valid and binding obligation of CSA Fraternal Life and BetterLife, enforceable against CSA Fraternal Life and BetterLife in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally or by application of equitable principles.

### 1.2. Approval of the Transaction.

Each Party's Board of Directors has, by a resolution duly adopted at a meeting or by written consent, approved the Merger Agreement and the transactions contemplated pursuant to Applicable Law, as defined in the Merger Agreement, and its Articles of Incorporation and Bylaws. The resolutions described in this Section 1.2 have not been amended or otherwise modified in any respect since the date of adoption, and such resolution remains in full force and effect.

### 1.3. No Breach.

The execution, delivery and performance of the Merger Agreement and the consummation of the transactions contemplated do not and will not (with or without notice or lapse of time) conflict with or result in any breach of any of the provisions of, constitute a default under, result in a violation of, or result in the creation of a right of termination or acceleration or any Lien upon any assets of the respective Party under (i) their Articles of Incorporation and Bylaws, (ii) any material indenture, agreement, mortgage, lease, or loan agreement to which CSA Fraternal Life or BetterLife is a party or by which CSA Fraternal Life or CSA Fraternal Life's assets, or BetterLife or BetterLife's assets, are bound, (iii) any Applicable Law (as defined in the Merger Agreement) to which CSA Fraternal Life or CSA Fraternal Life's assets, or BetterLife or BetterLife's assets, are subject, (iv) any CSA Fraternal Life or BetterLife Permit, or (v) except as disclosed to the other Party, any agreement with a third party to which CSA Fraternal Life or BetterLife is a party.

### 1.4. Financial Statements.

CSA Fraternal Life and BetterLife have exchanged complete and correct copies of their annual statutory statements as submitted to the state regulatory authorities in the states where a Party is authorized to transact insurance as a fraternal benefit society for the calendar year 2023 and 2024 and for each complete calendar quarter during 2025 (the foregoing statements being referred to collectively as “Statutory

Statements"). CSA Fraternal Life 's and BetterLife's Statutory Statements (i) reflect consistent application of statutory accounting principles throughout the periods involved, and (ii) fairly present in all material respects the financial condition and results of operations for the periods then ended in accordance with Statutory Accounting Principles ("SAP"), except as would not have a Material Adverse Effect (as defined in the Merger Agreement).

1.5. Absence of Certain Changes.

Except as expressly permitted or required by this Agreement, since January 1, 2025, each Party has conducted its own business in the ordinary course consistent with past practices and there has not been:

- a. any event, occurrence or development of a state of circumstances or facts known to a Party, which as of the date hereof could reasonably be expected to have a Material Adverse Effect as defined in the Merger Agreement;
- b. any Lien placed on, or any sale or transfer of assets, except for sales or transfers of products and services made in the ordinary course of business consistent with past practice;
- c. any change outside the ordinary course of business in the underwriting, pricing, claims, risk retention, valuation, marketing, reinsurance, administration, sales, or agency practices or policies relating to its business which could reasonably be expected to have a Material Adverse Effect;
- d. any employment, deferred compensation, severance, retirement or other similar agreement (or any amendment to or accelerated payment under any such existing agreement) offered to or entered into with any employee, any grant of any severance or termination pay or "stay-put" bonus to any employee, or any change in compensation or other benefits payable to any employee other than merit or tenure increases granted in the ordinary course of business; or
- e. any payment, discharge, settlement or satisfaction of any claims, liabilities or obligations and relating to its business in excess of \$100,000, other than as in the ordinary course of business consistent with past practices, such as the payment of obligations, including claims, under benefit contracts, and the purchase or sale of Investments.

1.6. Investment Securities.

- a. CSA Fraternal Life and BetterLife have exchanged a written, accurate and complete description, in all material respects, of all invested assets since January 1, 2025, in any form, whether in common or preferred stock, corporate or government bonds, certificates of deposit or otherwise, owned and admitted as a permitted investment on their most current Statutory Statement, other than Real Estate (collectively, the "Investments" or individually, an "Investment"). To each Party's Knowledge, all their respective Investments comply in all material respects with their respective investment policies and, for CSA Fraternal Life, Illinois law applicable to permitted investments by an Illinois-domiciled fraternal benefit society, and for BetterLife, Wisconsin law applicable to permitted investments by a Wisconsin-domiciled fraternal benefit society.
- b. Except as disclosed to the other Party, each Party owns their respective Investments free and clear of any and all encumbrances, other than with respect to those Investments which have been disposed of in the ordinary course of business or redeemed in accordance with their terms and other than with respect to statutory deposits which are subject to certain restrictions on transfer.

- c. Each Party's Investments are evidenced by appropriate written instruments and certificates (except where in non-certificated form), are valid and genuine in all material respects and enforceable in accordance with their terms. None of the Investments are in default on the payment of principal, interest or other required distributions.

#### 1.7. Tax Matters.

Except for accruals for taxes not yet due, a Party has no liability or obligation for or in respect of Taxes that would be imposed on or affect the Surviving Society, or that would constitute or give rise to a Lien on its respective assets, and no Tax imposed for any period would be imposed on or affect the Surviving Society or would constitute or give rise to a Lien on assets, except as would not have a Material Adverse Effect. All tax returns, reports and declarations (collectively, "Tax Returns") required by any governmental authority to be filed in connection with operations have been timely filed, and all such Tax Returns are correct and complete. All Taxes due in connection with its operations have been paid, other than Taxes which are not yet due or which, if due, are not yet delinquent, are being contested in good faith or have not been finally determined, and for which reserves have been established which are sufficient to cover the payment of all such Taxes. There are no Tax claims, audits or proceedings pending, and, to the Knowledge of a Party, there are no such threatened claims, audits or proceedings.

#### 1.8. Litigation.

There are no actions, suits, regulatory or administrative proceedings, orders or investigations pending or, to the Knowledge of a Party, threatened against it or any of its respective directors, officers or employees or against or involving its assets, properties or business, or with respect to the employment and/or termination of any individual currently or formerly employed, at law or in equity, or before or by any Governmental Entity. There is no judgment, decree, injunction or order by any Governmental Entity or arbitrator outstanding against any of such persons or otherwise affecting a Party.

#### 1.9. Compliance with Laws and Permits.

To the Knowledge of a Party, it has conducted its business in material compliance with all Applicable Law of the states where it transacts business, except to the extent such noncompliance would not have a Material Adverse Effect. For purposes of this section, Applicable Law includes, but is not limited to, compliance with applicable state insurance laws, applicable requirements relating to privacy and security of confidential information, applicable compliance and reporting requirements under 7702 and 7702A of the Internal Revenue Code, and all applicable requirements relating to reporting and remittance of unclaimed property. It has not received notice from any Governmental Authority that it is in violation of or has violated any Applicable Law. It has, in full force and effect, all licenses, authorizations and approvals from all Governmental Authorities (including, without limitation, state agencies regulating insurance) necessary to conduct its business in the manner and the jurisdictions in which its business is being conducted (collectively, the "Permits"). It has conducted and is conducting its business in compliance with all terms and conditions of the Permits, except to the extent such noncompliance individually or in the aggregate would not have a Material Adverse Effect. All such Permits are in full force and effect, and to the Knowledge of a Party, there is no proceeding or investigation pending or threatened which could lead to the revocation, amendment, failure to renew, limitation, modification, suspension or restriction of any Permit. CSA Fraternal Life and BetterLife have exchanged a listing of each Permit.

1.10. Brokerage.

No third party will be entitled to receive any brokerage commissions, finder's fees, fees for financial advisory services or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of a Party.

1.11. Receivables.

The amounts receivable shown on a Party's Statutory Statements, and any receivables which may have been acquired since the date of the most recent such statement (net of any reasonable reserves), represent valid obligations arising from bona fide sales actually made or services actually performed in the ordinary course of business and are not, to a Party's Knowledge, subject to valid counterclaims or setoffs.

1.12. Regulatory Matters.

To a Party's Knowledge:

- a. It has filed all reports, statements, documents, registrations, filings or submissions required to be filed with all applicable state regulatory authorities, and (i) such filings and submissions complied with Applicable Law in effect when filed, and no deficiencies have been asserted by any such regulatory authority with respect to such reports, statements, documents, registrations, filings or submissions that have not been satisfied, except to the extent such failure to file or deficiencies would not have a Material Adverse Effect; and (ii) such reports, statements, documents, registrations, filings or submissions were in compliance with Applicable Law when filed, except to the extent any such noncompliance would not have a Material Adverse Effect. Since January 1, 2025, no fine or penalty has been imposed on it by any federal, state or local regulatory authority.
- b. Each appointed agent and broker was, at the time of appointment, properly appointed with appropriate regulatory authorities to represent it in each jurisdiction where an appointment is required.

1.13. Tax Exempt Status.

Each Party is a tax-exempt entity under §501(c)(8) of the Internal Revenue Code and is not, to the Knowledge of a Party, aware of any proceeding, pending or threatened, or of any existing circumstances, that could reasonably be anticipated to result in the loss or revocation of any tax exemptions held by it.

1.14. Disclosure.

- a. A Party is not making, nor will be deemed to have made, any representations or warranties outside of this Agreement. Without limiting the generality of the foregoing, and notwithstanding any other express representations and warranties made in this Agreement, a Party makes no representation or warranty with respect to any projections, estimates or budgets delivered to or made available with respect to future revenues, expenses or expenditures, future results of operations, or any other future matters.

- b. No representation or warranty or other statement made by a Party in this Agreement, the information exchanged and disclosed in writing between CSA Fraternal Life and BetterLife, or the certificates delivered pursuant to the contemplated transactions contains any untrue statement or omits to state a material fact necessary to make any of them, in light of the circumstances in which it was made, not misleading.

1.15. CSA Fraternal Life Incorporation and Corporate Power.

CSA Fraternal Life is a not-for-profit corporation, duly incorporated, validly existing and in good standing under the laws of the state of Illinois and has the requisite corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. CSA Fraternal Life has the corporate power and authority and all CSA Fraternal Life Permits necessary to own and operate and to carry on its business as now conducted.

1.16. Title.

CSA Fraternal Life has good and marketable title to all of CSA Fraternal Life's assets, free and clear of all Liens. To CSA Fraternal Life's Knowledge, there exists no condition affecting the title to or use of any part of CSA Fraternal Life's assets which would prevent the Surviving Society from occupying, using or enforcing its rights with respect to any part of CSA Fraternal Life's assets to the same full extent that CSA Fraternal Life could continue to do so if the transactions contemplated hereby did not take place. At the Effective Time, the Surviving Society will obtain good and marketable title to all the CSA Fraternal Life assets, free and clear of all Liens.

1.17. Intellectual Property Rights.

CSA Fraternal Life has provided to BetterLife in writing a listing of all intellectual property assets owned by CSA Fraternal Life (such assets the "Intellectual Property Assets"). To the Knowledge of CSA Fraternal Life:

- a. CSA Fraternal Life owns all right, title and interest in the Intellectual Property Assets;
- b. No claims or threats of claims have been asserted by any third party against CSA Fraternal Life challenging or questioning (i) the validity of the Intellectual Property Assets, or (ii) CSA Fraternal Life's ownership of the Intellectual Property Assets;
- c. CSA Fraternal Life's conduct of its business as of the Closing Date does not infringe or misappropriate any patent, copyright, trademark, or trade secret of any third party; and
- d. No third party is as of the Closing Date infringing or misappropriating the Intellectual Property Assets.

1.18. Employees: Employee Benefit Plans.

- a. Except as disclosed by CSA Fraternal Life to BetterLife in writing, to the Knowledge of CSA Fraternal Life: (i) no employee of CSA Fraternal Life is subject to any nondisclosure or noncompetition agreement or any other agreement or restriction of any kind that would impede the ability of such employee to carry out fully all activities of such employee in furtherance of its business, except as would not have a Material Adverse Effect; and (ii) no employee or former employee of CSA Fraternal Life has any claim with respect to any Intellectual Property Assets.

- b. CSA Fraternal Life has provided to BetterLife a listing of each employee of CSA Fraternal Life and such employee's respective position, title, leave status, service years, and remuneration since January 1, 2025.
- c. CSA Fraternal Life has provided to BetterLife a complete and correct list of all Employee Benefit Plans in which CSA Fraternal Life's employees participate. CSA Fraternal Life has delivered or made available to BetterLife documents that set forth the terms of each Employee Benefit Plan and other information, documents or reports which describe the terms of or obligations under any such plan.
- d. No liability under Title IV of ERISA has been incurred or to the Knowledge of CSA Fraternal Life is reasonably expected to be incurred as of the Closing Date by CSA Fraternal Life (other than liability for premiums due to the Pension Benefit Guaranty Corporation), except as would not have a Material Adverse Effect. The Pension Benefit Guaranty Corporation has not instituted proceedings to terminate any Employee Benefit Plan of CSA Fraternal Life that is subject to Title IV of ERISA. None of such Employee Benefit Plans has incurred an "accumulated funding deficiency" (as defined in Section 302 of ERISA and Section 412 of the Code), whether or not waived. CSA Fraternal Life has not engaged in, or is a successor or affiliate of an entity that has engaged in, a transaction which is described in Section 4069 or Section 4212(c) of ERISA.
- e. During the ten (10) year period immediately preceding the Closing Date, CSA Fraternal Life has not participated in or contributed to, or had any obligation to contribute to, any "multiemployer plan" (as defined in ERISA Section 3(37)). CSA Fraternal Life has not made or incurred, and the transactions contemplated by this Agreement will not result in CSA Fraternal Life making or incurring, a "complete withdrawal" or a "partial withdrawal," as such terms are respectively defined in Sections 4203 and 4205 of ERISA that would result in the incurrence of any liability by CSA Fraternal Life, and CSA Fraternal Life has no unsatisfied liability for any such complete or partial withdrawal.
- f. CSA Fraternal Life has no obligations to any current or former employee to provide retiree health coverage.
- g. CSA Fraternal Life is not a party to and has no obligation under any collective bargaining agreement or other labor union contract or any side agreement with any labor union or organization, nor any obligation to recognize or deal with any union or organization. There are no overt activities or efforts of any labor union or organization to organize any employees, nor any demands for recognition or collective bargaining, nor any strikes, slowdowns, work stoppages, or overt threats thereof.
- h. All required reports and descriptions (including 5500 Annual Reports, Summary Annual Reports, PBGC-1 and Summary Plan Descriptions) have been filed or distributed appropriately with respect to each of CSA Fraternal Life's Plans. The requirements of Part 6 of subtitle B of title 1 of ERISA and of Code Section 4980B have been met with respect to each Employee Benefit Plan to which such requirements apply.

#### 1.19. Chapter Properties.

BetterLife warrants, represents, and covenants that all property owned by subordinate bodies of the combined entities shall remain the property of such subordinate body and shall be maintained controlled and operated independently by the subordinate body, subject to the requirements of the Bylaws and other laws and requirements of BetterLife and 501(c)(8) and any other applicable laws.



1.20. Real Estate.

CSA Fraternal Life does not own any real property and CSA Fraternal Life is not a party to any contract to purchase any real property or interest in such property.

1.21. BetterLife Incorporation and Corporate Power.

BetterLife is a not-for-profit corporation, duly incorporated, validly existing and in good standing under the laws of Wisconsin and has the requisite corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. BetterLife has the corporate power and authority and all BetterLife Permits (as hereinafter defined) necessary to own and operate and to carry on its business as now conducted.

1.22. Definition of Knowledge.

"Knowledge" (or the use of the term "know" or "knowing" in connection therewith) as used in this Agreement means, in the case of CSA Fraternal Life, the actual knowledge of John Kielczwski or Nick Kosmas or in the case of BetterLife, the actual knowledge of Christopher Campbell, Jenna Dunker or Derek Metcalf.

**SECTION 2. CONDUCT OF THE BUSINESS.**

2.1 Conduct of Business.

Except as expressly provided in this Agreement, from the date hereof until the Closing, each Party will:

- a. conduct its operations only in the ordinary course consistent with past practices and use commercially reasonable efforts to preserve intact its value and the present business organization, keep available the services of the officers and key employees, and preserve the goodwill of the agents, brokers, members, suppliers and other persons having business dealings with it;
- b. perform all of its obligations under agreements, contracts and other instruments, including paying claims in the ordinary course consistent with past practices, except to the extent such noncompliance individually or in the aggregate would not have a Material Adverse Effect;
- c. comply in all material respects with all Applicable Law;
- d. confer on a regular basis with representatives of the other Party (as reasonably requested) to report on its operational matters and the general status of its ongoing operations;
- e. maintain its books, accounts and records in the usual, regular and ordinary manner; and
- f. maintain its investments and not make any changes to its Investment Policy or make investments outside its Investment Policy without written authorization of the other Party.

2.2 Maintenance of Business.

Without limiting the generality of Section 2.1, except as otherwise expressly permitted or required by this Agreement, or consented to in writing by BetterLife, CSA Fraternal Life will not:

- a. except in the ordinary course of business consistent with past practice, (A) modify, terminate or fail to use commercially reasonable efforts to maintain in effect or renew any insurance

- contract or (B) enter into, modify, terminate or assign any other material agreement, arrangement or understanding, except for insurance and annuity contracts entered into in the ordinary course of business;
- b. change any of its accounting principles, practices, methods or policies, including, without limitation, its reserving methods, practices and policies, except as may be required as the result of a change in any Applicable Law;
  - c. make or propose to make any change in the underwriting, pricing, claims, risk retention, actuarial, valuation, marketing, reinsurance, administration, or information technology and data privacy practices that it knows, or reasonably should know, at the time it makes or proposes to make such change, would have a Material Adverse Effect;
  - d. take any action knowing that such action will, or is reasonably expected to, render any representation or warranty made by it in this Agreement untrue at the Closing;
  - e. pay, discharge, settle, satisfy or waive any claims, liabilities or obligations arising on or after the Effective Time in excess of \$100,000, other than in the ordinary course of business consistent with past practices;
  - f. dispose of any of its assets with a value in excess of \$100,000;
  - g. permit or allow any of its assets to become subject to any Liens;
  - h. enter into or amend or accelerate payment under any employment, termination, deferred compensation, severance, retention, retirement or other similar agreement with any employee, or change the compensation or other benefits payable to or with respect to any such employee other than merit or tenure increases granted in the ordinary course of business;
  - i. authorize any of, or commit or agree to take any of, the foregoing actions.

### 2.3 Access to a Party's Premises, Books and Records.

Between the date hereof and the Closing Date, each Party will afford to the other Party and its officers and their designees ("Representatives") access at all reasonable times and upon reasonable prior notice to the offices, properties, facilities, books, records, officers, employees and other items, and otherwise provide as promptly as practicable such assistance, financial information and other materials and information as is reasonably requested in order to facilitate the consummation of the transactions contemplated herein, and each Party will instruct its officers and its employees, agents and representatives to cooperate with the other Party's Representatives in connection therewith.

### 2.4 Conditions.

Each Party will take all commercially reasonable actions necessary or desirable to cause the conditions set forth in Article 4 of the Merger Agreement (including delivery of all certificates and other documents required to be delivered by it at the Closing) to be satisfied and to consummate the transactions contemplated as soon as reasonably practicable after the satisfaction thereof.

### 2.5 Filings, Approvals and Consents.

Each Party will, as promptly as practicable after the execution of this Agreement, make or cause to be made all filings, and use commercially reasonable efforts to receive any Governmental Consents.

2.6 Exclusivity.

Between the date of this Agreement and the earlier of the Closing Date or the termination of the Merger Agreement, CSA Fraternal Life will not, directly or indirectly through any affiliate or agent, agree to, entertain, engage in any other discussions or negotiations concerning, encourage or otherwise participate in any manner in any discussions, negotiations or offer concerning the merger, transfer or sale (whether by sale of assets, sale of stock of, merger with, or otherwise) of a Party or any part or all of its Assets.

2.7 Notices of Certain Events.

Each Party will promptly notify the other Party and obtain copies for the other Party of:

- a. any notice or other communication received after the date of this Agreement from any person alleging that the consent of such person is or may be required in connection with the transactions contemplated by this Agreement;
- b. any notice or other communication received after the date of this Agreement from any Governmental Entity that would adversely affect the other Party or the consummation of the transactions contemplated hereby; and
- c. any actions, suits, claims, investigations or proceedings commenced (or any notices thereof) or, to a Party's Knowledge, threatened against it after the date of this Agreement or that relate to the consummation of any transaction contemplated by this Agreement.

2.8 Closing Conditions.

Each Party will use its best efforts to meet the closing conditions described in Article Four of the Merger Agreement, including, but not limited to, obtaining Government Consents and Authorization of its Supreme Governing Body.

**CSA FRATERNAL LIFE**

By: \_\_\_\_\_

John J. Kielczewski, President

Witness: \_\_\_\_\_

**BETTERLIFE**

By: \_\_\_\_\_

Christopher Campbell, CEO

Witness: \_\_\_\_\_



## **CSA Fraternal Life/ BetterLife Fraternal Plan**

To facilitate a smooth transition of the Merger contemplated by CSA Fraternal Life (CSA) and BetterLife the Parties agree as follows:

- 1.1 As of the Effective Time of the Merger, all CSA Lodges will become Chapters of the Surviving Society as defined in the Merger Agreement. All CSA Lodges will retain their respective names as CSA Lodges as of the Effective Time, and for a period of at least 12 months following the closing date
- 1.2 All leaders of CSA Lodges will remain in office as of the Effective Time. Such leaders will continue in office until the time of the next Chapter elections and may be elected to successive terms.
- 1.3 CSA Lodges will maintain funding and resources at 2023 levels or higher for at least 12 months following the Effective Time, and also be eligible for the programs in place for other Chapters of the Surviving Society.
- 1.4 All funds of CSA Lodges will remain with the respective CSA Chapter. Such funds will continue to be used to support the charitable and fraternal activities of the CSA Chapter in accordance with the laws and policies of the Surviving Society and Applicable Law.
- 1.5 CSA Lodges will remain largely self-governing bodies in accordance with the laws and regulations applicable to fraternal benefit societies and subordinate Chapters of the Surviving Society subject to its Articles of Incorporation and Bylaws, and the laws, rules and requirements adopted by the Surviving Society. Surviving Society Chapters will have the opportunity to combine, if approved by the Surviving Society.


### **CSA FRATERNAL LIFE**

By:   
John J. Kielczewski, President

Witness: 

### **BETTERLIFE**

By:   
Christopher Campbell, CEO

Witness: 

## **CSA Fraternal Life/ BetterLife Employment Plan**

To facilitate a smooth transition of the Merger contemplated by CSA Fraternal Life ("CSA") and BetterLife the Parties agree as follows:

### **SECTION 1. Continuing Employment for CSA Employees**

Prior to the Closing Date, the Parties will identify expectations for positions of CSA employees as of the Effective Time of the Merger.

### **SECTION 2. Compensation and Benefits for Continuing CSA Employees**

#### **2.1 Compensation and Benefits**

Upon the **Effective Time**, CSA Continuing Employees will:

- Transition to BetterLife's standard compensation structure and **comprehensive employee benefits plan**, including but not limited to:
  - Health Insurance
  - Dental and Vision Insurance
  - Life Insurance
  - Defined Contribution Retirement Plan
  - Success Share (Short-Term Incentive Plan)

These benefits will take effect immediately following the **Effective Time**.

#### **2.2 Compensation Continuation for Transition Period**

To ensure stability during the merger transition, BetterLife will honor current CSA compensation levels from the **Effective Time** through **December 31, 2025** (the "Benefits Transition Period"), unless otherwise renegotiated in good faith by both Parties.

2.3 To promote employee retention and incentivize key personnel, BetterLife will provide a **Retention Bonus** to CSA employees who remain in good standing through a 12-month retention period ("Retention Period") commencing on the **Effective Date**.

#### **Retention Bonus Structure:**

<b>Position</b>	<b>Retention Bonus (% of Base Salary)</b>
Treasurer and Insurance Operations Manager	20%
Sales Manager	15%
Accounting Manager	10%
Fraternal Program Manager	10%
Compliance Manager	10%
Marketing Coordinator	10%
New Business and Policy Services Associates	5%

2.4 The CSA President will not be subject to this Retention Bonus Program but will be covered under a separate Employment Agreement negotiated between the President and BetterLife.

**CSA FRATERNAL LIFE**

By: [Signature]

Witness: [Signature]

**BETTERLIFE**

By: [Signature]

Witness: [Signature]