

## **PROPOSED CAPITAL**

*The following sets forth the proposed capital of Sentry Mutual Holding Company (SMHC), submitted pursuant to Wis. Stat. § 644.07(4)(b)(5).*

As a mutual holding company, SMHC will own 100% of the stock of Sentry Holdings, Inc. (“SHI”), and will thereby indirectly own 100% of the stock of Sentry Insurance Company (“SIC”), the converted Sentry Insurance a Mutual Company. SMHC will initially be capitalized with [\$40] million, which will be funded by a dividend directly from SHI and indirectly by an ordinary dividend from SIC. SMHC will incur expenses for organizational, corporate governance, and legal/regulatory purposes, which will be funded by SMHC’s capital from time to time. SMHC will receive annual ordinary dividends from SHI and indirectly SIC to ensure it remains appropriately capitalized in the future.