

EXHIBIT B

Certified Copy of Representations, Warranties and Covenants

Attached hereto as Exhibit B is a true, correct and complete copy of the Representations, Warrants and Covenants entered into and in effect between NMB and WFLA.

[See Attached]

June 17, 2020

EXHIBIT B CERTIFICATION

I, Donald Nieland, hereby certify that I am Vice President IT and Secretary of Western Fraternal Life Association, domiciled in Iowa and hereby certify pursuant to Section 512B.15 of Title XII of the Iowa Code that the attached Exhibit B- Certified Copy of Representations, Warranties and Covenants a true and complete copy. I further affirm that these documents are maintained in the ordinary course of business and are a true and correct copy of the original.



Donald Nieland

Vice President IT and Secretary

REPRESENTATIONS, WARRANTIES & COVENANTS

SECTION 1. Representations and Warranties of the Parties

As a material inducement to National Mutual Benefit (“NMB”) and Western Fraternal Life Association (“WFLA”) (collectively the “Parties”) to enter into the 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:

1.01 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 NMB and WFLA and constitutes a valid and binding obligation of NMB and WFLA, enforceable against NMB and WFLA 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.

1.02 Approval of the Transaction. Each Party’s Board of Directors has, by a resolution duly adopted at a meeting or by written consent of the same, 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 1.02 have not been amended or otherwise modified in any respect since the date of adoption, and such resolution remains in full force and effect. Except as provided in Section 1.07 of the Merger Agreement, no other actions or proceedings on the part of NMB or WFLA are necessary to authorize the execution, delivery and performance of the Merger Agreement and the transactions contemplated.

1.03 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 NMB or WFLA is a party or by which NMB or NMB’s Assets, or WFLA or WFLA’s Assets, are bound, (iii) any Applicable Law to which NMB or NMB’s Assets, or WFLA or WFLA’s Assets, are subject, (iv) any NMB or WFLA Permit, or (v) any agreement with a third party to which NMB or WFLA is a party.

1.04 Financial Statements. NMB and WFLA 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 years 2018 and 2019 and for each complete calendar quarter during 2020 (the foregoing statements being referred to collectively as “Statutory Statements”). NMB’s and WFLA’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.

1.05 Absence of Certain Changes. Except as expressly permitted or required by this Agreement, since September 1, 2019, 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 \$50,000, other than as in the ordinary course of business consistent with past practices, such as the payment of obligations, including claims, under benefit contracts.

1.06 Investment Securities.

- a. NMB and WFLA have exchanged a written, accurate and complete description, in all material respects, of all invested assets since September 1, 2019, 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 Property (collectively, the “Investments” or individually, an “Investment”). To each Party’s Knowledge, all of their respective Investments comply in all material respects with their respective investment policies and, for NMB, Wisconsin law applicable to permitted investments by a Wisconsin domiciled fraternal benefit society, and for WFLA, Iowa law applicable to permitted investments by an Iowa domiciled fraternal benefit society.
- b. 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 against all persons against whom they propose to create an obligation, subject to bankruptcy, receivership, insolvency, reorganization, moratorium, or other similar laws affecting or relating to creditors’ rights generally. None of the Investments are in default on the payment of principal, interest or other required distributions.

1.07 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.

1.08 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.

1.09 Compliance with Laws; 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. 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. NMB and WFLA have exchanged a listing of each Permit.

1.10 Brokerage. No third party shall 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 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 September 1, 2019, 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.

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 of the aforementioned exemptions held by it.

1.14 Disclosure.

- a. A Party is not making, nor shall 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 NMB and WFLA, 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 NMB Incorporation; Corporate Power. NMB 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. NMB has the corporate power and authority and all NMB Permits necessary to own and operate and to carry on its business as now conducted.

1.16 WFLA Incorporation; Corporate Power. WFLA is a not-for-profit corporation, duly incorporated, validly existing and in good standing under the laws of Iowa and has the requisite corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. WFLA has the corporate power and authority and all WFLA Permits necessary to own and operate and to carry on its business as now conducted.

1.17 Title. Each Party has good and marketable title to all of such Party's assets, free and clear of all Liens. To each Party's Knowledge, there exists no condition affecting the title to or use of any part of such Party's assets which would prevent the Surviving Society from occupying, using or enforcing its rights with respect to any part of the Party's assets to the same full extent that the Party 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 Party's assets, free and clear of all Liens.

1.18 Intellectual Property Rights. Each Party has provided to the other Party in writing a listing of all intellectual property assets owned by such Party or in which such Party has any Intellectual Property Rights (such assets the "Intellectual Property Assets"). To the Knowledge of each Party: The Party owns all right, title and interest in its Intellectual Property Assets or the Intellectual Property Rights to use its Intellectual Property Assets in the conduct of its business in the same manner as they are being used prior to the date of this Agreement;

- a. No claims or threats of claims have been asserted by any third party against such Party (i) related to its Intellectual Property Assets or challenging or questioning the validity of such Party's Intellectual Property Rights in its Intellectual Property Assets, or (ii) challenging or questioning the use by such Party of its Intellectual Property Assets (or any trademark or trade dress rights related thereto);
- b. The use of its Intellectual Property Assets does not infringe or misappropriate any Intellectual Property Rights (or any trademark or trade dress rights) of any third party in any respect; and

c. No third party is currently infringing its Intellectual Property Assets.

1.19 Employees; Employee Benefit Plans.

- a. Except as disclosed in writing, to the Knowledge of each Party: (i) no employee of such Party 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 such Party has any claim with respect to any Intellectual Property Rights of the Party.
- b. Each Party has provided to the other Party a listing of each employee of the Party and such employee's respective position, title, leave status, service years, and remuneration since September 1, 2019.
- c. Each Party has provided to the other Party a complete and correct list of all Employee Benefit Plans in which such Party's employees participate. Each Party has delivered or made available to the other Party 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 each Party is reasonably expected to be incurred as of the Closing Date by such Party (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 each Party 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. Each Party 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, each Party has not participated in or contributed to, or had any obligation to contribute to, any "multiemployer plan" (as defined in ERISA Section 3(37)). Such Party has not made or incurred, and the transactions contemplated by this Agreement will not result in the Party 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 the Party, and the Party has no unsatisfied liability for any such complete or partial withdrawal.
- f. Each Party 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.
- g. 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 Party'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.

1.20 "Knowledge" (or the use of the term "know" or "knowing" in connection therewith) as used in this Agreement means, in the case of NMB, the actual knowledge of Daniel Shinnick, Steven Reindl, Jenna Dunker, Jared Bruley, Nick McCullick or Michelle Maffet, or in the case of WFLA, the actual knowledge of Craig Van Dyke, Ann Day Freeman, Donald Nieland, Jack Minder or Kevin Simpson.

SECTION 2. Conduct of the Business.

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

- 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, customers, 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.

2.02 Without limiting the generality of Section 2.1, except as otherwise expressly permitted or required by this Agreement, or consented to in writing by the other Party, each Party shall 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 fifty thousand dollars \$50,000, 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 fifty thousand dollars \$50,000, other than in the ordinary course of business consistent with past practices, or consistent with such Party's investment policy;
- 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.

Section 2.03 Access to a Party's Premises, Books and Records. Between the date hereof and the Closing Date, each Party shall 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 shall instruct its officers and its employees, agents and representatives to cooperate with the other Party's Representatives in connection therewith.

Section 2.04 Conditions. Each Party shall 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.

Section 2.05 Filings, Approvals and Consent. Each Party shall, 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.

Section 2.06 Exclusivity. Between the date of this Agreement and the earlier of the Closing Date or the termination of the Merger Agreement, each Party 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, except as approved in writing by the other Party.

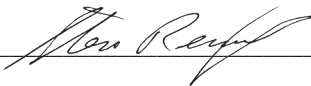
Section 2.07 Notices of Certain Events. Each Party shall promptly notify the other Party and obtain copies for the other Party of:

- 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.

Section 2.08 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.

NATIONAL MUTUAL BENEFIT

By: 
Daniel Shinnick
CEO

Witness: 

WESTERN FRATERNAL LIFE ASSOCIATION

By: 
Craig Van Dyke
President & CEO

Witness: 