

MERGER OF
HELENVILLE MUTUAL INSURANCE COMPANY
WITH AND INTO
CENTRAL WISCONSIN MUTUAL INSURANCE COMPANY

AGREEMENT AND PLAN OF MERGER

Filed with the Wisconsin Office of the Commissioner of Insurance

November 17, 2023

AGREEMENT AND PLAN OF MERGER
BETWEEN
CENTRAL WISCONSIN MUTUAL INSURANCE COMPANY,
AND
HELENVILLE MUTUAL INSURANCE COMPANY

THIS AGREEMENT AND PLAN OF MERGER (this “Agreement”) is made and entered into as of the 17th day of November, 2023 (the “Signing Date”), by and among **CENTRAL WISCONSIN MUTUAL INSURANCE COMPANY**, a Wisconsin town mutual insurance corporation with a place of business at 918 W Main Street, Waupun, Wisconsin 53963 (“CWMIC”) and **HELENVILLE MUTUAL INSURANCE COMPANY**, a Wisconsin town mutual insurance corporation with its place of business at W3320 Hwy 18, Helenville, WI 53137 (“Helenville” and CWMIC are collectively referred to herein as the “Constituent Corporations” and each a “Constituent Corporation”).

RECITALS

A. Each Constituent Corporation is a town mutual insurance company organized and existing under Chapter 612 of the Wisconsin Statutes (the “Wisconsin Insurance Law”) and are duly authorized and licensed to transact the business of insurance within the State of Wisconsin.

B. The Constituent Corporations are authorized to do insurance business in all or part of the same counties or contiguous counties, with (I) CWMIC authorized (effective January 1, 2024) in Adams, Columbia, Dane, Dodge, Fond du Lac, Grant, Green Lake, Iowa, Jefferson, Marquette, Richland, Sauk, Sheboygan, Washington, Waushara and Winnebago counties and (II) Helenville authorized in Dane, Dodge, Jefferson, Rock, Walworth, and Waukesha counties.

C. Helenville (at times herein referred to as the “Non-Surviving Entity”) has statutorily and administratively required reinsurance coverage pursuant to Wis. Stat. § 612.33 and Wis. Admin. Code § INS 13.09 from Wisconsin Reinsurance Corporation, a property and casualty reinsurance company whose clients are mutual insurance companies located in Wisconsin, Arkansas, Illinois, Iowa, Missouri, and South Dakota (“WRC”).

D. The OCI (as defined below) determined that WRC has become or is about to become insolvent as defined under Wis. Stat. § 645.41 (2) and, consequently, in May 2023, the OCI filed a petition with the Wisconsin courts to place WRC into rehabilitation. On June 21, 2023, WRC was placed into rehabilitation. On July 27, 2023, the Rehabilitation Court approved a rehabilitation plan for WRC (the “Rehabilitation Plan”) To reform and revitalize WRC, under the Rehabilitation Plan, WRC will no longer individually issue reinsurance policies in the same manner it previously had and, thus, the Constituent Corporations are at risk of no longer maintaining their certificates of authority and potentially being subject to insolvency proceedings.

E. On or around June 28, 2023, the OCI issued administrative orders to all Chapter 612 town mutual insurance corporations. The administrative orders directed all Chapter 612 town mutual insurance corporations to examine all options to maintain their certificate of authority and

compliance with Wisconsin law, including obtaining reinsurance from another qualified reinsurer or other structural changes to maintain their compliance with Wisconsin law (e.g., merge with another company that has sufficient reinsurance coverage).

F. On November 1, 2023, OCI filed a Petition for Liquidation in the Dane County court seeking liquidation of WRC and its wholly-owned subsidiary, 1st Auto & Casualty Insurance Company.

G. Each of the Constituent Corporations is fully informed as to the financial operations and conditions of the others as reflected in each Constituent Corporation's most recent financial statements and have chosen to, pursuant to the terms of this Agreement, merge and confirmed that the Surviving Entity (as defined below) will have reinsurance coverage for 2024 that will satisfy the requirements of the OCI.

H. The Boards of Directors of the Constituent Corporations, at duly convened meetings, have each (i) adopted a resolution approving the Merger (as defined below) and this Agreement, copies of which were submitted to each Board of Directors for consideration and (ii) determined that it is advisable and in the best interests of their respective Constituent Corporation and the members of each Constituent Corporation to merge pursuant to the terms and conditions set forth in this Agreement, the provisions of Wis. Stat. § 612.21, and in a manner approved by the Commissioner (as defined below).

I. The Constituent Corporations desire to proceed with the Merger and jointly submit this Agreement to the Commissioner for the Commissioner's approval and, unless otherwise directed by the Commissioner, to submit the issue to their respective members for their approval.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals and the mutual agreements and covenants set forth herein, the Constituent Corporations agree to the following terms, conditions and agreements for the Merger and the procedure for carrying the same into force and effect as follows:

1. **Merger.** In accordance with the provisions of this Agreement and the Wisconsin Insurance Law, at the Effective Time (each as defined below), the Non-Surviving Entity shall merge with and into CWMIC (the "Merger") and the separate existence of the Non-Surviving Entity shall thereupon cease and CWMIC shall continue as the surviving company (at times herein referred to as the "Surviving Corporation").

2. **Closing; Effective Time; Closing Deliverables.**

(a) **Closing Date.** The closing of the Merger (the "Closing") shall take place as soon as possible after all required approvals have been received, which the parties intend to be no later than December 31, 2023, or as soon as practicable after satisfaction or, to the extent permitted hereunder, waiver of all applicable conditions set forth in herein or at such other time and place as the Constituent Corporations shall mutually agree. The date upon which the Closing occurs is referred to herein as the "Closing Date".

(b) The effective time and date of the Merger shall be 12:01 AM on January 1, 2024 (the “Effective Time”).

(c) Closing Deliverables. At or prior to the Closing, each Constituent Corporation shall deliver to the other Constituent Corporations each of the following, duly executed by or on behalf of such Constituent Corporation, as appropriate:

- (i) A certificate dated the Closing Date signed by an appropriate officer of such Constituent Corporation certifying as of the Closing Date (A) none of the covenants in Section 6 have been violated, (B) the incumbency of the officers of such Constituent Corporation immediately prior to the Closing Date; (C) the due adoption and text of the resolutions of the Board of Directors of such Constituent Corporation approving and authorizing this Agreement, the Merger, and all other documents and transactions contemplated hereby; and (D) the due adoption and text of the consent of the members of such Constituent Corporation approving and authorizing this Agreement, the Merger, and all other documents and transactions contemplated hereby;
- (ii) Proof of filing with the Commissioner the consent of the members of such Constituent Corporation approving and authorizing this Agreement, the Merger, and all other documents and transactions contemplated hereby;
- (iii) Such other instruments, certificates, affidavits, consents, or other documents reasonably requested by the other Constituent Corporations or which are reasonably necessary to carry out the Merger contemplated by this Agreement and to comply with the terms hereof;
- (iv) Make all filings or recordings with the Commissioner as required under the Wisconsin Insurance Law; and
- (v) Obtain final Commissioner approval of the Merger, this Agreement, and all other documents and transactions contemplated hereby, and the Commissioner shall deliver a certificate of authority to the Surviving Company (the “OCI Approval”).

3. **Effect of Merger**.

(a) Name. The Surviving Corporation shall not undergo a name change. It shall retain the name “Central Wisconsin Mutual Insurance Company” upon the effectuation of the Merger.

(b) Principal Office. The Surviving Corporation shall have its principal place of business at 918 W Main Street, Waupun, Wisconsin 53963.

(c) Authorized Counties. As of the Effective Time, the Surviving Corporation shall continue to transact such business as is now authorized by the Commissioner for each of the Constituent Corporations in the Counties of Adams, Columbia, Dane, Dodge, Fond du Lac, Grant, Green Lake, Iowa, Jefferson, Marquette, Richland, Sheboygan, Sauk, Washington, Waushara, Winnebago or as may hereafter be authorized for the Surviving Corporation.

(d) Articles of Incorporation. The articles of incorporation of the Surviving Corporation shall be the articles of incorporation of CWMIC, as amended and restated and attached to and made part of this Agreement as Exhibit A (the “Surviving Articles”).

(e) Bylaws. The bylaws of the Surviving Corporation shall be the bylaws of CWMIC, as amended and restated (if applicable) and attached hereto as Exhibit B (the “Surviving Bylaws”).

(f) Directors. The directors of the Surviving Corporation as of the Effective Time are listed in Exhibit E attached hereto and made a part of this Agreement. If at the Effective Time a vacancy shall exist on the Board of Directors of the Surviving Corporation, such vacancy may thereafter be filled in the manner provided by the Surviving Articles or Surviving Bylaws, as applicable.

(g) Officers. The officers of the Surviving Corporation as of the Effective Time shall be those persons named in Exhibit E attached hereto and made a part of this Agreement, who shall serve until the next annual meeting of the Board of Directors of the Surviving Corporation or until their successors shall have been elected and shall qualify for office. If at the Effective Time, a vacancy shall exist in any of the offices of the Surviving Corporation, such vacancy may thereafter be filled in the manner provided by the Surviving Articles or Surviving Bylaws, as applicable.

(h) Title to Property. At the Effective Time, title to all property owned by the Constituent Corporations shall be vested in the Surviving Corporation without reversion or impairment. All of the assets, rights, privileges, immunities, and franchises, whether of public or private nature, interests, properties, and business of the Non-Surviving Entity, of every character and description, including all real property, all policies of insurance, all debts due on whatever account, premiums and assessments payable from members, all rights to bring any suit or action and all and every other interest of, or belonging to or due to the Non-Surviving Entity, shall accrue to, be merged into and become the absolute property of the Surviving Corporation (subject to the Exclusion Endorsements (as defined below)).

(i) Instruments of Transfer. The officers of the Non-Surviving Entity shall, as of the Closing Date, execute and deliver any deeds, titles, bills of sale or other instruments in writing as may otherwise be necessary to transfer, assign and convey to the Surviving Corporation all of the Non-Surviving Entity’s assets, rights, interests and properties, including contracts of insurance, reinsurance agreements and agency contracts.

(j) Members and Policyholders. At the Effective Time, the members of the Non-Surviving Entity shall automatically become members and policyholders of the

Surviving Corporation. All premiums and assessments paid by the members of the Non-Surviving Entity shall be deemed to have been paid to the Surviving Corporation for the purpose of determining the value of each member's equitable share of the value of the Surviving Corporation.

(k) **Assumed Liabilities.** At the Effective Time, the Surviving Corporation shall assume all liabilities and obligations of the Non-Surviving Entity, including all policies of insurance, except that the Surviving Corporation shall only assume the Non-Surviving Entity's insurance policies subject to certain exclusions that are substantially similar to those attached hereto on Exhibit C (the "Exclusion Endorsements"). The Surviving Corporation shall thenceforth be responsible and liable for all of the liabilities and obligations of each of the Constituent Corporations hereto, subject to the Exclusion Endorsements, and any claim existing or action pending by or against any Constituent Corporation may be prosecuted to judgment as if the Merger had not taken place or, if the claim or action is against the Non-Surviving Entity, the Surviving Corporation may be substituted in the Non-Surviving Entity's place. Neither the rights of creditors nor liens upon the property of any Constituent Corporation shall be impaired by the Merger, but such liens shall be limited to the property upon which there were liens immediately prior to the Effective Date.

4. **Certificate of Assumption.** As soon after the Effective Time as is practicable, the Surviving Corporation shall send to the Non-Surviving Entity's members notice of the Merger and the Surviving Corporation's assumption of the Non-Surviving Entity's policies in the form of a Certificate of Assumption and Endorsement which shall be substantially the same as Exhibit D attached to and made a part of this Agreement.

5. **Assessments for Losses and Expenses Incurred Prior to Merger.** Assessments, if any are necessary, levied for losses and expenses incurred prior to the Effective Time on policies issued by the Constituent Corporations shall be levied only against the members of the respective Constituent Corporation.

6. **Prohibited Transactions.**

(a) Between the Signing Date and the Effective Time (the "Interim Period"), the Constituent Corporations agree that except as otherwise expressly contemplated by any other provision of this Agreement or the prior written consent of the other Constituent Corporation (such consent not to be unreasonably withheld, conditioned or delayed), each Constituent Corporation shall (i) use commercially reasonable efforts to conduct its operations only in the ordinary course of business consistent with past practice, (ii) maintain its properties and other assets in good working condition (normal wear and tear excepted), (iii) use commercially reasonable efforts to maintain its business, employees, customers, assets, and operations as an ongoing concern in accordance with past practice, and (iv) not take any action (or omit to take any action) that would have a material adverse effect on such Constituent Corporation. By way of example and not in limitation of the foregoing, no Constituent Corporations will during the Interim Period:

- (i) Fail to (A) keep in full force and effect all insurance policies covering the Constituent Corporation and (B) notify its insurance carrier of any claims made or asserted, or threatened to be made or asserted if such notice is required to ensure coverage by such insurance carrier;
- (ii) Amend its respective articles of incorporation or bylaws, except as provided in this Agreement;
- (iii) Form any subsidiary or acquire any equity interest or other interest in any other entity, excluding any additional mergers, affiliations, or transactions that CWMIC may pursue, consider, negotiate or consummate;
- (iv) Materially change any of its methods of accounting or accounting practices in any respect;
- (v) Amend or terminate any material contract;
- (vi) Fail to keep in full force and effect, and without restriction, all permits, including all state certificates of authority necessary to conduct its business in the ordinary course;
- (vii) Incur any obligation or liability (absolute or contingent), except current liabilities incurred, and obligations under contracts entered into, in the ordinary course of business, excluding any obligations or liabilities incurred by CWMIC in connection with any mergers, affiliations, or transactions that CWMIC may consummate;
- (viii) Discharge or satisfy any lien or encumbrance or pay any obligation or liability other than current liabilities in the ordinary course of business;
- (ix) Make any dividend or other payment or distribution to its members, except for dividends required under policies of insurance in the ordinary course of business;
- (x) Mortgage, pledge, create a security interest in, or subject to a lien or other encumbrance, any of its assets, tangible or intangible;
- (xi) Sell or transfer any of its tangible assets or cancel any debts or claims except in the ordinary course of business;
- (xii) Sell, assign, or transfer any trademark, trade name, patent or other intangible assets;
- (xiii) Waive any right of any substantial value; or

- (xiv) Enter into any transaction other than in the ordinary course of business, excluding any additional mergers, affiliations, or transactions that CWMIC may pursue, consider, negotiate or consummate.

(b) Sell of Stock or Investments. The Non-Surviving Entity agrees that except as otherwise expressly contemplated by any other provision of this Agreement or the prior written consent of CWMIC (such consent not to be unreasonably withheld, conditioned or delayed), the Non-Surviving Entity shall not sell any of its stock or investments during the Interim Period.

(c) Exclusive Negotiations. From the Signing Date until the earlier of the Effective Time or the termination of this Agreement, the Non-Surviving Entity will not and will not permit any of its officers, directors, brokers, or agents to directly or indirectly initiate, solicit, encourage, or otherwise facilitate any inquiries or the making of any proposal or offer with respect to a merger, reorganization, consolidation, or similar transaction involving any purchase of the assets of or demutualization or conversion of the Non-Surviving Entity, other than in connection with the Merger, nor provide any confidential information or data to, or have any discussions with, any entity or representative of any entity relating to such an alternative proposal. The Non-Surviving Entity will notify CWMIC promptly if any alternative proposal is received by it or any discussions or negotiations are sought in connection with an alternative proposal.

7. **Access to Information.**

(a) From the Signing Date until the earlier of the Effective Time or the termination of this Agreement, subject to any applicable contractual restrictions and applicable legal privileges, and to the extent applicable law would not thereby be violated, the Non-Surviving Entity will:

- (i) Give CWMIC and its authorized representatives full access to the respective offices, properties, books, and records of the Non-Surviving Entity upon reasonable prior notice and during normal business hours (including the copying of such materials as may reasonably be requested); and
- (ii) Furnish CWMIC and its counsel, financial advisors, auditors, and other authorized representatives such financial and operating data and other information relating to the business of the Non-Surviving Entity as CWMIC may reasonably request.

(b) No investigation made by CWMIC or its respective representatives shall affect the representation and warranties of the Non-Surviving Entity hereunder or the liability of the Non-Surviving Entity with respect thereto.

8. **Mutual Representations and Warranties.** Each of the Constituent Corporations hereby represents and warrants to the other Constituent Corporations as to the matters in this Section 8, unless a representation and warranty specify that it is only being made specifically by

one or more of the Constituent Corporations. All of the representations and warranties set forth in this Section 8 shall be made as of the Signing Date and as of the Effective Time (except in the case of representations and warranties that are made as of a specified date, in which case such representations and warranties will be true and correct as of such specified date).

(a) That it is a town mutual insurance corporation duly authorized and validly existing under the laws of the State of Wisconsin and has the corporate power to own or lease its properties and to carry on its business as now being conducted;

(b) The copies of its articles of incorporation and bylaws made available to the other Constituent Corporations are true, correct and complete copies of such documents in effect immediately prior to the Effective Time and it is not in violation of any of the provisions of its articles of incorporation or bylaws;

(c) That it is not, and immediately prior to the Effective Time will not be, in default under its articles of incorporation or bylaws, or in default under any indenture or under any material agreement or other material instrument to which it is a party or by which it or any of its properties is bound or to which it is subject;

(d) That the balance sheet and statements of income and surplus delivered to the other corporation fairly present, in accordance with Wisconsin Statutes governing town mutual accounting, the financial condition and results of its operations as of the dates and for the periods indicated;

(e) That there has been no Material Adverse Change (as defined below) in its financial condition from the date the balance sheet and statements of income and surplus were delivered to the other Constituent Corporation until the Effective Time;

(f) That there is no action, suit, or proceeding pending against it involving the possibility of any judgment, order, injunction, or decree which might result in any Material Adverse Change in its business, operations, properties or assets or the condition, financial or otherwise, or which would impair its ability to enter into this Agreement and consummate the Merger, except the order issued by the OCI to all Chapter 612 town mutual insurance corporations on July 28, 2023 relating to the Rehabilitation Plan;

(g) That its Board of Directors has adopted resolutions (i) approving this Agreement and the documents and transactions contemplated hereby, (ii) authorizing the execution and delivery of this Agreement and (iii) and has directed by resolution that this Agreement be submitted to a vote of its members taken separately at a duly held meeting called for the purpose of considering and acting upon this Agreement;

(h) That it has the full power and authority to enter into this Agreement and, upon appropriate consent of its members in accordance with applicable law, subject to obtaining all required regulatory approvals, to consummate the transactions contemplated hereby;

(i) That this Agreement has been duly executed by such Constituent Corporation and constitutes the valid and legally binding obligation of such Constituent

Corporation, enforceable against such Constituent Corporation in accordance with its terms, subject to bankruptcy, receivership, insolvency, reorganization, moratorium or similar laws affecting or relating to creditors' rights generally and subject to general principles of equity;

(j) That, subject to the receipt of all consents and approvals contemplated by this Agreement, the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby or the fulfillment of and compliance with the terms and provisions hereof, will not (i) violate any judicial, administrative or arbitral order, writ, award, judgment, injunction or decree involving such Constituent Corporation, (ii) conflict with the terms, conditions or provisions of the articles of incorporation or bylaws of such Constituent Corporation, (iii) conflict with the terms, conditions or provisions of the articles of incorporation or bylaws, (iv) conflict with, result in a breach of, constitute a default under or accelerate or permit the acceleration of the performance required by, any indenture or any material agreement or other material instrument to which such Constituent Corporation is bound, (v) result in the creation of any lien, charge or encumbrance upon any of the assets of either company under any such agreement or instrument, or (vi) terminate or give any party thereto the right to terminate any such indenture, agreement or instrument;

(k) That no consent of any third party to any indenture of any material agreement or other material instrument to which such Constituent Corporation is a party is required in connection with this Agreement and the transactions contemplated hereby, except with respect to and the consent of Grinnell Mutual Reinsurance Company as such consent relates to CWMIC's reinsurance coverage pursuant to Wis. Stat. § 612.33 and Wis. Admin. Code INS 13.09;

(l) Helenville represents and warrants that the office building located at W3320 Hwy 18, Helenville, WI 53137 constitutes all the fee and leasehold interest in real property held for use in connection with, necessary for the conduct of, or otherwise material to, Helenville's operations; and

(m) That such Constituent Corporation has heretofore delivered to the other Constituent Corporations all employment contracts, contracts for the purchase or lease of tangible property, real or personal, and any other contracts creating executory obligations on its part beyond the Effective Time which may not be canceled on notice of thirty (30) days or less, and that it will not incur any new executory obligations, without the approval of CWMIC during the Interim Period.

9. **Representations and Warranties; Updated Information.** From the Signing Date until the earlier of the Effective Time or the termination of this Agreement, each Constituent Corporation shall, after having obtained knowledge thereof, promptly disclose in writing to the other Constituent Corporations any matter arising after the Signing Date that, if existing, occurring or known at the Effective Time would render inaccurate any of the representations or warranties of such Constituent Corporation contained in this Agreement (each, a "**Representation and Warranty Notice**"). CWMIC may terminate this Agreement in accordance with **Section 15(a)(ii)(E)** in the event of any such disclosure. Notwithstanding the foregoing, a Constituent

Corporation's disclosure pursuant to this Section 9 shall not automatically be deemed a breach giving rise to the right to terminate pursuant to Section 15(a)(ii)(D).

10. Continuing Authority of the Non-Surviving Entity's Officers. At the Effective Time, the separate existence of the Non-Surviving Entity shall cease. However, the authority of the present officers of the Non-Surviving Entity shall continue for the limited purpose of executing and delivering all necessary documents to affect the terms of this Agreement. The officers of the Non-Surviving Entity shall execute and deliver any deeds, titles, bills of sale or other instruments in writing as may otherwise be necessary to transfer, assign, and convey to the Surviving Corporation all of the Non-Surviving Entity's assets, rights, interests, and properties, including without limitation contracts of insurance, reinsurance agreements, and agency contracts.

11. **Regulatory Approvals.**

(a) Subject to the terms and conditions of this Agreement, each Constituent Corporation will use its best efforts to take, or cause to be taken, all actions reasonably necessary or advisable under applicable law to consummate the Merger, including (i) making or causing to be made the filings required by law with respect to the Merger as promptly as it practicable, (ii) complying, as promptly as is reasonably practicable, with any requests received from a governmental body by such Constituent Corporation with respect to the Merger, and (iii) resolving any formal or informal objections of any governmental body with respect to any such filings or the Merger.

(b) The Constituent Corporations covenant and agree that if any required regulatory approval to consummate the Merger is denied or not obtained, the Constituent Corporations will use their best efforts to work together to restructure the Merger to achieve or acquire all required regulatory approvals, it being agreed that in all such instances the benefits sought to be delivered by the Constituent Corporations from the Merger, financial or otherwise, will not change as a result of such restructuring.

(c) Until the earlier of the Effective Time or the termination of this Agreement, each Constituent Corporation shall promptly notify the other Constituent Corporations of any communication it receives from any governmental body relating to the regulatory consents, registrations, approvals, permits and authorizations that are the subject of this Section 11 and shall permit the other Constituent Corporations to review in advance any proposed communication by such Constituent Corporations to any governmental body in connection therewith. No Constituent Corporation shall agree to participate in any meeting with any governmental body in respect of any such matter unless it consults with the other Constituent Corporations in advance and, to the extent permitted by such governmental body, gives the other Constituent Corporations the opportunity to attend and participate at such meeting. The Constituent Corporations will coordinate and cooperate fully with each other in exchanging such information and providing such assistance any other Constituent Corporation may reasonably request in connection with the matters set forth in this Section 11. The Constituent Corporations will provide each other with copies of all correspondence, filings, or communications between them or any of their representatives, on the one hand, and any governmental body or members of its staff, on the other hand, with respect to the foregoing.

12. **Member Approval.** Unless otherwise directed by the Commissioner, upon approval of this Agreement by the Commissioner, this Agreement shall be submitted to a vote at a meeting of the members of each of the Constituent Corporations to be held on a date and at a time and place to be determined by the Constituent Corporations. Notice of such meeting, if such notice is required by law or the Constituent Corporations' respective articles of incorporation or bylaws, stating the place, day and hour of the meeting and the purpose for which it is called, shall be given by each Constituent Corporation to its members in a manner acceptable pursuant to law and to each Constituent Corporation's articles of incorporation and bylaws. Each Constituent Corporation agrees to use its good faith effort to obtain all necessary approvals.

13. **Notices of Certain Events.** From the Signing Date until the earlier of the Effective Time or the termination of this Agreement, the Non-Surviving Entity will notify CWMIC of any of the following:

(a) Any notice or other communication received by the Non-Surviving Entity from any source alleging that the consent of another person or entity is or may be required in connection with the Merger;

(b) Any notice or communication received by the Non-Surviving Entity from any governmental or regulatory agency or authority relating to the Merger;

(c) Any actions, suits claims, investigations, or proceedings commenced or, to the knowledge of the Non-Surviving Entity, threatened against, relating to, involving, or otherwise affecting the Non-Surviving Entity that if the same had been pending on the Signing Date would have been required to have been disclosed pursuant to the Non-Surviving Entity's representations and warranties or that related to the consummation of the Merger; and

(d) Any breach of a representation or warranty of the Non-Surviving Entity that could reasonably be expected to constitute a Material Adverse Change on the consummation of the Merger.

14. **Conditions Precedent to Closing.** Each Constituent Corporation's obligation to consummate the Merger and close the transactions contemplated by this Agreement shall be subject to the satisfaction of each of the following conditions on or prior to the Closing Date by the other Constituent Corporations, unless any such condition is specifically waived unanimously in writing by the other Constituent Corporations in whole or in part at or prior to the Closing:

(a) Each Constituent Corporation shall have duly executed and delivered all documents, instruments, and certificates required to be executed and delivered by it pursuant to the provisions of this Agreement;

(b) Each Constituent Corporation shall have performed or complied with each and all of the obligations, covenants, agreements, and conditions required to be performed or complied with by it on or prior to the Closing Date, except where the failure to do so has not had or would not reasonably be expected to constitute a material adverse effect on the Constituent Corporations' ability to consummate the Merger;

(c) Each Constituent Corporation shall have received all necessary approvals regarding its execution of this Agreement and the consummation of the transactions contemplated hereunder, including without limitation all approvals required from its Board of Directors and members;

(d) The Constituent Corporations shall have received the OCI Approval.

(e) There shall have been no Material Adverse Change in the business, results of operations, prospects, condition (financial or otherwise) or assets of each Constituent Corporation.

15. **Termination of this Agreement.**

(a) This Agreement may be terminated and the Merger abandoned at any time prior to the Closing Date:

(i) By the unanimous consent of the Boards of Directors of each of the Constituent Corporations;

(ii) By CWMIC if:

(A) The Non-Surviving Entity experiences actual catastrophic storm losses (as categorized by the Property Claim Services division of American Insurance Services Group, Inc., a Delaware corporation) that exceed Five Hundred Thousand Dollars (\$500,000) ("Storm Loss Cap"), net of reinsurance and any losses, in the aggregate, up to the Storm Loss Cap shall not constitute a Material Adverse Change pursuant to Section 18(a);

(B) the Merger is not approved by the Commissioner and, subject to Section 11(b), the parties cannot, after using their best efforts, restructure the Merger (1) where the benefits sought to be delivered by the Constituent Corporations from the Merger, financial or otherwise, will not change as a result of such restructuring and (2) to achieve or acquire all required regulatory approvals;

(C) The Merger, unless otherwise directed by the Commissioner, is not approved by the requisite number of members of a Non-Surviving Entity before November 30, 2023, or such later date as the Boards of Directors of CWMIC shall determine;

(D) A Non-Surviving Entity shall have engaged in any of the prohibited actions described under Section 6 of this Agreement, or shall have materially violated any of the representations or warranties contained herein, or if there shall have taken place any event or development after the date hereof which materially

and adversely affects the business, operations, or properties of the Non-Surviving Entity; and

- (E) CWMIC receives a Representation and Warranty Notice from a Non-Surviving Entity.
- (iii) By consent of the Board of Directors of the Non-Surviving Entity if:
- (A) The Merger is not approved by the Commissioner and, subject to Section 11(b), the parties cannot, after using their best efforts, restructure the Merger (1) where the benefits sought to be delivered by the Constituent Corporations from the Merger, financial or otherwise, will not change as a result of such restructuring and (2) to achieve or acquire all required regulatory approvals;
 - (B) The Merger, unless otherwise directed by the Commissioner, is not approved by the requisite number of members of CWMIC before November 30, 2023, or such later date as the Board of Directors of the Non-Surviving Entity shall determine;
 - (C) CWMIC shall have engaged in any of the prohibited actions described under Section 6 of this Agreement, or shall have materially violated any of the representations or warranties contained herein, or if there shall have taken place any event or development after the date hereof which materially and adversely affects the business, operations, or properties of CWMIC; or
 - (D) The Non-Surviving Entity receives a Representation and Warranty Notice from CWMIC.

(b) In the event of the termination of this Agreement under Sections 15(a)(ii) or (iii), written notice thereof shall be given by the terminating Constituent Corporation to the other Constituent Corporation specifying the provision hereof under which such termination is made. In the event of the termination of this Agreement pursuant to Section 15(a)(i), this Agreement shall be terminated and become void and have no effect, without any liability or obligation on the part of either Constituent Corporation; provided, however, that nothing herein shall relieve either party hereto of any liability for material breach of this Agreement or fraud, as the case may be, prior to termination of this Agreement.

16. Additional Agreements.

(a) CWMIC Agents. The parties agree that CWMIC will offer its current agency agreement to each agent who has an appointment with the Non-Surviving Entity as of the date of this Agreement except those agents who (i) already have an agency agreement

in force with CWMIC or (ii) operate predominantly outside of CWMIC's authorized territory.

(b) Employee Matters.

- (i) The CEO of CWMIC immediately prior to the Effective Time will become the CEO of the Surviving Corporation. All other staff of CWMIC will be retained in their current positions.
- (ii) At the Effective Time, the Surviving Corporation shall offer employment to all employees of the Non-Surviving Entity with substantially salaries to their salaries at the Non-Surviving Entity immediately prior to the Merger, subject to (A) satisfactory job performance to CWMIC and (B) participation in training relating CWMIC's business processes and servicing CWMIC's other line(s) of business. The parties acknowledge that continued employment of all of the staff of the Non-Surviving Entity will not be necessary as the implementation of the merger progresses.
- (iii) All employees of the Surviving Corporation, including those hired from the Non-Surviving Entity, will be considered employees hired "at will," subject to the Surviving Corporation's standard job performance evaluation and discipline practices, and nothing in this Agreement is intended to be, nor shall be interpreted as, an employment contract for any employee.

(c) Non-Surviving Entity's Office Location. After the Effective Time, the Surviving Corporation will determine the appropriate use of the Helenville office, except that the Constituent Corporations currently intend to keep the Helenville office open for a period of at least 6 months to assist in consolidation of the businesses and serving policyholders after the Effective Time, after which time the Helenville office is expected to be sold.

(d) Interim Period Policy Procedures. During the Interim Period the Non-Surviving Entity shall continue to do all of the following in the ordinary course of business in a manner consistent with their past practices: (i) adjust claims, (ii) pay claims, (iii) issue disbursements, (iv) underwrite new policies, and (v) renew existing policies, including sending renewal notices for policies scheduled to renew within sixty (60) days of the Effective Time; provided, that the Non-Surviving Entity shall provide CWMIC with a weekly report of all such activities; and, provided further, that CWMIC may direct that the Non-Surviving Entity no longer engage in such activity without the prior written consent of CWMIC (such consent not to be unreasonably withheld, conditioned or delayed).

(e) Rating and Underwriting In-Force CWMIC Business. In accordance with Section 4 of this Agreement, CWMIC will, as soon as practicable following the Effective Time, send all holders of policies written by the Non-Surviving Entity that are in force at the Effective Time a Certificate of Assumption on a form approved by the Commissioner.

All of the Non-Surviving Entity's policies will be rewritten using CWMIC forms, rates and underwriting rules on the first renewal date of each such policy following the Effective Time, or as soon as permitted under applicable law, except with respect to the Exclusion Endorsements which shall modify each Non-Surviving Entity insurance policy as of the Effective Time. The Surviving Corporation will adopt all current CWMIC underwriting guidelines for all policies. The Surviving Corporation will adopt CWMIC rates for all policies initially written by the Non-Surviving Entity.

(f) Delay of Closing Date. In the event that Helenville will have statutorily sufficient reinsurance on January 1, 2024 for the 2024 calendar year, the parties agree to cooperate in good faith to delay the Merger until January 1, 2025 (or such earlier date as agreed to by the parties in writing), and to consummate the Merger on the terms and conditions of this Agreement no later than January 1, 2025 (except that the Effective Time and Closing Date under this Agreement shall be automatically amended to reflect the new closing date and effective time of the Merger). In the event the Merger is not consummated on the original Closing Date, and the parties do not otherwise consummate the Merger on or before January 1, 2025, Helenville shall pay to Central Wisconsin a an additional termination fee of \$50,000 to compensate Central Wisconsin for its time, effort, costs, and opportunity costs, unless the failure to consummate the Merger on or before January 1, 2025 is a result of Central Wisconsin's or its policyholders', or the Commissioner's failure to approve the Merger, or Central Wisconsin's breach of the Agreement.

17. **General Provisions.**

(a) Expenses of Merger. The estimated expenses of implementing the Merger are approximately Twenty Thousand Dollars (\$20,000.00) which shall be borne by the Surviving Corporation. In the event, the Merger is not successfully completed, any cost of the Merger shall be borne equally among the Constituent Corporations.

(b) Authority to Effect Merger. The officers and directors of each Constituent Corporation are hereby authorized to take such other action as may be necessary and required to comply with the requirements of the Wisconsin Insurance Law, or as may be required by the Commissioner to effect the Merger.

(c) Entire Agreement. This Agreement, including any exhibits referred to herein and attached hereto, shall constitute the entire agreement between the Constituent Corporations and supersedes all previous agreements and understandings, oral or written, with respect thereto.

(d) Binding Effect. This Agreement applies to, is binding upon, is enforceable against, and inures to the benefit of each Constituent Corporation and their respective successors and permitted assigns.

(e) Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held

invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

(f) Modifications, Amendments and Waivers. At any time prior to the Closing Date, the parties hereto may, by written agreement, (i) extend the time for the performance of any of the obligations or other acts of the parties hereto, (ii) waive any inaccuracies in the representations and warranties contained in this Agreement or in any document delivered pursuant hereto, (iii) waive compliance with any of the covenants or agreements contained in this Agreement, or (iv) make any other modification of this Agreement approved by the respective Boards of Directors of the parties hereto. This Agreement shall not be altered or otherwise amended except pursuant to an instrument in writing executed and delivered on behalf of each of the parties hereto.

(g) Assignment. Neither this Agreement nor any rights or obligations hereunder may be assigned or otherwise transferred, in whole or in part, by any Constituent Corporation without the prior written unanimous consent of the other Constituent Corporations.

(h) Headings; Gender and Number. The section and other headings contained in this Agreement and in the exhibits and schedules to this Agreement are included for the purpose of convenient reference only and shall not restrict, amplify, modify, or otherwise affect in any way the meaning or interpretation of this Agreement or the exhibits and schedules hereto. All references to the neuter gender shall include the feminine or masculine gender and vice versa, where applicable, and all references to the singular shall include the plural and vice versa, where applicable.

(i) Interpretation. Each Constituent Corporation has jointly participated in the negotiation and drafting of this Agreement. In the event of any ambiguity or if a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Constituent Corporation and no presumptions or burdens of proof shall arise favoring either Constituent Corporation by virtue of the authorship of any of the provisions of this Agreement.

(j) No Third Party Benefit. This Agreement is intended for the exclusive benefit of the Constituent Corporations and their respective heirs, successors and assigns, and nothing contained in this Agreement shall be construed as creating any rights or benefits in or to any third party.

(k) Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified, (ii) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, if not, then on the next business day, (iii) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) one day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All notices to a party shall be sent to the party's address set forth below or at such other address(es) as such party may designate in writing to the other party hereto.

If to CWMIC:

Central Wisconsin Mutual Insurance
Company
918 W Main St
Waupun, WI 53963
Attn: Denis Fuerstenberg
Email: denisf@cwmutual.com

If to Helenville:

Helenville Mutual Insurance Company
W3320 Hwy 18
Helenville, WI 53137
Attn: John Schrader
Email: hmic@hmins.net

(l) Governing Law. This Agreement is governed by and construed in accordance with the laws of the State of Wisconsin.

(m) Counterparts; Electronic Delivery. This Agreement may be executed and delivered by facsimile, portable document form (.pdf) or other electronic signature pages, which shall be deemed originals, and in any number of counterparts, which shall have the same effect as if the signatures on the counterparts were a single copy of this Agreement.

(n) Role of G&K. This Agreement has been drafted by Godfrey & Kahn, S.C. (“G&K”) as counsel for CWMIC. The parties hereto acknowledge and agree that: (i) G&K has not represented any other party other than CWMIC in any way in connection with this Agreement; and (ii) the parties have been advised to seek the advice of independent legal counsel and has had the opportunity to do so.

18. Definitions.

(a) “Material Adverse Change” means any event, circumstance, or condition that is, or would reasonably be expected to become, individually or in the aggregate, materially adverse to: (1) the business, results of operations, condition, or assets of (i) CWMIC and its subsidiaries or the Non-Surviving Entity and its subsidiaries, as applicable (in each case, taken as a whole) or (2) the ability of CWMIC or the Non-Surviving Entity, as applicable, to timely perform its obligations under this Agreement or timely consummate the transactions contemplated by this Agreement.

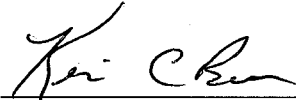
(b) “Commissioner” or “OCI” means the State of Wisconsin Office of the Commissioner of Insurance.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties to this Agreement have caused it to be executed as of the date and year first above written.


CENTRAL WISCONSIN MUTUAL INSURANCE COMPANY

Date: 11-17-23

By: 
Name: Kevin Beske
Title: President

Attest:

Date: 11/17/23

By: 
Name: Heather Tessmann
Title: Secretary

HELENVILLE MUTUAL INSURANCE COMPANY

Date: _____

By: _____
Name: Earl Reu
Title: President

Attest:

Date: _____

By: _____
Name: Vic Imrie
Title: Secretary

IN WITNESS WHEREOF, the parties to this Agreement have caused it to be executed as of the date and year first above written.

CENTRAL WISCONSIN MUTUAL INSURANCE COMPANY

Date: _____

By: _____

Name: Kevin Beske

Title: President

Attest:

Date: _____

By: _____

Name: Heather Tessmann

Title: Secretary

HELENVILLE MUTUAL INSURANCE COMPANY

Date: 11-17-2023

By: 

Name: Earl Reu

Title: President

Attest:

Date: 11/17/2023

By: 

Name: Vic Imrie

Title: Secretary

Exhibit A

**ARTICLES OF INCORPORATION
OF
CENTRAL WISCONSIN MUTUAL INSURANCE COMPANY**

See attached.

Exhibit B

**BYLAWS
OF
CENTRAL WISCONSIN MUTUAL INSURANCE COMPANY**

See attached.

Exhibit C

Exclusion Endorsements

See below

CENTRAL WISCONSIN MUTUAL INSURANCE COMPANY

**PLEASE READ THIS ENDORSEMENT CAREFULLY, AS IT MODIFIES THE
POLICY.**

**WINDSTORM OR HAIL DEDUCTIBLE
(\$2,500)**

The sections of the policy listed below are amended as specified.

POLICY DEDUCTIBLE

With respect to loss caused directly or indirectly by windstorm or hail, the Policy Deductible clause in “your” policy is replaced with the following.

This coverage is subject to a minimum \$2,500 deductible per occurrence unless a higher deductible is stated in the Declarations. Loss from each occurrence to insured property shall be adjusted separately. “We” pay only that part of the loss over the deductible.

In the event of loss to two or more items of covered property arising from the same occurrence, the highest deductible applicable will be subtracted from the total loss.

All other “terms” and conditions of this policy apply.

CENTRAL WISCONSIN MUTUAL INSURANCE COMPANY

PLEASE READ THIS ENDORSEMENT CAREFULLY, AS IT MODIFIES THE POLICY.

ACTUAL CASH VALUE LOSS SETTLEMENT TERMS FOR ROOF AND EXTERIOR SURFACING

With respect only to the coverage provided by this endorsement, "your" policy is amended as indicated.

It is agreed that replacement cost loss settlement terms are deleted and replaced by actual cash value loss settlement terms. This applies to loss caused by a covered peril to the "exterior surfacing" of the dwelling(s), other structure(s), farm building(s), and structure(s) located on the "insured premises".

DEFINITIONS

For the purpose of this endorsement, the following definitions are added:

1. "Exterior surfacing" means the material(s) used to surface the exterior of a dwelling(s), other structure(s), farm building(s), structures, includes but not limited to grain bins, corn cribs, silos, grain legs, and portable building(s) to protect against exposure to the elements. "Exterior surfacing" includes but is not limited to:
 - a. "Roof surfacing";
 - b. Siding, including soffits, fascia, gutters and downspouts;
 - c. Doors, including overhead doors and door wraps;
 - d. Windows, including window wraps;
 - e. Skylights; and
 - f. Valley metal.
2. "Roof surfacing" means the:
 - a. Shingles or tiles;
 - b. Cladding;
 - c. Metal or synthetic sheeting or similar materials covering the roof;
 - d. Roof vents;
 - e. Roof flashing and drip edges;
 - f. Underlayment; and
 - g. Any other materials used to cover the roof.

This includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection.

LOSS SETTLEMENT

Covered losses resulting from a covered peril to "roof surfacing" and "exterior surfacing" will be settled as follows:

"We" will pay the smallest of the following amounts:

1. The actual cash value of the covered property at the time of loss;
2. The cost to repair or replace that part of the covered property with property of like kind and quality, less depreciation.

This includes, but is not limited to cost of roofing, shingles, labor, other material and supplies, and debris removal. Depreciation means a reduction in value of the covered property as the result of wear and tear, age, or technological or economic obsolescence. Depreciation will not apply to the repair of covered property unless the repair improves or prolongs the useful life or results in an increase in the monetary value of the covered property. Depreciation also applies to labor and materials; or

3. The limit of liability applicable to the covered property.

If this policy has been endorsed to include or if "your" Declarations show any replacement cost, actual cash value or market value loss settlement terms, those loss settlement terms do not apply to "exterior surfacing".

If this policy has been endorsed with exclusion endorsements, the loss settlement terms and conditions provided by those exclusion endorsements will apply to the "roof surfacing" instead.

All other "terms" and conditions of this policy apply.

CENTRAL WISCONSIN MUTUAL INSURANCE COMPANY

PLEASE READ THIS ENDORSEMENT CAREFULLY, AS IT MODIFIES THE POLICY.

COSMETIC DAMAGE EXCLUSION

In consideration for the premium charged, "your" policy is amended as indicated.

DEFINITIONS

The following definitions are added:

1. "Exterior surfacing" means the material(s) used to surface the exterior of a dwelling(s), other structure(s), farm building(s), structures, includes but not limited to grain bins, corn cribs, silos, grain legs, and portable building(s) to protect against exposure to the elements. "Exterior surfacing" includes but is not limited to:
 - a. "Roof surfacing";
 - b. Siding, including soffits, fascia, gutters and downspouts;
 - c. Doors, including overhead doors and door wraps;
 - d. Windows, including window wraps;
 - e. Skylights; and
 - f. Valley metal.
2. "Roof surfacing" means the:
 - a. Shingles or tiles;
 - b. Cladding;
 - c. Metal or synthetic sheeting or similar materials covering the roof;
 - d. Roof vents;
 - e. Roof flashing and drip edges; and
 - f. Underlayment.

This includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection.

EXCLUSIONS

The following exclusions are added:

"We" will not pay for loss or damage arising out of or resulting from cosmetic damage to "exterior surfacing" caused directly or indirectly by windstorm or hail, wind driven debris, or falling objects.

1. **Cosmetic Damage** – cosmetic damage means:
 - a. Marring;
 - b. Pitting;
 - c. Chipping;
 - d. Denting;
 - e. Additions to the roof such as poles, antennas, solar panels; or
 - f. Other superficial damage;

that alters the physical appearance of the "exterior surfacing" caused by the peril of windstorm or hail, but does not result in the failure to perform its intended function of keeping out the elements over an extended period of time.

"We" do not cover the loss in value to dwelling(s) or structure(s) shown in the Declarations due to cosmetic damage.

All other "terms" and conditions of this policy apply.

Exhibit D

CENTRAL WISCONSIN MUTUAL INSURANCE COMPANY

910 W Main Street
Waupun, WI 53963

CERTIFICATE OF ASSUMPTION AND ENDORSEMENT

Insured: _____

Policy Number: _____

On January 1, 2024, Helenville Mutual Insurance Company, a Wisconsin Chapter 612 town mutual insurance corporation with its place of business at W3320 Hwy 18, Helenville, WI 53137 (“Helenville”), was merged into Central Wisconsin Mutual Insurance Company, a Wisconsin Chapter 611 mutual insurance corporation with its place of business at 918 W Main Street, Waupun, WI 53963 (“CWMIC”). Effective 12:01 a.m. on January 1, 2024, CWMIC assumed all of the rights and obligations under the above-identified policy issued by Helenville in accordance with the terms and conditions of the policy, subject to the endorsements enclosed herewith.

Effective January 1, 2024, and for as long as the above-identified policy is in force, the holder thereof shall be a member of CWMIC and shall be entitled to vote in person at the Annual Meeting of CWMIC. The Annual Meeting is held in Waupun, Wisconsin, on the third Wednesday after the first Monday in March of each year at 1:00 p.m., or at such other time and place within the CWMIC’s territorial limits.

In all other respects, the terms and conditions of the above-identified policy remain unchanged.

Questions regarding this endorsement should be directed to:

Denis Fuerstenberg
Central Wisconsin Mutual Insurance Company
910 W Main Street
Waupun, WI 53963
Telephone: (920) 324-2571
Online: <https://www.cwmutual.com>

IN WITNESS WHEREOF, Central Wisconsin Mutual Insurance Company has caused this Certificate of Assumption and Endorsement to be executed this _____ day of _____, 2024.

Kevin Beske, President

Heather Tessmann, Secretary

**THIS CERTIFICATE FORMS A PART OF YOUR
POLICY AND SHOULD BE ATTACHED THERETO**

Exhibit E

**Central Wisconsin Mutual Insurance Company
Proposed Directors and Officers**

Directors

Commencing on the Effective Time and continuing to the 2025 annual meeting, the Surviving Corporation's board shall have eleven (11) directors. Three directors shall be elected at the 2025 and 2026 annual meetings. The Surviving Corporation's proposed directors and their terms are set forth below.

<u>Name</u>	<u>Term Expires</u>
Kevin Beske (President)	2027
Tom Alsum (Vice President)	2026
Heather Tessmann (Secretary)	2026
Brian Floeter (Treasurer)	2027
Shelly Wiersma	2027
Anthony Brossard	2026
Steven Redeker	2026
Carlton Kastorff	2025
Nathan Pollnow	2025
David Zabel	2025
Jeff Miller	2025

Officers

Officers are elected annually to serve until the next annual meeting. CWMIC's current and proposed officers are:

President	Kevin Beske
Vice President	Tom Alsum
Secretary	Heather Tessmann
Treasurer	Brian Floeter