

## **AMOUNT AND SOURCE OF FUNDS AVAILABLE**

*The following is an explanation of the amount and sources of funds available for organization expenses and initial operating expenses of Sentry Mutual Holding Company (SMHC), submitted pursuant to Wis. Stat. § 644.07(4)(b)(3).*

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. It is expected that SMHC will incur approximately [\$25 million to \$40 million] per year of expenses for organizational, corporate governance, and legal/regulatory purposes. It is anticipated that SMHC will receive annual ordinary dividends from SHI, and indirectly SIC, in order to cover these operating expenses.

SMHC will enter into the Intercompany Administrative Services Agreement with SIC and other affiliates, submitted herewith for review and approval, pursuant to which each party (including SMHC) will pay the expenses incurred by other parties in providing intercompany services in the ordinary course of business.