

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

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: 