

PLAN OF REORGANIZATION  
OF  
THE UNION CENTRAL LIFE INSURANCE COMPANY

**Under Sections 3913.25 to 3913.38  
of the Ohio Revised Code**

**Dated as of July 20, 2005**

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**PLAN OF REORGANIZATION  
OF  
THE UNION CENTRAL LIFE INSURANCE COMPANY**

Under Sections 3913.25 to 3913.38  
of the Ohio Revised Code

This Plan of Reorganization has been approved and adopted by the Board of Directors of The Union Central Life Insurance Company (before and after the transactions described herein, the "Company"), a mutual life insurance company organized under the laws of Ohio, at a meeting duly called and held on July 20, 2005. This Plan of Reorganization provides for the conversion of the Company into a stock life insurance company within a mutual holding company structure (the "Conversion"), in which the Company will become a subsidiary of a newly formed Ohio mutual insurance holding company ("Union Central MHC"), and the merger of Union Central MHC with an existing Nebraska mutual insurance holding company (the "Merger"), in accordance with the requirements of Sections 3913.25 to 3913.38 of the Ohio Revised Code and in accordance with the Merger Agreement (the Conversion and the Merger, collectively, the "Reorganization"). The Merger Agreement was approved by the Board on January 28, 2005.

**ARTICLE I  
EFFECT OF CONVERSION AND MERGER**

The Conversion and Merger are part of a plan to merge the membership interests of members of the Company with and into membership interests of Ameritas Acacia Mutual Holding Company ("Ameritas Acacia MHC"), a mutual insurance holding company domiciled in Nebraska. The Conversion and the Merger constitute a series of transactions pursuant to a single integrated reorganization plan and neither the Conversion nor the Merger will be consummated without or independently of the other. All capitalized terms used but not defined in this Article I shall have the definitions ascribed to them in Article III.

At the Effective Time, Union Central MHC, through the series of related transactions set forth below in this Article I, will merge with and into Ameritas Acacia MHC and the Company will become a wholly-owned stock life insurance company subsidiary of the surviving mutual holding company, which shall be re-named in the Merger ("Surviving MHC"). Surviving MHC will then concurrently contribute all of the Voting Stock of the Company to its existing wholly-owned intermediate holding company subsidiary, currently named Ameritas Holding Company ("Intermediate Holding Company"), which will after the Merger own 100% of the stock of each of three converted stock life insurance companies: the Company, Ameritas Life Insurance Company and Acacia Life Insurance Company. The Company will be at all times, directly or indirectly, at least a majority-controlled subsidiary of Surviving MHC, in accordance with Nebraska law. Diagrams showing the corporate structures of (i) the Company and Ameritas Acacia MHC before the Reorganization, (ii) the Company after the Conversion, and (iii) the Surviving MHC after the Reorganization are in Exhibit A attached hereto.

As part of the Reorganization:

- the Company will become a stock life insurance company, within a mutual holding company structure,
- the membership interests of policyholders of the Company will become membership interests in Union Central MHC, and concurrently the policyholders' membership interests in the Company will be extinguished,
- a Closed Block (as defined and described in Article VIII) will be established for the benefit of certain policyholders who own individual dividend-paying participating policies of the Company at the Effective Time of the Reorganization for the purpose of providing reasonable assurance to holders of the policies included that assets will be available to continue the 2005 dividend scale in aggregate if the experience underlying such scale continues, and to allow for appropriate adjustment in such scale if the experience changes,
- the Company will issue all of its Voting Stock to Union Central MHC,
- Union Central MHC will merge with and into Ameritas Acacia MHC pursuant to the Agreement and Plan of Merger between the Company and Ameritas Acacia MHC, as amended (the "Merger Agreement"),
- the membership interests of policyholders of Union Central MHC will become membership interests in Surviving MHC, and concurrently the membership interests in Union Central MHC will be extinguished, and
- Surviving MHC will contribute all of the Voting Stock of the Company to Intermediate Holding Company.

**ARTICLE II.  
PURPOSE OF REORGANIZATION**

Through the series of transactions contemplated by this Plan of Reorganization and the Merger Agreement, the Company will become an indirect wholly-owned subsidiary of Surviving MHC. The Board believes that the Reorganization will be in the best interests of the Company and its policyholders because, among other things:

- the Reorganization will enable the Company to be part of a larger and financially stronger business enterprise with greater resources to support its obligations to policyholders,
- the Reorganization will help assure the continuity of the Company's life insurance and other business, will enhance the competitiveness of the Company and will generate greater efficiencies and significant opportunities for improved financial performance,
- the Reorganization will provide the Company with greater flexibility to obtain capital as compared to the current mutual life insurance company structure,
- the Reorganization will provide the Company with increased flexibility to fund the growth of existing product lines, expand into new product lines and take advantage of investment and acquisition opportunities, and
- the Reorganization will enable the Company to use stock in compensation and incentive plans in order to enhance ability to attract and retain management and employees.

**THE CONTRACTUAL TERMS AND PROVISIONS OF THE POLICIES HELD BY POLICYHOLDERS WILL NOT BE CHANGED AS A RESULT OF THE REORGANIZATION. IN ADDITION, THE GUARANTEED BENEFITS AND VALUES, AND THE RIGHTS OF POLICYHOLDERS, AS DESCRIBED IN THEIR POLICIES, WILL NOT BE REDUCED OR ALTERED IN ANY WAY, AND THE PREMIUMS REQUIRED TO BE PAID AS SPECIFIED IN THE POLICIES WILL NOT BE INCREASED OR OTHERWISE CHANGED AS A RESULT OF THE REORGANIZATION. THE COMPANY, REORGANIZED AS A STOCK LIFE INSURANCE COMPANY FROM AND AFTER THE EFFECTIVE TIME OF THE REORGANIZATION AND THE MERGER, WILL REMAIN FULLY OBLIGATED UNDER ALL OF ITS POLICIES.**

**ARTICLE III.  
DEFINITIONS**

As used in this Plan of Reorganization the following terms have the following meanings:

"Ameritas Acacia MHC" has the meaning specified in Article I.

"Board" means the Board of Directors of the Company.

"Certificate of Reorganization" has the meaning specified in Section 7.1.

"Closed Block" has the meaning specified in Section 8.1(a).

"Closed Block Assets" has the meaning specified in Section 8.1(b).

"Closed Block Business" has the meaning specified in Section 8.1(a).

"Closed Block Financial Statements" has the meaning specified in Section 8.2(e)(i).

"Closed Block Funding Date" has the meaning specified in Section 8.1(b).

"Closed Block Memorandum" has the meaning specified in Section 8.1(a).

"Company" means The Union Central Life Insurance Company, a mutual life insurance company organized under the laws of Ohio, prior to the Effective Time and a stock life insurance company within a mutual holding company structure organized under the laws of Ohio at the Effective Time but immediately prior to the consummation of the Merger and under the laws of Nebraska after the consummation of the Merger.

"Conversion" has the meaning specified in the first paragraph in this Plan of Reorganization.

“Effective Time” means the Effective Time of this Plan of Reorganization, as determined in accordance with Section 7.2(b).

“Hearing” means the public hearing or hearings to consider this Plan of Reorganization, as specified in Section 6.2(a).

“Intermediate Holding Company” has the meaning specified in Article I.

“Membership Interests” means, with respect to the Company, the membership interests of Policyholders arising under the laws of the State of Ohio and the amended articles of incorporation and amended code of regulations of the Company. “Membership Interests” means, with respect to Union Central MHC, the membership interests of members arising under the laws of the State of Ohio and the articles of incorporation and code of regulations of Union Central MHC. “Membership Interests” means, with respect to Surviving MHC, the membership interests of members arising under the laws of the State of Nebraska and the articles of incorporation and code of regulations of Surviving MHC. Membership Interests do not include the contractual rights and interests expressly conferred by an insurance policy or annuity contract issued by the Company.

“Merger” has the meaning specified in the first paragraph of this Plan of Reorganization.

“Merger Agreement” has the meaning specified in Article I.

“Person” means an individual, partnership, firm, association, corporation, joint-stock company, limited liability company, trust, government or governmental agency, state or political subdivision of a state, public or private corporation, board, association, estate, trustee or fiduciary, or any similar entity. A Person who is a policyholder in more than one legal capacity (e.g., a trustee under separate trusts) shall be deemed to be a separate Person in each such capacity.

“Plan of Reorganization” means this Plan of Reorganization (including all Schedules and Exhibits hereto), as it may be amended or corrected from time to time in accordance with Section 9.7.

“Policyholder” means a Person who, on the basis of the records of the Company and under Section 3913.10 of the Ohio Revised Code and the amended articles of incorporation and amended code of regulations of the Company, is deemed to be a policyholder of the Company.

“Policyholders’ Meeting” has the meaning specified in Section 5.1(a).

“Reorganization” has the meaning specified in the first paragraph in this Plan of Reorganization.

“State” means the District of Columbia and any state, territory or insular possession of the United States of America.

“Superintendent” means the Superintendent of Insurance of the State of Ohio, or such governmental officer, body or authority as may succeed such Superintendent as the primary regulator of the Company and Union Central MHC.

“Surviving MHC” has the meaning specified in Article I.

“2005 Dividend Scale” means the formula for calculating dividends approved by the Board on November 17, 2004 according to which the dividends payable during the year 2005 will be determined with respect to the Company’s participating dividend-paying policies.

“Union Central MHC” has the meaning specified in the first paragraph in this Plan of Reorganization.

“Voting Policyholder” means any Person who is (or, collectively, Persons who are), based on the Company’s records, a Policyholder of the Company as of the date of the Policyholders’ Meeting who is eligible to vote under Sections 3913.10 (for individual policies) and 3917.03 (for group policies) of the Ohio Revised Code and under the Company’s Amended Articles of Incorporation and Code of Regulations. To be eligible to vote, the Policyholder must be insured in the sum of at least \$1,000 or must be the owner of an annuity contract which at the normal date of maturity requires the payment of \$100 or more annually, and such insurance policy or annuity contract must be and have been in force for at least one year prior to the date of the Policyholders’ Meeting.

“Voting Stock” means securities of any class or any ownership interest having voting power for the election of directors, trustees, or management of a Person, or the voting power conferred by such securities, other than securities having voting power only as a result of the occurrence of a contingency.

**ARTICLE IV.  
ADOPTION AND APPLICATION**

Section 4.01. *Adoption by the Board.* This Plan of Reorganization has been approved and adopted by the unanimous affirmative vote of the Board at a meeting duly called and held at the offices of the Company on July 20, 2005. This Plan of Reorganization provides for the Conversion and Merger in accordance with the requirements of Sections 3913.25 to 3913.38 of the Ohio Revised Code and the Merger Agreement.

Section 4.02. *Application.* Within 90 days after adoption of this Plan of Reorganization by the Board, the Company shall file an application with the Superintendent for her approval of this Plan of Reorganization in accordance with Section 3913.28(A) of the Ohio Revised Code. The application relating to the Plan of Reorganization shall be accompanied by true and correct copies of the following documents: this Plan of Reorganization; the Merger Agreement; the notice to Voting Policyholders to be provided pursuant to Section 5.2; the form of proxy to be solicited from Voting Policyholders in connection with the Policyholders' Meeting; the articles of incorporation and codes of regulations/by-laws of the Company, Union Central MHC, Surviving MHC and Intermediate Holding Company; the names, addresses and occupational information of all corporate officers and members of the boards of directors of Union Central MHC, Surviving MHC and Intermediate Holding Company at the time of and immediately following the Merger; information demonstrating that the Company will, after the Effective Time, satisfy the requirements for the issuance of a license to write the lines of insurance for which it is presently licensed; an index demonstrating where in the application information supplied in compliance with this Section is found; and such other documents and information as may be requested by the Superintendent. The application, as it may be amended and supplemented from time to time, will be open to public inspection at the Superintendent's office in such manner as the Superintendent may determine and at the home office of the Company during normal business hours until the Effective Time.

**ARTICLE V.  
APPROVAL BY POLICYHOLDERS**

Section 5.01. *Policyholder Vote.* (a) The Company shall hold a meeting of Policyholders to vote on the proposal to approve this Plan of Reorganization, the Merger Agreement and the proposed articles of incorporation and codes of regulations/by-laws of the Company, Union Central MHC, Surviving MHC and Intermediate Holding Company (the "Policyholders' Meeting"). The Policyholders' Meeting may be a special meeting or the annual general meeting of Policyholders of the Company. At such Policyholders' Meeting, any Person who is (or, collectively, Persons who are), based on the Company's records, a Voting Policyholder shall be entitled to one vote on the proposals presented at the Policyholders' Meeting. A Voting Policyholder is entitled to cast only one vote, in person or by proxy, on the proposals presented at the Policyholders' Meeting regardless of the number of policies or contracts that the Voting Policyholder may own or hold. Only proxies specifically relating to this Plan of Reorganization and the Merger Agreement presented at the Policyholders' Meeting shall be used in determining whether this Plan of Reorganization and the Merger Agreement have been approved. The proposed articles of incorporation and codes of regulations of the Company, Union Central MHC, Surviving MHC and Intermediate Holding Company shall be substantially in the forms attached as Exhibits E-L hereof. The existing articles of incorporation and code of regulations of the Company are attached as Exhibit C and Exhibit D hereof.

(b) This Plan of Reorganization, the Merger Agreement and the proposed articles of incorporation and codes of regulations/by-laws of the Company, Union Central MHC, Surviving MHC and Intermediate Holding Company shall be approved upon receiving the affirmative vote of at least a majority of the votes cast by Voting Policyholders. Voting Policyholders may not vote separately on the Conversion and the Merger as neither will occur without the other.

Section 5.02. *Notice of Vote.* (a) Subject to Section 9.6, the Company shall mail notice of the Policyholders' Meeting to each Voting Policyholder at such Voting Policyholder's address as it appears on the books and records of the Company. The notice shall set forth the time and place of the Policyholders' Meeting, and shall include a summary of this Plan of Reorganization and the Merger Agreement, including an analysis of the material financial aspects and potential for dilution of policyholders' interests in the Company under the Reorganization; a form of uniform proxy, including ballot, allowing Voting Policyholders to vote for or against this Plan of Reorganization, the Merger Agreement and the proposed articles of incorporation and codes of regulations/by-laws of the Company, Union Central MHC, Surviving MHC and Intermediate Holding Company; a statement informing the Voting Policyholders that the Superintendent may fix a time and place for one or more Hearings, the first of which shall be held within 30 days after the Superintendent's receipt of written notice from the Board of the Voting Policyholders' approval of this Plan of Reorganization; and such other information as the Superintendent shall require. Such notice shall be given at least 30 days prior to the Policyholders' Meeting. Such notice period for the

Policyholders' Meeting may run concurrently with the notice period for the Hearing provided for in Section 6.2, and the notice of the Hearing provided for in Section 6.2 may be given together with the notice of the Policyholders' Meeting.

(b) The notice mailed to Voting Policyholders as provided in subsection (a) of this Section 5.2 shall be accompanied by information relevant to the Policyholders' Meeting, including a copy of this Plan of Reorganization, the Merger Agreement and a summary of this Plan of Reorganization and the Merger Agreement (with a summary of the exhibits thereto). The Company may also mail supplemental information relating to this Plan of Reorganization and the Merger Agreement to Voting Policyholders either before or after the date of the Policyholders' Meeting.

Section 5.03. *Certification.* If this Plan of Reorganization and Merger Agreement are approved at the Policyholders' Meeting, the Board shall provide the Superintendent with written notice of such approval within 10 days after the date of the Policyholders' Meeting.

Section 5.04. *Determination of Policyholders.* Unless otherwise stated herein, the determination of Policyholders as of any date shall be determined on the basis of the Company's records as of such date in accordance with the following provisions:

(a) Except as otherwise set forth in this Plan of Reorganization, the Merger Agreement or the amended articles of incorporation or amended code of regulations of the Company, the identity of the Policyholder of any policy shall be determined without giving effect to any interest of any other Person in the policy held by such Policyholder.

(b) In any situation not expressly covered by the provisions of this Plan of Reorganization, the Merger Agreement or the amended articles of incorporation or amended code of regulations of the Company, the Policyholder, as reflected on the records of, and as determined in good faith by, the Company, shall be presumed to be a Policyholder for purposes of this Plan of Reorganization and the Merger Agreement. The Company may, in its discretion, examine or consider facts or circumstances not reflected in its records in order to determine the existence or identity of a Policyholder for purposes of this Plan of Reorganization and the Merger Agreement.

(c) The mailing address of a Policyholder as of any date for purposes of this Plan of Reorganization and the Merger Agreement shall be the Policyholder's address of record according to the records of the Company as of such date, subject to Section 9.6.

(d) Any dispute as to the identity of a Policyholder, the right to vote or the right to become a member of Union Central MHC or Surviving MHC shall be resolved in accordance with the foregoing and such other procedures as may be acceptable to the Superintendent.

## **ARTICLE VI. APPROVAL BY THE SUPERINTENDENT**

Section 6.01. *Superintendent's Approval.* This Plan of Reorganization is subject to the review by, and approval of, the Superintendent.

Section 6.02. *Public Hearings.* (a) The Superintendent has the right to hold one or more public hearings as part of her review of this Plan of Reorganization (the "Hearing"). Upon receiving notice that the Superintendent intends to hold a Hearing, the Company shall provide notice to its Voting Policyholders of the time and place of the Hearing by (i) mailing to each Voting Policyholder, at such Voting Policyholder's post office address as it appears on the books and records of the Company, such notice at least 30 days prior to the Hearing, subject to Section 9.6, and (ii) causing such information to be published once each week for two consecutive weeks in a newspaper published and of the largest circulation in the counties of Cuyahoga, Franklin, Hamilton and Lucas in the State of Ohio, and in the newspaper of the largest circulation in the State capital of each State in which the Company maintains an office or agency for the solicitation of insurance.

(b) Such notice of Hearing shall be accompanied or preceded by information relevant to the Hearing, including a summary of this Plan of Reorganization, the Merger Agreement and such other explanatory information as shall be required by the Superintendent, all of which shall be in a form satisfactory to the Superintendent.

(c) The Company; its directors, officers and policyholders; and persons claiming to be adversely affected by or wishing to comment on this Plan shall have the right to appear and be heard at the Hearing in accordance with Section 3913.27(F) of the Ohio Revised Code.

Section 6.03. *Filing of Minutes of Policyholders' Meeting.* Within 30 days after receiving notice from the Superintendent of the Superintendent's approval of this Plan of Reorganization, the Company shall file with the Superintendent (a) the minutes

of the Policyholders' Meeting and (b) the articles of incorporation and codes of regulations/by-laws of the Company, Union Central MHC, Surviving MHC and Intermediate Holding Company in accordance with Section 3913.28(F) of the Ohio Revised Code.

Section 6.04. *Filing of Amended Articles.* The Company shall file with the Attorney General for the Attorney General's examination and approval the articles of incorporation and codes of regulations/by-laws of the Company and Union Central MHC as approved by the Voting Policyholders at the Policyholders' Meeting in accordance with Section 3913.28(G)(1) of the Ohio Revised Code.

## **ARTICLE VII. THE REORGANIZATION**

Section 7.01. *Filing of Plan.* In accordance with Section 3913.28(G)(2) of the Ohio Revised Code, upon obtaining the approval of the Superintendent of this Plan of Reorganization and the approval of the Attorney General of the articles of incorporation and code of regulations/by-laws of the Company and Union Central MHC, the Board shall file with the Secretary of State (a) certificates of reorganization and merger, signed by the Chairman of the Board, the President or any Vice-President, and the Secretary or an Assistant Secretary of the Company (together, the "Certificate of Reorganization"); (b) the articles of incorporation and codes of regulations/by-laws of the Company and Union Central MHC, as approved by the Voting Policyholders at the Policyholders' Meeting; (c) a statement, signed by the Chairman of the Board, the President or any Vice-President, and the Secretary or an Assistant Secretary of the Company, of the manner of the approval of the articles of incorporation and codes of regulations/by-laws of the Company and Union Central MHC; and (d) copies of the approval obtained from the Superintendent of this Plan of Reorganization and the approval obtained from the Attorney General of the articles of incorporation and codes of regulations/by-laws of the Company and Union Central MHC.

Section 7.02. *Effectiveness of Plan.* (a) The Conversion and the Merger shall not occur, unless, on or prior to the Effective Time, the Company shall have received (i) an opinion of Daniel J. McCarthy, M.A.A.A and Steven I. Schreiber, M.A.A.A of Milliman, Inc. or another actuary from any other nationally recognized independent actuarial firm, addressed to the Board, that the funding of the Closed Block has been completed in accordance with this Plan of Reorganization in order to meet the purpose of the Closed Block, and (ii) the opinion of Morgan Stanley, addressed to the Board, that, on the date of the mailing or publication of the policyholder information statement, and based upon the assumptions made in the opinion, the Conversion and Merger are fair from a financial point of view to the Policyholders as a group.

(b) The effective time of this Plan of Reorganization (the "Effective Time") shall be the time upon which the Conversion and Merger are consummated (following the date of filing of the documents and statements required by Section 7.1).

(c) At the Effective Time:

(i) the Company shall immediately become a stock corporation and the membership interests of Policyholders of the Company shall become membership interests in Union Central MHC, and concurrently the Policyholders' membership interests in the Company shall be extinguished;

(ii) the Company's articles of incorporation and code of regulations without further action or deed shall be amended and restated to read as set forth in Exhibit E and Exhibit F, respectively;

(iii) the Company shall have established the Closed Block pursuant to Section 8.1;

(iv) the Company shall issue all of its Voting Stock to Union Central MHC;

(v) Union Central MHC shall merge with and into Ameritas Acacia MHC and the membership interests of members in Union Central MHC shall become membership interests in Surviving MHC, and concurrently all membership interests of Union Central MHC shall be extinguished;

(vi) Surviving MHC shall contribute all of the Voting Stock of the Company to Intermediate Holding Company;

(vii) Surviving MHC's articles of incorporation and by-laws without further action or deed shall be amended and restated as set forth in Exhibit I and Exhibit J, respectively; and

(viii) Intermediate Holding Company's articles of incorporation and by-laws without further action or deed shall be amended and restated as set forth in Exhibit K and Exhibit L, respectively.

(d) The Company shall not change any contractual term of a policy or annuity solely as a result of the Reorganization other than those relating to the conversion of Membership Interests in the Company into Membership Interests of Union Central MHC or the conversion of Membership Interests in Union Central MHC into Membership Interests of Surviving MHC in accordance with this Plan of Reorganization and the Merger Agreement.

Section 7.03. *Tax Considerations.* The effectiveness of this Plan of Reorganization is subject to the Company's having received on or prior to the Effective Time one or more IRS Private Letter Rulings or opinions of its independent tax adviser, substantially to the effect that:

(a) life insurance and annuity policies issued by the Company prior to the Effective Time will not be deemed newly issued, issued in exchange for existing policies or newly purchased for any material federal income tax purpose as a result of the reorganization of the Company pursuant to this Plan of Reorganization;

(b) with respect to any life insurance or annuity policy issued by the Company prior to the Effective Time that is part of a tax-qualified retirement funding arrangement described in Sections 401(a), 403(a), 403(b) or 408 of the Code, the consummation of this Plan of Reorganization will not result in any transaction that (i) constitutes a distribution to the employee or beneficiary of the arrangement under Section 72 or 403(b)(11) of the Code, or a designated distribution under Section 3405(e)(1)(A) of the Code that is subject to withholding under Section 3405(b) or (c) of the Code; (ii) disqualifies an individual retirement annuity policy under Section 408(e) of the Code; or (iii) requires the imposition of a penalty for a premature distribution under Section 72(t) of the Code or a penalty for excess contributions to certain qualified retirement plans under Section 4973 or 4979 of the Code; and

(c) the summary of federal income tax consequences to Policyholders of the consummation of this Plan of Reorganization set forth in the materials provided to Policyholders pursuant to Section 5.2 hereof was correct and complete in all material respects as of the date thereof and, except for any changes in law, regulations or official interpretations thereof the effect of which the Board, in its discretion, has determined (taking into account any remedial action the Board may authorize or direct) to be not adverse to the interests of the Policyholders in any material respect, remains correct and complete as of the Effective Time.

Section 7.04. *Securities Law Considerations.* The effectiveness of this Plan of Reorganization is also subject to the Company having received on or prior to the Effective Time an opinion of independent legal counsel with respect to federal securities law matters.

#### **ARTICLE VIII. CLOSED BLOCK**

Section 8.01. *Establishment of the Closed Block.* (a) The Company shall establish, conditioned upon this Plan of Reorganization becoming effective pursuant to Section 7.2, an accounting mechanism and procedure with respect to a closed block of policies (the "Closed Block") as described in the Closed Block Memorandum attached as Exhibit M (the "Closed Block Memorandum") for the purpose of giving reasonable assurance to holders of the policies included therein (collectively, the "Closed Block Business"), of the sufficiency of the assets therein to provide for the continuation of the 2005 Dividend Scale in aggregate if experience underlying such scale continues. The classes of policies that constitute the Closed Block Business are set forth in Schedule I of the Closed Block Memorandum. The establishment and operation of the Closed Block shall not modify or amend the terms or provisions of the policies included therein. As set forth in the Closed Block Memorandum, assets of the Company will be allocated to the Closed Block in an amount that produces cash flows which, together with anticipated revenue from the Closed Block Business, are expected to be sufficient to support the Closed Block Business including, but not limited to, provisions for payment of claims and certain expenses and taxes, and to provide for continuation of the 2005 Dividend Scale in aggregate, if the experience underlying such scale (including the portfolio interest rate) continues, and for appropriate adjustments in such scale if the experience changes. The Closed Block Memorandum also sets forth the alternative protections that will be afforded to certain traditional deferred annuities and certain supplementary contracts of the Company, which will not be in the Closed Block.

(b) The Closed Block Memorandum sets forth how assets (collectively, the "Closed Block Assets") will be allocated to the Closed Block as of July 1, 2005 (the "Closed Block Funding Date"). Policy loans and due and deferred premiums associated with the Closed Block Business will be allocated to the Closed Block as of the Closed Block Funding Date as described in the Closed Block Memorandum, together with invested assets, including accrued interest thereon, and cash as described therein. The amount of assets allocated to the Closed Block as of the Closed Block Funding Date will be determined as set forth in the Closed Block Memorandum.

Section 8.02. *Operation of the Closed Block.* (a) After the Closed Block Funding Date, insurance and investment cash flows from operations of the Closed Block Business, the Closed Block Assets, the cash allocated to the Closed Block and, as described in the Closed Block Memorandum, all other assets acquired by or allocated to the Closed Block shall be received by or withdrawn from the Closed Block in accordance with the principles set forth in this Section 8.2(a).

(i) With respect to insurance cash flows:

a. Cash premiums, amounts paid for the reinstatement of Closed Block policies into the Closed Block, cash repayments of policy loans and policy loan interest paid in cash on Closed Block Business shall be received by the Closed Block. Death, surrender, withdrawal and maturity benefits (including any interest allowed for delayed payment of benefits) paid in cash, policy loans taken in cash and dividends paid in cash on Closed Block Business shall be withdrawn from the Closed Block. Amounts payable in cash (on death, surrender, withdrawal or maturity) but applied to supplementary contracts outside the Closed Block shall be withdrawn from the Closed Block. Cash payments with respect to reinsurance on Closed Block Business shall be withdrawn from, or received by, the Closed Block as provided in the Closed Block Memorandum.

b. No cash shall be withdrawn from the Closed Block with respect to damages or legal costs arising from any lawsuit. However, the Closed Block will be charged for death claims or other claims for benefits actually or allegedly incurred after the Closed Block Funding Date on Closed Block Business even though arising from lawsuits. If the Company is obligated to pay a premium or credit an enhancement on a Closed Block policy after the Closed Block Funding Date in respect of any lawsuit, other than legal actions arising in connection with death claims or other claims for benefits actually or allegedly incurred after the Closed Block Funding Date and related to Closed Block Business, then the Company will credit cash to the Closed Block to pay such premiums or to cover the cost of such enhancement.

c. Cash shall be withdrawn from the Closed Block in the amount of charges for expenses and commissions in accordance with the procedures and formulas described in the Closed Block Memorandum.

d. Cash shall be withdrawn from the Closed Block in the amount of State and local taxes paid, in accordance with the tax allocation procedures described in the Closed Block Memorandum.

e. Cash shall be received by or withdrawn from the Closed Block for federal income taxes in accordance with the tax charging procedure described in Section IV of the Closed Block Memorandum.

f. With respect to Closed Block Business issued after the Closed Block Funding Date and before the Effective Time, cash shall be withdrawn from the Closed Block for charges arising out of adjustments to the funding level to take into account such Closed Block Business in accordance with the formulas described in Section III of the Closed Block Memorandum.

(ii) With respect to investment cash flows:

a. Investment cash flows from operations of the Closed Block Business shall be received by or withdrawn from the Closed Block.

b. Cash received on dispositions of investments shall be net of all reasonable and customary brokerage and other transaction expenses that are incurred and deducted in reporting gross proceeds of such sales in the Company's annual statement to the Superintendent. With respect to any Closed Block assets that are investments in equity real estate, cash payments for reasonable and customary operating expenses and real estate taxes (as reported in such annual statement) shall be withdrawn from the Closed Block.

c. Cash paid for expenses in acquiring an investment shall be withdrawn from the Closed Block to the extent incurred and included in the cost of such investment in the Company's annual statement to the Superintendent.

(b) New investments acquired after the Closed Block Funding Date with Closed Block cash flows shall be allocated to the Closed Block upon acquisition and shall consist only of investments permitted by the investment policy of the Closed Block as from time to time in effect.

(c) No amounts shall be withdrawn from or received by the Closed Block for any taxes, including federal, State, local or foreign taxes, nor for any guarantee fund assessments, resulting from the operations of the Company or any of its subsidiaries prior to the Closed Block Funding Date. No asset valuation reserve, interest maintenance reserve or any similar reserve, or any increases or decreases therein shall be charged or credited to the Closed Block, because such reserves are noncash items. The Company may, however, consider potential investment defaults in apportioning dividends on Closed Block Business.

(d)(i) Dividends on Closed Block Business shall be apportioned by the Board in accordance with applicable law and with the objective of minimizing tontine effects and exhausting assets allocated to the Closed Block with the final payment under the last policy contained in the Closed Block.

(ii) Subject to the provisions of clause (i) of this subsection (d), dividends on Closed Block Business shall be apportioned, and shall be allocated among policies in the Closed Block, so as to reflect the underlying experience of the Closed Block, and the degree to which the various classes of policies constituting the Closed Block Business have contributed to such experience.

(e)(i) The Company shall prepare, on an annual basis, an income statement and balance sheet for the Closed Block (the "Closed Block Financial Statements"). The Closed Block Financial Statements shall be prepared in a manner consistent with the preparation of the financial statements of the Company submitted annually to the Superintendent.

(ii) The Closed Block Financial Statements shall be reported annually to the Board, together with a recommendation of the management of the Company as to dividends on Closed Block Business. The Closed Block Financial Statements and the Board's dividend resolution regarding the Closed Block Business shall be reported annually to the Superintendent.

(iii) The Company shall furnish the Superintendent with such further financial statements and reports with respect to the Closed Block reflecting such further matters and additional tests as the Superintendent may from time to time request.

(iv) The Closed Block shall be subject to the internal and external audit processes established by the Company for its operations generally.

(v) As of December 31, 2008, and as of the December 31 of each fifth year thereafter, or at such other times as the Superintendent shall reasonably require, the Company shall retain an independent consulting actuary to review the operation of the Closed Block and dividend determinations and to report his or her findings to the Board and to the Superintendent.

(f) The Company may, with the prior approval of the Superintendent, cease to maintain the Closed Block, upon such terms and conditions as the Superintendent may approve, but the Policies then constituting the Closed Block Business shall remain obligations of the Company and dividends on such Policies shall be apportioned by the Board in accordance with applicable law.

(g) Except as provided in subsection (f) of this Section 8.2, none of the assets, including the revenue therefrom, allocated to the Closed Block or acquired by the Closed Block shall revert to the benefit of the shareholders of the Company.

Section 8.03. *Guaranteed Benefits.* The Company shall pay all guaranteed benefits for Closed Block Business in accordance with the terms of the Policies contained in the Closed Block. The assets allocated to the Closed Block are the Company's assets and are subject to the same liabilities (in the same priority) as all assets in the Company's general account.

## **ARTICLE IX. ADDITIONAL PROVISIONS**

Section 9.01. *Continuation of Corporate Existence.* Upon the Conversion and the Merger under the terms of this Plan of Reorganization and the Merger Agreement, the Company's corporate existence as a stock life insurance company shall be a continuation of its corporate existence as a mutual life insurance company.

Section 9.02. *No Special Compensation of Officers, Directors and Employees.* No director, officer, agent or employee of the Company shall receive any fee, commission or other valuable consideration, other than his or her usual regular salary or other compensation, including incentive compensation in the ordinary course of business, for in any manner aiding, promoting or assisting in connection with the transactions contemplated by this Plan of Reorganization, except as provided for herein or as disclosed to the Superintendent.

Section 9.03. *Officers and Boards of Directors.* (a) The directors and officers of the Company shall serve as directors and officers of Union Central MHC and the Company at the Effective Time and prior to the consummation of the Merger.

(b) Upon consummation of the Merger:

(i) the directors and officers of Surviving MHC and Intermediate Holding Company shall be the persons named in the Merger Agreement; and

(ii) the directors and officers of the Company shall serve as directors and officers of the Company until new directors and officers have been duly elected and qualified pursuant to the Merger Agreement and the Company's articles of incorporation and code of regulations.

Section 9.04. *No Preemptive Rights.* No Policyholder of the Company or other Person shall have any preemptive right to acquire shares of common stock of the Company in connection with this Plan of Reorganization.

Section 9.05. *Provisions Relating to Certain IPO's.* (a) Although there is no present intention to do so, following the Effective Time, the Intermediate Holding Company may conduct an initial public offering ("IPO"), representing not more than 49% of its voting stock at the time outstanding on a fully diluted basis. For purposes of this Section, the company conducting such IPO will be referred to as the IPO Company.

(b) In the event of an IPO described in Subparagraph (a) above, Union Central's Policyholders that are members of the Surviving MHC on the date of the IPO (the "Union Central Members") shall be offered the non-transferable opportunity to purchase shares of common stock of the IPO Company. The Board of Directors of the IPO Company shall authorize participation in the IPO to be afforded to the Union Central Members in one of the following ways: (i) providing priority subscription rights to purchase shares of common stock of the IPO Company; (ii) reserving or setting aside for the Union Central Members a specified number of shares of common stock being offered in the IPO ("Reserved Shares"); (iii) concurrently making an offering of a specified number of shares of common stock to the Union Central Members with the opportunity to request a copy of the prospectus and purchase shares in the IPO, subject to the availability of shares of other conditions appropriate for an IPO; (iv) providing the Union Central Members with written notice of the proposed IPO with the opportunity to request a copy of the prospectus and purchase shares in the IPO; and (v) providing other rights to participate in the IPO as are consistent with this Plan of Reorganization and applicable law and are approved by the Superintendent. In each of (i) through (iv) above, the common stock being offered in the IPO to the Union Central Members shall be offered at the price and on other terms no less favorable to Union Central Members than those offered to the public in the IPO. The IPO Company shall give prior notice of a proposed IPO, and a description of the material terms and provisions thereof, when required by the Ohio Revised Code and/or the undertakings entered into by the Company with the Superintendent in connection with this Plan of Reorganization (the "Undertakings"). If the Superintendent does not object to the proposed terms and provisions of the IPO within the time period required by the Undertakings, then the IPO Company may proceed with the IPO in a manner consistent with the proposed terms and conditions as described to the Superintendent. It is not intended that participation rights ("IPO Participation Rights") shall be afforded in any initial public offering of preferred stock which is not convertible or exchangeable into common stock and which has no ordinary voting rights for the election of directors. The Board of the company that conducts the IPO is authorized to impose conditions, limitations or exceptions with respect to such IPO Participation Rights as the IHC Board deems appropriate and desirable in order to effectuate or facilitate the IPO, including, the specification, without limitation, of the following: a subscription or participation period, the expiration date, minimum or maximum number of shares which may be purchased by Union Central Members, the purchase price, and other terms of the participation; provided however, that all such conditions, limitations or exceptions shall be approved by the Superintendent as provided above.

Section 9.06. *Notices.* If the Company complies substantially and in good faith with the requirements of Sections 3913.25 to 3913.38 of the Ohio Revised Code and the terms of this Plan of Reorganization with respect to the giving of any required notice to policyholders, its failure in any case to give such notice to any person or persons entitled thereto shall not impair the validity of the actions and proceedings taken under such Sections or this Plan of Reorganization.

Section 9.07. *Withdrawal of Plan Amendment or Corrections.* (a) At any time prior to the Merger becoming effective, the Company may, by the affirmative vote of not less than two-thirds of the Board, withdraw this Plan of Reorganization.

(b) At any time prior to the mailing to Voting Policyholders of the notice pursuant to Section 5.2, the Company may, by the affirmative vote of not less than two-thirds of the Board, amend this Plan of Reorganization (including the Exhibits and Schedules). The Board, by the affirmative vote of not less than two-thirds of its members, is hereby authorized to amend this Plan of Reorganization (including the Exhibits and Schedules) at any time after approval of the Plan by Voting Policyholders, but only if the amendment is required by the Superintendent in order for the Superintendent to approve this Plan of Reorganization as being fair and equitable to Policyholders or in order to conform this Plan of Reorganization to the requirements of applicable law, provided that no such amendment may be made which could adversely affect the interests of Policyholders in any material respect. The Company, after approval of the Plan by Voting Policyholders and with the prior approval of the Superintendent, may make such minor modifications as are appropriate to correct errors, clarify existing items or make additions to correct manifest omissions in this Plan of Reorganization.

(c) The amended and restated articles of incorporation of the Company, Union Central MHC, Intermediate Holding Company and Surviving MHC adopted pursuant to this Plan of Reorganization may be further amended after the Effective Time pursuant to applicable law.

(d) After the Effective Time, this Plan of Reorganization may be amended or modified in any respect; provided that no such amendment or modification shall become effective unless and until it is (i) authorized by the affirmative vote of not less than two-thirds of the Board and 80% of the Board of Directors of the Surviving Mutual Holding Company; (ii) approved by the affirmative vote of at least a majority of the members of the Surviving Mutual Holding Company voting in person or by proxy at a duly noticed and convened special or annual meeting of the members of the Surviving Mutual Holding Company; and (iii) approved by the Superintendent and, if required by Nebraska law, the Nebraska Director of Insurance (the "Director"). In addition to the foregoing, if the Superintendent or Director shall require a public hearing relating to any proposed amendment to or modification of the Plan, such amendment or modification shall not be effective until such hearing has been held and any order resulting therefrom issued.

Section 9.08. *Costs and Expenses.* All reasonable costs, including the costs of the Ohio Department of Insurance and those costs attributable to the use of outside advisors and consultants of the Ohio Department of Insurance, related to this Plan of Reorganization shall be borne by the Company.

Section 9.09. *Governing Law.* The terms of this Plan of Reorganization shall be governed by and construed in accordance with the laws of the State of Ohio, without regard to such State's principles of conflicts of laws; provided, however, that the terms of the Merger Agreement shall be governed by and construed in accordance with the laws of the State of Nebraska, except with regard to its conflict of laws rules and except to the extent that the Ohio Law shall be held to govern the terms of the Merger as it applies to the Company and the Reorganization.

IN WITNESS WHEREOF, The Union Central Life Insurance Company, by authority of its Board of Directors, has caused this Plan of Reorganization to be duly executed this 20th day of July 2005.

THE UNION CENTRAL LIFE INSURANCE COMPANY

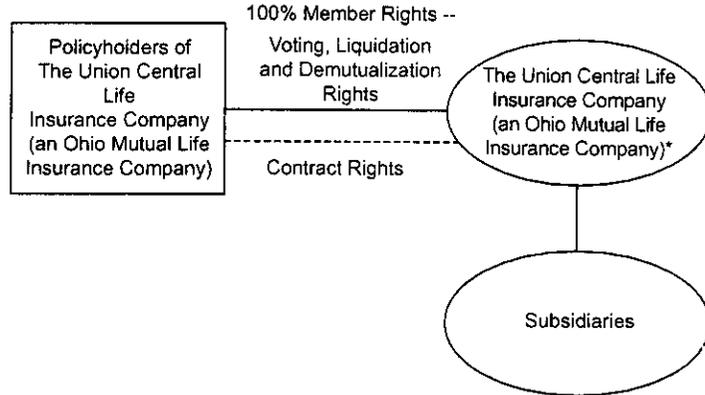
By: /s/ John H. Jacobs  
John H. Jacobs  
President and Chief Executive Officer

Attest: /s/ David F. Westerbeck  
David F. Westerbeck  
Executive Vice President, General Counsel and Secretary

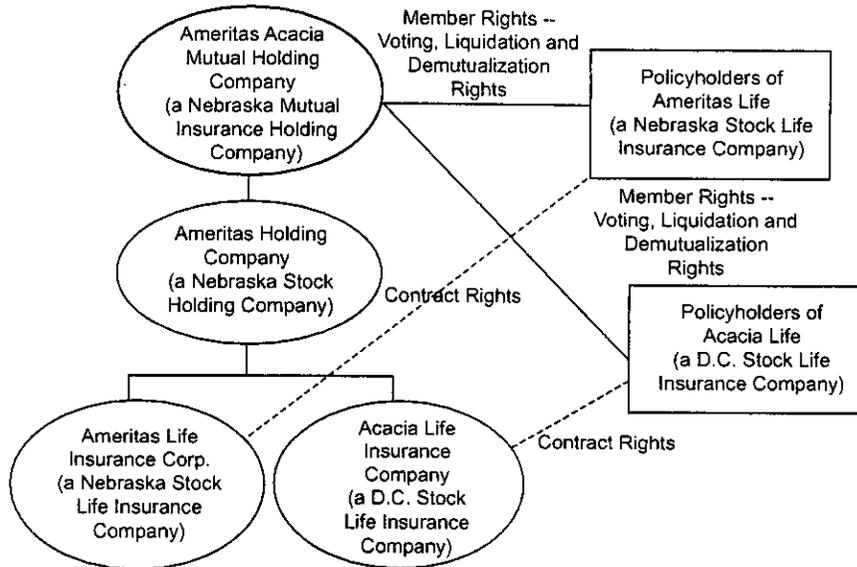
EXHIBIT A  
 Corporate Structures of the Company and Ameritas Acacia MHC before the Reorganization, the  
 Company after the Conversion, and the Surviving MHC after the Reorganization

**BEFORE REORGANIZATION**

**Union Central**

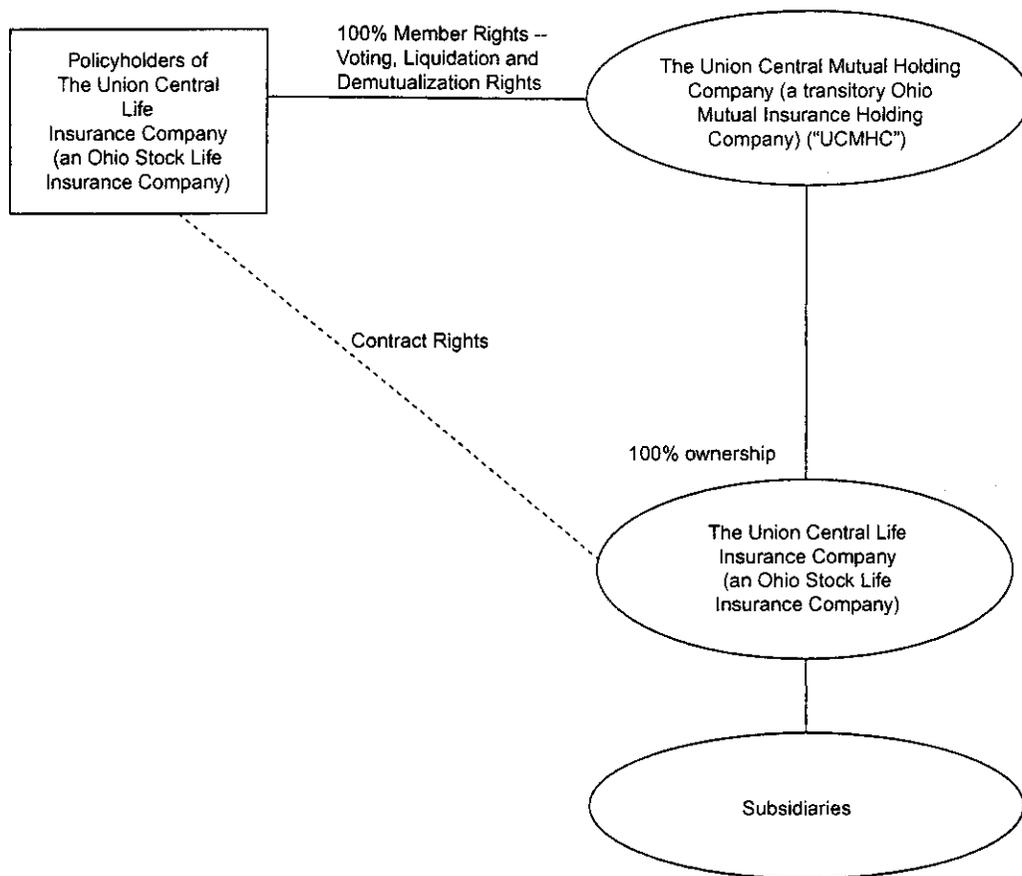


**Ameritas Acacia**



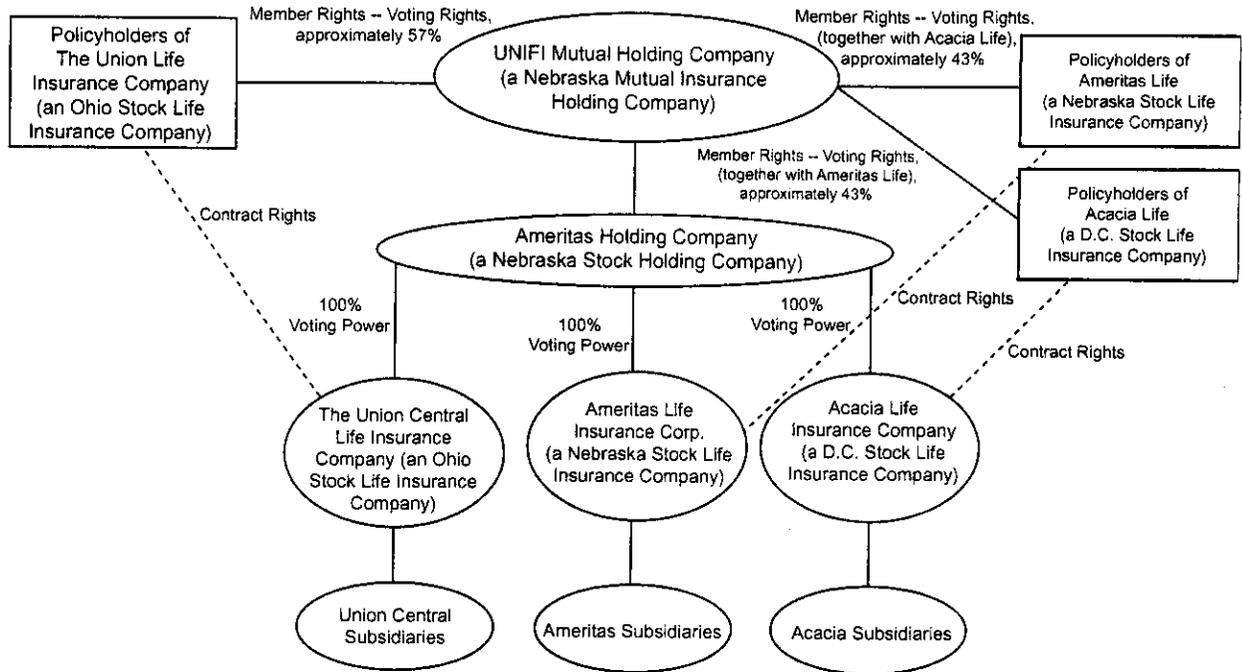
# AS RESULT OF CONVERSION\*

## Union Central



\* The above corporate structure of Union Central will exist only for a brief period immediately prior to the Merger. The Conversion of Union Central will not affect Ameritas Acacia's corporate structure.

**AFTER REORGANIZATION\***



\* Subsequent to the Merger, Ameritas Acacia Mutual Holding Company, to be renamed as and referred to in the chart as UNIFI Mutual Holding Company, will transfer all of the issued and outstanding capital stock in Union Central to Ameritas Holding Company.

EXHIBIT B  
Merger Agreement

A summary of the Merger Agreement can be found in The Union Central Life Insurance Company's Policyholder Information Booklet, at page 48.

EXHIBIT C  
Existing Amended Articles of Incorporation of the Company

AMENDED

ARTICLES OF INCORPORATION

OF

THE UNION CENTRAL LIFE INSURANCE COMPANY  
CINCINNATI

FIRST: The name of this Corporation shall be The Union Central Life Insurance Company.

SECOND: The principal office and place of business of this Corporation shall be located in the County of Hamilton and State of Ohio, but it may establish other offices or places of business in the State of Ohio or elsewhere.

THIRD: The business to be undertaken by and the objects and purposes of this Corporation shall be to insure the lives of persons in and out of the State of Ohio, to insure against accident to persons or sickness, temporary or permanent physical disability, to take all risks in connection with or pertaining to such insurances, to grant, purchase and dispose of annuities providing for fixed or variable benefits, or both, to set up and operate separate accounts, to carry on all of said business under either the participating or non-participating plan, or both, and do any and all other acts either permitted or not prohibited under the laws of the State of Ohio for a mutual life insurance corporation.

FOURTH: Each policyholder of the corporation shall be a member of the corporation. The term "policyholder" as used herein shall be deemed to mean the person insured under an individual policy of life insurance, the person to whom any annuity or pure endowment is presently or prospectively payable by the terms of an individual annuity or pure endowment contract, except where the policy or contract declare some other person to be the owner or holder thereof, in which case such owner or policyholder shall be deemed the policyholder, and except in cases of assignment as hereinafter provided. In the case of any individual policy or contract insuring two or more persons jointly, the persons insured, or in case the policy or contract declares two or more persons to be the owner, the persons so declared to be the owner shall be deemed one policyholder for the purposes hereof. In case any such policy or contract shall have been assigned by an assignment on its face to an assignee other than the corporation, and such assignment shall be filed at the principal office of the corporation, then such assignee shall be deemed a policyholder within the meaning hereof, but for the purpose of determining voting rights such assignment shall not be effective until thirty days after it shall have been filed with the corporation. Except as provided herein an assignee of a policy or contract shall not be deemed to be a policyholder within the meaning hereof. Each policyholder insured in at least \$1,000 or holder of an annuity which at normal date of maturity requires the payment of \$100 or more annually and whose insurance or contract of annuity shall then be in force and which has been in force for at least one year prior to a policyholders' meeting, shall be entitled to one vote only irrespective of the number of policies or contracts held by him or the amount thereof, but said voting qualifications shall be subject to any change or amendment as may be prescribed by the laws of the State of Ohio. The employer shall be the qualified voter in the case of each group insurance master policy and holders of certificates issued under group insurance master policies shall not be qualified to vote. The same rule shall apply to group annuities and the holders of certificates issued thereunder.

FIFTH: The corporate powers of the Corporation shall be exercised by and its business and affairs shall be under the control of a Board of eighteen (18) Directors unless this number is changed by: (1) the policyholders by the affirmative vote of a majority of the policyholders present or represented at a meeting of policyholders called for the purpose of electing Directors or (2) the vote of at least two-thirds (2/3) of the Directors in office. The Directors may increase the number to not more than twenty-one (21) persons and may decrease the number to not less than fifteen (15) persons. Any Director's Office created by the Directors by reason of an increase in their number may be filled by action of a majority of the Directors in office. No reduction in the number of Directors shall of itself have the effect of shortening the term of any incumbent Director. Not more than five (5) Directors may be officers of the Corporation. The Directors shall be elected by ballot by the policyholders entitled to vote under the provisions of Article IV at an annual meeting to be held at the principal office of the Corporation on the third Friday in May at such hour as the Board of Directors may fix. Such Board shall be divided into three classes, as nearly equal in number as the total number of Directors constituting the whole Board permits, with the term of office of one class

expiring each year. At each annual policyholders' meeting the successors to the class of Directors whose term shall then expire shall be elected to hold office for three years and until their successors are elected and qualified. Directors with unexpired terms of office at the time of the adoption of this Amended Article Fifth shall hold office until the expiration of their respective terms of office and until their successors are elected and qualified. In the event of any increase or decrease in the number of Directors, all classes of Directors shall be increased or decreased in such manner that all classes are as nearly equal in number as possible. The Board shall have the authority to fill any vacancy in the Board for the unexpired term.

SIXTH: The officers of the Corporation shall be a President, one or more Vice Presidents, a Secretary and a Treasurer. The Board may elect or appoint other officers with appropriate titles. Officers shall be elected by the Board at its first meeting held in each calendar year and shall hold their respective offices for one year or until their successors are elected and qualified. Any officer may be removed or suspended at any time without cause and without notice by an affirmative vote of the majority of the whole Board. Any two offices except the offices of President and Vice President may be filled by the same person. Vacancies shall be filled by the Board. The Board may elect a Chairman of the Board if it so desires, otherwise the President shall serve as Chairman of the Board.

SEVENTH: The Corporation shall have no capital stock, but shall conduct its business as a mutual life insurance corporation.

EIGHTH: The power to alter, amend or repeal the Code of Regulations of this corporation shall be vested in the Board of Directors.

EXHIBIT D  
Existing Code of Regulations of The Company

CODE OF REGULATIONS

OF

THE UNION CENTRAL LIFE INSURANCE COMPANY

ARTICLE I

POLICYHOLDERS' MEETINGS

1. The annual meeting of policyholders shall be held at the time and place fixed in the Corporation's Articles of Incorporation. Special meetings of the policyholders may be held upon call by the affirmative vote of a majority of the Board of Directors.
2. Each policyholder of the Corporation shall be a member of the Corporation. The term "policyholder" as used herein shall be deemed to mean the person insured under an individual policy of life insurance, or the person to whom any annuity or pure endowment is presently or prospectively payable by the terms of an individual annuity or pure endowment contract, except where the policy or contract declares some other person to be the owner or holder thereof, in which case such owner or policyholder shall be deemed the policyholder, and except in cases of assignment as hereinafter provided. In the case of any individual policy or contract insuring two or more persons jointly, the persons insured, or in case the policy or contract declares two or more persons to be the owner, the person so declared to be the owner shall be deemed one policyholder for the purposes hereof. In case any such policy or contract shall have been assigned by an assignment absolute on its face to an assignee other than the Corporation, and such assignment shall be filed at the principal office of the Corporation, then such assignee shall be deemed a policyholder within the meaning hereof, but for the purpose of determining voting rights such assignment shall not be effective until thirty days after it shall have been filed with the Corporation. Except as provided herein, an assignee of a policy or contract shall not be deemed to be a policyholder within the meaning hereof. Each policyholder who is insured in at least the sum of \$1,000, or holder of an annuity which at normal date of maturity requires the payment of \$100 or more annually, and whose insurance or contract of annuity shall then be in force and which has been in force for at least one year prior to a policyholders' meeting, shall be entitled to one vote only irrespective of the number of policies or contracts held by him or the amount thereof, but said voting qualifications shall be subject to any change or amendment as may be prescribed by the laws of the State of Ohio.

The employer shall be the qualified voter in the case of each group insurance master policy and holders of certificates issued under group master policies shall not be qualified to vote. The same rule shall apply to group annuities and the holders of certificates issued thereunder.

3. Policyholders may vote in person or by proxy. A Proxy Committee composed of three Directors shall be appointed annually by the Board of Directors. The Proxy Committee may solicit, receive and vote proxies on behalf of policyholders.  
Any or all attorneys and proxies named in any proxy instruments solicited and received after the effective date hereof, and their substitutes and successors, may be removed by the affirmative vote of a majority of the whole Board of Directors and all vacancies occurring among such named attorneys and proxies, or their successors, may be filled by the Board of Directors if so authorized by the terms of such proxy instruments.
4. Notice of policyholders' meetings shall be given to each policyholder by personal delivery to him or depositing it in the mail addressed to him as his address appears on the books of the Corporation not less than thirty days prior to the date of the meeting. Publication of notice of the annual meeting of policyholders in the Annual Report of the Corporation shall constitute proper notice.
5. The policyholders present in person or by proxy at any policyholders meeting duly convened shall constitute a quorum and the votes of a majority thereof shall be sufficient to take any action that might properly be taken at a meeting of policyholders.

6. At its meeting in February of each year, the Board of Directors shall nominate policyholders of the Corporation for election as Directors to fill vacancies created by the expiration of terms of office, of those Directors whose terms expire at the annual meeting of policyholders to be held that year. Any vacancy in such list of nominees that is caused by death, resignation or removal may be filled by the Board of Directors at any time prior to such meeting of policyholders. No person shall be nominated as a Director or designated to fill a vacancy in such list of nominees who shall attain his 70th birthday before the date of his election by the policyholders.

In filling vacancies in the Board of Directors, as authorized by the Corporation's Articles of Incorporation, the Board shall not elect any person who has attained his 70th birthday before the date of such election.

The notice of the annual meeting of policyholders shall contain a list of such nominees, together with the address and business or professional affiliation of each.

7. The qualifications of any nominee for election as a Director and any proposed new business at a meeting of the policyholders shall be submitted to the Executive Committee at least sixty (60) days in advance of the policyholders' meeting.

## **ARTICLE II**

### **BOARD OF DIRECTORS**

1. The Board of Directors shall hold four (4) regular meetings per calendar year on the third Friday of each February, May, August and November, or at such other date as it may fix. The Chief Executive Officer may convene special meetings of the Board at any time and shall be required so to do at the request of the Executive Committee or of any five members of the Board.
2. Notice of any meeting of the Board of Directors shall be given to each Director by personal delivery to him or by depositing it in the mail addressed to him as his address appears on the books of the Corporation not less than four days prior to the date of the meeting, but such notice may be waived by any Director in writing.
3. The Board of Directors shall adopt such plans of insurance, rates of premiums and regulations on the subject of insurance as it may deem proper.
4. The Board of Directors shall provide from the funds of the Corporation:

#### **FIRST**

To pay the necessary expenses of conducting the business of the Corporation, and all approved policy claims. The compensation of each officer and employee whose name and compensation are required to be reported in any schedule to the Corporation's Annual Statement shall be recommended to the Board by the Chief Executive Officer or by a salary committee selected by the Board and shall be fixed by the Board. The compensation of all other officers and employees shall be fixed by the Chief Executive Officer.

#### **SECOND**

To establish and perpetuate the Reserve Funds required by law.

#### **THIRD**

To establish and perpetuate Surplus Funds in such amounts as may, in the judgment of the Board, be necessary for the security of the Corporation.

#### **FOURTH**

From the profits arising from the business of the Corporation, after the provisions have been made as provided by, this Article, the Board shall declare annually a dividend to the participating policyholders, according to the kind and class of each policy, that shall be applied according to the terms and conditions of the policy.

## **ARTICLE III**

### **EXECUTIVE COMMITTEE**

A majority of the whole Board, of Directors may adopt a resolution designating an Executive Committee of not less than five nor more than eight Directors who shall hold their offices at the pleasure of the Board, which Executive Committee shall have and exercise during the interim between the meetings of the Board all of the authority of the Board in the management of the Corporation. The Board, or the Executive Committee during the interim between the meetings of the Board, may appoint such other committees as the business of the Corporation may require. The Board shall designate the Chairman and may designate a Vice Chairman of the Executive Committee. The Secretary of the Corporation shall be the Secretary of the Executive Committee.

The Executive Committee shall meet regularly upon such days as it may select, but the Chairman of the Executive Committee, if deemed desirable, may cancel any such regular meeting. The Committee shall also meet at any other time at the call of the Chief Executive Officer. A majority of the Executive Committee shall constitute a quorum. Any Director may be designated by the Chief Executive Officer or by the members of the Executive Committee present at any meeting to serve on the Executive Committee at that meeting. The Executive Committee shall keep a record of its transactions and report them at the regular meetings of the Board of Directors.

## **ARTICLE IV**

### **DUTIES OF THE OFFICERS**

1. **CHIEF EXECUTIVE OFFICER:** The Board shall elect a President and may elect a Chairman.

It shall assign the duties to be performed by each and shall designate one of them to be Chief Executive Officer. The Chief Executive Officer shall have general supervision and control of the business of the Corporation and shall assign the duties of all other officers and all employees, each of whom shall act under his direction.

2. Whether or not the Board elects a Chairman, it may elect a Chairman of the Board. The Chairman of the Board shall preside at meetings of the Board, act as a consultant to the Chief Executive Officer and perform such other duties as may be assigned to him by the Board.

3. **VICE PRESIDENTS:** The Vice Presidents, under the direction of the Chief Executive Officer, shall assist in the management of the Corporation and perform such duties as may be assigned to them.

The President and Chairman shall act for each other in the absence of one of them, and in the event both are absent at the same time, the Chief Executive Officer shall designate a Vice President to act for him; otherwise, the Vice Presidents in the order in which they are listed for election at the most recent election of officers of the Corporation, and in their absence the Secretary, shall act in his place and perform the duties of his office.

4. **SECRETARY:** The Secretary shall keep the minutes of meetings of policyholders and of the Board of Directors and of Committees and record them in books kept for that purpose; shall keep all corporate records and archives and shall perform such other duties as may be assigned to him.

## **ARTICLE V**

### **EXECUTION OF INSTRUMENTS**

The President, the Chairman, any Vice President, any Second Vice President, the Secretary, any Assistant Secretary, the Treasurer or any Assistant Treasurer, shall have authority to execute in the name of and on behalf of the Corporation all deeds, mortgages, powers of attorney, waivers of service, leases, contracts, bonds, full or partial assignments and releases of mortgages, deeds of trust, vendors' liens, judgments tax certificates, certificates of purchase or other securities, and any and all other instruments that are necessary or proper to be executed in the transaction of the Corporation's business, and to affix the Corporation's seal thereto when necessary. The Board may authorize other officers and non-officer employees to execute instruments and to affix the Corporation's seal thereto.

## **ARTICLE VI**

### **NON-ASSESSABILITY OF MEMBERS**

The Corporation shall issue no policies of life or health insurance or annuity contracts which provide for the payment of any assessments by any policyholder or member in addition to the regular premium charged for such insurance or annuity.

## **ARTICLE VII**

### **INDEMNIFICATION OF DIRECTORS AND OFFICERS**

The Corporation shall, to the full extent permitted by the General Corporation Law of Ohio, indemnify any person who is or was a director or officer of the Corporation and whom it may indemnify pursuant thereto. The Corporation may, within the sole discretion of the Board of Directors, indemnify in whole or in part any other person whom it may indemnify pursuant thereto.

EXHIBIT E

Form of Amended and Restated Articles of Incorporation of the Company

**AMENDED AND RESTATED  
ARTICLES OF INCORPORATION**

**OF**

**THE UNION CENTRAL LIFE INSURANCE COMPANY**

FIRST. The name of the Corporation shall be The Union Central Life Insurance Company.

SECOND. These Amended and Restated Articles of Incorporation amend the existing Amended Articles of Incorporation and restate them in their entirety pursuant to a Plan of Reorganization adopted by the Corporation under Sections 3913.25 to 3913.38 of the Ohio Revised Code whereby the Corporation, incorporated under the laws of the State of Ohio on \_\_\_\_\_, will hereafter continue its corporate existence as a stock life insurance company within a mutual insurance holding company structure.

THIRD. The principal office and place of business of this Corporation shall be located in the County of Hamilton and State of Ohio, but it may establish other offices or places of business in the State of Ohio or elsewhere.

FOURTH. The business to be undertaken by and the objects and purposes of this Corporation shall be to insure the lives of persons in and out of the State of Ohio, to insure against accident to persons or sickness, temporary or permanent physical disability, to take all risks in connection with or pertaining to such insurances, to grant, purchase and dispose of annuities providing for fixed or variable benefits, or both, to set up and operate separate accounts, to carry on all of said business under either the participating or non-participating plan, or both, and do any and all other acts either permitted or not prohibited under the laws of the State of Ohio for a stock life insurance corporation.

FIFTH. The number of shares which the Corporation is authorized to have outstanding is 1,000 shares and all of which shares shall be common shares with a par value of \$0.01 each. At all times, a majority of the voting stock of the Corporation shall be owned by a mutual insurance holding company or all of the voting stock of the Corporation shall be owned by an intermediate holding company in compliance with the laws of the State of Ohio relating to mutual insurance holding companies. If a majority of the Corporation's voting stock is owned directly by a mutual insurance holding company, the Corporation shall not issue shares of stock, in addition to the shares issued pursuant to the reorganization plan under which the Corporation was reorganized, without the prior approval of the mutual insurance holding company as its majority shareholder. The prior approval of the mutual insurance holding company must be evidenced by a resolution of its Board of Directors of the Corporation (the "Board") prior to the issuance of the additional shares.

SIXTH. The Corporation, pursuant to authorization of the Board and without action by shareholders of the Corporation, may acquire, hold, sell and dispose of shares of any class of stock, bonds, debentures, notes, script, warrants, obligations, evidences of indebtedness or other securities of the Corporation (or any other corporation) in such manner, upon such terms and in such amounts as the Board may determine. In addition to the foregoing powers, the Board shall have the authority to adopt amendments to the articles determining, in whole in part, the express terms, within the limits set forth in chapter 1701 of the Ohio Revised Code, of any class of shares before the issuance of any shares of that class, or of one or more series within a class before the issuance of any shares of that series. The shareholders of the Corporation shall have no preemptive rights and specifically shall not have the right to purchase shares which are offered or sold for cash of the same class to purchase such shares in proportion to the respective shares of such class.

SEVENTH. The corporate powers of the Corporation shall be exercised by and its business and affairs shall be under the control of a Board of eleven (11) directors unless this number is changed by the vote of at least two-thirds (2/3) of the directors in office. The directors may increase the number to not more than fifteen (15) persons and may decrease the number to not less than nine (9) persons. Any Director's Office created by the directors by reason of an increase in their number may be filled by action of a majority of the directors in office. No reduction in the number of directors shall of itself have the effect of shortening the term of any incumbent director. Not more than five (5) directors may be officers of the Corporation. The directors shall be elected at the annual meeting of the shareholders by the shareholders of the Corporation entitled to vote thereon and shall serve until their successors are elected and qualified. The Board shall have the authority to fill any vacancy in the Board for the unexpired term.

EIGHTH. The officers of the Corporation shall be a President, one or more Vice Presidents, a Secretary and a Treasurer. The Board may elect or appoint other officers with appropriate titles. Officers shall be elected by the Board at its first meeting held in each calendar year and shall hold their respective offices for one year or until their successors are elected and qualified. Any officer may be removed or suspended at any time without cause and without notice by an affirmative vote of the majority of the whole Board. Any two offices except the offices of President and Vice President may be filled by the same person. Vacancies shall be filled by the Board. The Board may elect a Chairman of the Board if it so desires, otherwise the President shall serve as Chairman of the Board.

NINTH. The Corporation shall, to the fullest extent permitted by the provisions of the Ohio Revised Code, as the same may be amended and supplemented, indemnify and hold harmless any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, trustee, officer, employee, member, manager, or agent of another corporation, domestic or foreign, nonprofit or for profit, a limited liability company, or a partnership, joint venture, trust, or other enterprise, against expenses, including attorney's fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding. The indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified hereunder may be entitled and this indemnification shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

TENTH. The power to alter, amend or repeal the Code of Regulations of this Corporation shall be vested in the Board.

Pursuant to the Resolution of the Board authorizing the filing of these proposed Amended and Restated Articles of Incorporation of the Corporation and pursuant to Section 3913.26(G)(4) of the Ohio Revised Code, the undersigned Chairman of the Board, President and Chief Executive Officer and the undersigned Secretary of the Corporation have signed their names to these proposed Amended and Restated Articles of Incorporation on this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

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John Jacobs  
Chairman of the Board, President and  
Chief Executive Officer

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David F. Westerbeck  
Secretary

EXHIBIT F  
Form of Amended and Restated Code of Regulations of the Company

**AMENDED AND RESTATED  
CODE OF REGULATIONS**

OF

**THE UNION CENTRAL LIFE INSURANCE COMPANY**

**ARTICLE I.**

**SHAREHOLDERS' MEETINGS**

Section 1.01. Annual Meeting. The annual meeting of shareholders shall be held at the time and place fixed in the Corporation's Articles of Incorporation. Special meetings of the shareholders may be held upon call by the affirmative vote of a majority of the Board of Directors of the Corporation (the "Board").

Section 1.02. Proxies. Shareholders may vote in person or by proxy.

Section 1.03. Notice. Notice of shareholders' meetings shall be given to each shareholder by personal delivery to such shareholder or depositing it in the mail addressed to such shareholder as its address appears on the books of the Corporation not less than thirty days and no more than 60 days prior to the date of the meeting.

Section 1.04. Quorum. The shareholders of record owning a majority of the outstanding shares of common stock of the Corporation, present in person or by proxy at any shareholders meeting duly convened, shall constitute a quorum and the votes of a majority thereof (assuming a quorum is present) shall be sufficient to take any action that might properly be taken at a meeting of shareholders.

Section 1.05. Nominations. At its meeting in February of each year, the Board shall nominate qualified persons for election as directors to fill vacancies created by the expiration of terms of office, of those directors whose terms expire at the annual meeting of shareholders to be held that year. Any vacancy in such list of nominees that is caused by death, resignation or removal may be filled by the Board at any time prior to such meeting of shareholders. In filling vacancies in the Board, as authorized by the Corporation's Articles of Incorporation, the Board shall not elect any person who has attained his 72nd birthday before the date of such election.

**ARTICLE II.**

**BOARD OF DIRECTORS**

Section 2.01. Meetings. The Board shall hold four (4) regular meetings per calendar year on the third Friday of each February, May, August and November, or at such other date or dates as it may fix. The Chief Executive Officer may convene a special meeting of the Board at any time and shall be required so to do at the request of the Executive Committee or of any five members of the Board. A majority of the directors then in office shall constitute a quorum of the Board for the transaction of business. The act of a majority of directors present at a meeting at which a quorum is present is an act of the Board.

Section 2.02. Notices. Notice of any meeting of the Board shall be given to each director by personal delivery to him or by depositing it in the mail addressed to him as his address appears on the books of the Corporation not less than four days prior to the date of the meeting, but such notice may be waived by any director in writing.

Section 2.03. Insurance Operations. The Board shall adopt such plans of insurance, rates of premiums and regulations on the subject of insurance as it may deem proper.

The Board shall provide from the funds of the Corporation:

### **FIRST**

To pay the necessary expenses of conducting the business of the Corporation, and all approved policy claims. The compensation of each officer and employee whose name and compensation are required to be reported in any schedule to the Corporation's Annual Statement shall be recommended to the Board by the Chief Executive Officer or by a salary committee selected by the Board and shall be fixed by the Board. The compensation of all other officers and employees shall be fixed by the Chief Executive Officer.

### **SECOND**

To establish and perpetuate the Reserve Funds required by law.

### **THIRD**

To establish and perpetuate Surplus Funds in such amounts as may, in the judgment of the Board, be necessary for the security of the Corporation.

### **FOURTH**

From the profits arising from the business of the Corporation, after the provisions have been made as provided by, this Article, the Board shall declare annually a dividend to the participating policyholders, according to the kind and class of each policy, which shall be applied according to the terms and conditions of the policy.

## **ARTICLE III.**

### **EXECUTIVE COMMITTEE**

Section 3.01. Executive Committee. A majority of the whole Board may adopt a resolution designating an Executive Committee of not less than five nor more than eight directors who shall hold their offices at the pleasure of the Board, which Executive Committee shall have and exercise during the interim between the meetings of the Board all of the authority of the Board in the management of the Corporation. The Board, or the Executive Committee during the interim between the meetings of the Board, may appoint such other committees as the business of the Corporation may require. The Board shall designate the Chairman and may designate a Vice Chairman of the Executive Committee. The Secretary of the Corporation shall be the Secretary of the Executive Committee.

Section 3.02. Meetings. The Executive Committee shall meet regularly upon such days as it may select, but the Chairman of the Executive Committee, if deemed desirable, may cancel any such regular meeting. The Committee shall also meet at any other time at the call of the Chief Executive Officer. A majority of the Executive Committee shall constitute a quorum. Any director may be designated by the Chief Executive Officer or by the members of the Executive Committee present at any meeting to serve on the Executive Committee at that meeting. The Executive Committee shall keep a record of its transactions and report them at the regular meetings of the Board.

## **ARTICLE IV.**

### **DUTIES OF THE OFFICERS**

Section 4.01. Chief Executive Officer. The Board shall elect a President and may elect a Chairman of the Board. It shall assign the duties to be performed by each and shall designate one of them to be Chief Executive Officer (who may also be President and/or Chairman of the Board). The Chief Executive Officer shall have general supervision and control of the business of the Corporation and shall assign the duties of all other officers and all employees, each of whom shall act under his direction.

Section 4.02. Chairman. If the Board elects a Chairman of the Board, the Chairman of the Board shall preside at meetings of the Board, act as a consultant to the Chief Executive Officer and perform such other duties as may be assigned to him by the Board.

Section 4.03. Vice Presidents. The Vice Presidents, under the direction of the Chief Executive Officer, shall assist in the management of the Corporation and perform such duties as may be assigned to them.

The President and Chairman shall act for each other in the absence of one of them, and in the event both are absent at the same time, the Chief Executive Officer shall designate a Vice President to act for him; otherwise, the Vice Presidents in the order in which they are listed for election at the most recent election of officers of the Corporation, and in their absence the Secretary, shall act in his place and perform the duties of his office.

Section 4.04. Secretary. The Secretary shall keep the minutes of meetings of shareholders and of the Board and of Committees and record them in books kept for that purpose; shall keep all corporate records and archives and shall perform such other duties as may be assigned to him.

Section 4.05. Treasurer. The Treasurer shall perform the usual duties of such office and such other duties as may be assigned to him or her.

## ARTICLE V.

### EXECUTION OF INSTRUMENTS

Section 5.01. Instruments. The President, the Chairman, any Vice President, any Second Vice President, the Secretary, any Assistant Secretary, the Treasurer or any Assistant Treasurer, shall have authority to execute in the name of and on behalf of the Corporation all deeds, mortgages, powers of attorney, waivers of service, leases, contracts, bonds, full or partial assignments and releases of mortgages, deeds of trust, vendors' liens, judgments tax certificates, certificates of purchase or other securities, and any and all other instruments that are necessary or proper to be executed in the transaction of the Corporation's business, and to affix the Corporation's seal thereto when necessary. The Board may authorize other officers and non-officer employees to execute instruments and to affix the Corporation's seal thereto.

## ARTICLE VI.

### INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 6.01. Indemnification. The Corporation shall, to the fullest extent permitted by the provisions of the Ohio Revised Code, as the same may be amended and supplemented, indemnify and hold harmless any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, trustee, officer, employee, member, manager, or agent of another corporation, domestic or foreign, nonprofit or for profit, a limited liability company, or a partnership, joint venture, trust, or other enterprise, against expenses, including attorney's fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding. The indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified hereunder may be entitled and this indemnification shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

## ARTICLE VII.

### CAPITAL STOCK

Section 7.01. Certificates of Stock, Uncertificated Shares. The shares of the Corporation shall be represented by certificates, provided that the Board may provide by resolution or resolutions that some or all of any or all classes or series of the stock of the Corporation shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until each certificate is surrendered to the Corporation. Notwithstanding the adoption of such a resolution by the Board, every holder of stock in the Corporation represented by certificates and upon request every holder of uncertificated shares shall be entitled to have a certificate signed by, or in the name of the Corporation, by the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, representing the number of shares registered in certificate form. Such certificate shall be in such form as the Board may determine, to the extent consistent with applicable law, the Articles of Incorporation and this Code of Regulations.

Section 7.02. Signatures; Facsimile. All signatures on the certificate referred to in Section 7.01 of these By-Laws may be in facsimile, engraved, or printed in form, to the extent permitted by law. In case any officer, transfer agent or registrar who has signed, or whose facsimile, engraved or printed signature has been placed upon a certificate shall have ceased to be

such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

Section 7.03. Lost, Stolen or Destroyed Certificates. The Board may direct that a new certificate be issued in place of any certificate theretofore issued by the Corporation alleged to have been lost, stolen or destroyed, upon delivery to the Board of an affidavit of the owner or owners of such certificate, setting forth such allegation. The Board may require the owner of such lost, stolen or destroyed certificate, or his or her legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of any such new certificate.

Section 7.04. Transfer of Stock. Upon surrender to the Corporation or the transfer agent of the Corporation of a certificate for shares, duly endorsed or accompanied by appropriate evidence of succession, assignment or authority to transfer, the Corporation shall issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon the books. Within a reasonable time after the transfer of uncertificated stock, the Corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to division (A) of section 1701.25 of the Ohio Revised Code. Subject to the provisions of the Articles of Incorporation and this Code of Regulations, the Board may prescribe such additional rules and regulations as it may deem appropriate relating to the issue, transfer and registration of shares of the Corporation.

Section 7.05. Registered Shareholders. Prior to due surrender of a certificate for registration of transfer, the Corporation may treat the registered owner as the person exclusively entitled to receive dividends and other distributions, to vote, to receive notice and otherwise to exercise all the rights and powers of the owner of the shares represented by such certificate, and the Corporation shall not be bound to recognize any equitable or legal claim to or interest in such shares on the part of any other person, whether or not the Corporation shall have notice of such claim or interests. Whenever any transfer of shares shall be made for collateral security, and not absolutely, it shall be so expressed in the entry of the transfer if, when the certificates are presented to the Corporation for transfer or uncertificated shares are requested to be transferred, both the transferor and transferee request the Corporation to do so.

## ARTICLE VIII.

### AMENDMENT

Section 8.01. Amendment. These Code of Regulations may be amended at any regular or special meeting of the Board by a majority of all the directors or in a writing signed by all the directors, provided, however, that the Board may not amend or alter Article VI or this Section 8.01 of these Code of Regulations, and such Article and Section may be amended or altered only by the affirmative vote of two-thirds of the Corporation's shareholders present and voting at any annual or special meeting of shareholders.

Pursuant to the Resolution of the Board authorizing the filing of these proposed Amended and Restated Code of Regulations of the Corporation and pursuant to Section 3913.26(G)(4) of the Ohio Revised Code, the undersigned Chairman of the Board, President and Chief Executive Officer and the undersigned Secretary of the Corporation have signed their names to these proposed Amended and Restated Code of Regulations on this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

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John Jacobs  
Chairman of the Board, President and  
Chief Executive Officer

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David F. Westerbeck  
Secretary

EXHIBIT G  
Form of Articles of Incorporation of Union Central MHC

ARTICLES OF INCORPORATION

OF

UNION CENTRAL MUTUAL HOLDING COMPANY

FIRST. The name of the Corporation shall be Union Central Mutual Holding Company.

SECOND. The principal office and place of business of the Corporation shall be located in the County of Hamilton and State of Ohio, but the Corporation may establish other offices or places of business in the State of Ohio or elsewhere.

THIRD. The Corporation is formed for the purpose of owning a majority of the voting power of The Union Central Life Insurance Company ("Union Central Life"), which has converted from an Ohio mutual life insurance company to an Ohio stock insurance company pursuant to a Plan of Reorganization, dated as of July 20, 2005 (the "Plan"), either directly or through one or more intermediate holding companies as permitted by the laws of the State of Ohio, and doing any and all other acts either permitted or not prohibited under the laws of the State of Ohio for a mutual insurance holding company.

FOURTH. The Corporation shall have no capital stock but shall conduct its business as a mutual insurance holding company. In keeping with and to the extent provided by the applicable provisions of Sections 3913.25 to 3913.38 of the Ohio Revised Code as in effect or as may be amended from time to time, or in accordance with any successor provisions thereto: (1) the Corporation shall be deemed to be an insurer subject to the provisions of the Ohio Revised Code relating to the examination, supervision, rehabilitation or liquidation of insurers; (2) the assets of the Corporation shall be deemed to be assets of Union Central Life for purposes of satisfying the claims of policyholders of Union Central Life in any proceedings by the Superintendent of Insurance of the State of Ohio involving the supervision, liquidation or rehabilitation of Union Central Life; (3) the Corporation may not be dissolved or liquidated without complying with the provisions of Ohio law relating to the dissolution or liquidation of insurers, and the Corporation shall be deemed to be an Ohio domestic insurer for such purposes; and (4) the Corporation shall be subject to the jurisdiction of the Superintendent of Insurance of the State of Ohio in order to insure that the interests of policyholders of Union Central Life are protected.

FIFTH. Section 1. Each policyholder of Union Central Life shall be a member of the Corporation (each, a "Member"). The term "policyholder" as used herein shall be deemed to mean the person insured under an individual policy of life insurance, the person to whom any annuity or pure endowment is presently or prospectively payable by the terms of an individual annuity or pure endowment contract, except where the policy or contract declare some other person to be the owner or holder thereof, in which case such owner or policyholder shall be deemed the policyholder, and except in cases of assignment as hereinafter provided. In the case of any individual policy or contract insuring two or more persons jointly, the persons insured, or in case the policy or contract declares two or more persons to be the owner, the persons so declared to be the owner shall be deemed one policyholder for the purposes hereof. In case any such policy or contract shall have been assigned by an assignment on its face to an assignee other than Union Central Life, and such assignment shall be filed at the principal office of Union Central Life, then such assignee shall be deemed a policyholder within the meaning hereof, but for the purpose of determining voting rights such assignment shall not be effective until thirty days after it shall have been filed with Union Central Life. Except as provided herein an assignee of a policy or contract shall not be deemed to be a policyholder within the meaning hereof.

Section 2. Each policyholder insured in at least \$1,000 or holder of an annuity which at normal date of maturity requires the payment of \$100 or more annually and whose insurance or contract of annuity shall then be in force and which has been in force for at least one year prior to a policyholders' meeting, shall be entitled to one vote only irrespective of the number of policies or contracts held by him or the amount thereof, but said voting qualifications shall be subject to any change or amendment as may be prescribed by the laws of the State of Ohio. The employer shall be the qualified voter in the case of each group insurance master policy and holders of certificates issued under group insurance master policies shall not be qualified to vote. The same rule shall apply to group annuities and the holders of certificates issued thereunder.

Section 3. Membership shall automatically follow, and shall not be severable from, the policy or contract issued by Union Central Life pursuant to which Membership is conferred (the "Related Policy"). Membership shall automatically terminate when a Member no longer owns a Related Policy, whether by reason of the absolute assignment or transfer of ownership of the Related Policy, termination of the Related Policy or otherwise. Membership, or any rights appertaining thereto or derived therefrom, shall not be transferable in any manner whatsoever, including transfer by operation of law, except as the ownership of the Related Policy is recorded as transferred on the books and records of Union Central Life. Membership, or any rights appertaining thereto or derived therefrom, shall not be separate from the Related Policy, nor subject to attachment, execution or levy, nor subject to a lien, mortgage, security interest nor in any manner used as collateral or otherwise hypothecated. The Corporation may not assess Members for any of the costs, expenses or liabilities of the Corporation whenever and however incurred or for any other reason whatsoever.

SIXTH. Section 1. The Corporation shall not pay dividends or make other distributions or payments of income or profits to Members, except as provided herein, permitted under Section 1701.33 of the Revised Code and approved by the Superintendent of Insurance of the State of Ohio. Nothing herein shall be deemed to limit the payment of policyholder dividends by Union Central Life pursuant to any insurance policy issued by Union Central Life.

Section 2. Subject to Article Fourth hereof, in the event of the dissolution or liquidation of the Corporation, the surplus of cash or property of the Corporation remaining after payment of all liabilities of the Corporation shall be distributed to the Members at the time of such dissolution or liquidation in the same manner and in the same proportions as would be determined and made under the provisions of Ohio law applicable to distributions to policyholders upon the dissolution or liquidation of a domestic mutual life insurance company.

SEVENTH. Section 1. The corporate powers of the Corporation shall be exercised by, and the business and affairs of the Corporation shall be under the control of, a Board of Directors ("Board") comprised of 3 (three) natural persons.

Section 2. The directors shall be Members of the Corporation and at least eighteen years of age. At least three of the directors shall be persons who do not simultaneously serve as directors of, and who are not officers or employees of, any other corporation (an "Affiliated Corporation") which is a member of the insurance holding company system of which the Corporation is a member as defined in Section 3901.32 of the Ohio Revised Code. A majority of the directors shall be persons who are not officers or employees of the Corporation or of any Affiliated Corporation. Vacancies shall be filled by the Board. Other qualifications, if any, of the directors shall be as prescribed by the laws of Ohio.

Section 3. The directors (other than those named below in Section 5) shall be elected by the Members entitled to vote, either in person or by proxy, at an annual meeting to be held at the principal office of the Corporation on the [day] in [month] of each year at [time] prevailing local time or at such other time and place within or without the State of Ohio as may be set forth in an advance written notice to Members conforming with the requirements of Ohio law. All special meetings of Members shall be held at such time and place within or without the State of Ohio as may be set forth in an advance written notice to Members conforming to the requirements of Ohio law. Each director shall be elected for a term expiring at the next ensuing annual meeting of Members.

Section 4. No director may be removed from office other than for incapacity or for cause, except upon the vote of at least two-thirds of the Members present in person or by proxy at the annual meeting of Members or at a special meeting of Members called for the purpose of electing or removing directors.

Section 5. The initial directors of the Corporation shall be those persons specified below:

**John H. Jacobs**  
**Lawrence R. Pike**  
**Dudley S. Taft**

EIGHTH. The Corporation shall, to the fullest extent permitted by the provisions of the Ohio Revised Code, as the same may be amended and supplemented, indemnify and hold harmless any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, trustee, officer, employee, member, manager, or agent of another corporation, domestic or foreign, nonprofit or for profit, a limited liability company, or a partnership, joint venture, trust, or other enterprise, against expenses, including attorney's fees, judgments, fines, and amounts paid in settlement actually and

reasonably incurred by him in connection with such action, suit, or proceeding. The indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified hereunder may be entitled and this indemnification shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

NINTH. These Articles of Incorporation may be amended from time to time in any manner which may now or hereafter be permitted by the Ohio Revised Code at any annual or special meeting of the Members by the affirmative vote of two-thirds of the Members present and voting at the meeting.

Pursuant to the Resolution of the Board of Directors of The Union Central Life Insurance Company authorizing the filing of these proposed Articles of Incorporation for Union Central Mutual Holding Company (the proposed mutual insurance holding company), and pursuant to Section 3913.26(G)(4) of the Ohio Revised Code, the undersigned Chairman of the Board, President and Chief Executive Officer and the undersigned Secretary of The Union Central Life Insurance Company have signed their names to these proposed Articles of Incorporation on this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

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John Jacobs  
Chairman of the Board, President and  
Chief Executive Officer

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David F. Westerbeck  
Secretary

EXHIBIT H  
Form of Code of Regulations of Union Central MHC

CODE OF REGULATIONS

OF

UNION CENTRAL MUTUAL HOLDING COMPANY

ARTICLE I

MEMBERS

Section 1.1 Annual and Special Meetings. The annual meeting of Members shall be held at the principal office of the Corporation in the City of Cincinnati, Ohio on the date fixed in the Corporation's Articles of Incorporation, or at such other time and place within or without the state of Ohio as may be set forth in advance written notice to Members meeting the requirements of Ohio law. Special meetings of Members may be held upon call by the Chairman of the Board or by a majority of the directors. The Chairman of the Board shall preside as Chairman at the meetings of Members.

Section 1.2 Members. Members are entitled to vote as provide in the Corporation's Articles of Incorporation.

Section 1.3 Proxy. Members may vote in person or by proxy.

Section 1.4 Notice of Annual and Special Meetings. (a) Notice of the annual meetings shall be given to all Members entitled to vote by printing the notice thereof on each policy issued by The Union Central Life Insurance Company ("Union Central Life"). References in such policies to meetings of Members of Union Central Life, from and after the conversion of Union Central Life to a stock life insurance company owned by the Corporation as a mutual insurance holding company, shall be deemed to refer to meetings of Members of the Corporation. No other notice shall be required to be given to any Member. Any notice prescribed above may also be given to a Member by printing the same on any premium notice or premium receipt issued to such Member. Such annual meeting may be adjourned to another time or place, and no notice as to such adjourned meeting need be given if the time and the place to which it is adjourned are fixed and announced at such meeting.

(b) Notice of a special meeting shall be given by publication at least once a week for four consecutive weeks in a newspaper published and of largest circulation in the Ohio counties of Cuyahoga, Franklin, Hamilton, and Lucas, in the county in the State of Ohio in which Union Central Life has its principal office, and in the state capital of each state of the United States in which the Corporation maintains an office or agency for the solicitation of insurance, with the first of such four consecutive notices to be published not less than thirty nor more than ninety days prior to the date of the meeting. In addition, the Corporation may, but shall not be required to, give further notice of a special meeting to some, but not all, of the Members by personal delivery or by mail not less than thirty nor more than ninety days before the date of the meeting to any Member entitled to notice of the meeting by or at the direction of the Board of Directors. If the notice is mailed to any Member, such notice shall be addressed to the Member at his address as it appears on the records of the Corporation or Union Central Life. The notice of a special meeting, whether given by publication, personal delivery, or mail, shall state the time, place (within or without the State of Ohio), and purpose or purposes of the meeting. No business shall be transacted at any such special meeting except that stated in the notice thereof. Special meetings shall be held at the home office of the Corporation, unless otherwise provided by action of the Board of Directors. Such special meetings may be adjourned to another time and place, and no notice as to such adjourned meeting need be given if the time and place to which it is adjourned are fixed and announced at such meeting.

Section 1.5 Quorum. Those Members entitled to vote who are present in person or by proxy at a meeting of Members shall constitute a quorum for the transaction of business.

Section 1.6 Nominations to Board. The Board shall nominate persons who are or will become Members for election as directors to serve for terms commencing at the following annual meeting of the Members. Nominations shall be made at least sixty days before the date of the annual meeting of the Members at which the persons nominated are to be voted upon, except that a vacancy in the list of nominees caused by the death, resignation or removal of a nominee may be filled at any time prior to such annual meeting of the Members.

Section 1.7 Other Nominations. Other nominations for election to the Board for terms commencing at an annual meeting of Members may be made by petition containing the signatures of not less than five thousand Members entitled to vote at such election. Each such nominee shall be or become a Member of the Corporation. Such petition shall be filed with the Secretary of the Corporation at its principal office not later than one hundred twenty days before the date of the annual meeting of Members at which the persons therein nominated are to be voted upon. Each petition shall be accompanied by a statement giving the name, residence and business address, and the qualifications, including business and professional affiliations, of each nominee, and a written acceptance of the nomination filed for each nominee. In order that the Members may be informed adequately about the persons so nominated, the Corporation shall send by first-class United States mail to each Member entitled to vote at the next annual meeting of Members the information furnished by the candidates as required by the preceding sentence. Such notice shall be mailed not less than sixty days before the date of the annual meeting at which the election is to be held. All costs incidental to preparing and mailing said notice and information shall be borne by the candidate. The Board shall at the same time furnish to Members similar information about the persons nominated by the Board.

Section 1.8 Inspectors of Election. At all meetings for the election of directors the Chairman shall appoint two inspectors of election who shall have the powers and perform the duties provided by the Ohio Revised Code for inspectors of elections, provided that no person who is a candidate for the office of director shall be appointed as an inspector.

## ARTICLE II

### DIRECTORS

Section 2.1 Vacancies. Vacancies in the Board shall be filled by a majority vote of the remaining directors. In the event of the expiration of the term of any director concurrent with the director's resignation or termination as an officer of the Corporation, a vacancy shall be deemed to exist in the class of which the director was a member.

Section 2.2 Notice and Call of Meetings. The Board shall hold regular meetings not less frequently than quarterly on dates and at times fixed by the Board. The Chief Executive Officer, the Executive Committee or a majority of the members of the Board may convene special meetings of the Board at any time. Notice of any meeting of the Board shall be given to each director not less than five days prior to the date of the meeting by delivery to the director or by depositing it in the mail addressed to the director at the director's address appearing on the books of the Corporation, but such notice may be waived by any director in writing. Attendance of a director at any meeting shall constitute a waiver of notice of such meeting except where a director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting. Notice of adjournment of a meeting need not be given if the time and place to which it is adjourned are fixed and announced at such meeting. Meetings of the directors or of committees of the directors may be held through the use of any form of communications equipment if all persons participating can hear each other person participating. Participation in such a meeting shall constitute presence at the meeting.

Section 2.3 Quorum. A majority of the directors then in office shall constitute a quorum for a meeting of the directors. The act of a majority of the directors present at a meeting at which a quorum is present is the act of the Board.

Section 2.4 Compensation. The compensation of the Chairman of the Board, the Chief Executive Officer and the President shall be fixed by the Board. All other salaries may either be fixed by the Board of Directors or the Executive Committee or be fixed in accordance with such regulations or orders as the Board of Directors or the Executive Committee shall prescribe.

## ARTICLE III

### COMMITTEES

Section 3.1 Committees. The Board may establish any other committees as the Board may deem advisable, subject to the provisions of the Ohio Revised Code.

## ARTICLE IV

### OFFICERS

Section 4.1 Designation. The officers of the Corporation shall consist of a Chairman of the Board, a Chief Executive Officer, a President, who shall be a member of the Board, one or more Vice Presidents, a Secretary, a Treasurer, a Comptroller, an Auditor and such other officers as the Board of Directors from time to time may determine.

Section 4.2 Term. Officers shall hold office for such period of time as the Board of Directors may designate.

Section 4.3 Removal and Vacancies. The Board may remove or suspend any officer without cause and without notice. Vacancies may be filled by the Board at any time.

Section 8.02. Multiple Offices. Any two offices may be held simultaneously by the same person, except that the Chairman, Chief Executive Officer or President may not simultaneously serve as a Vice President.

## ARTICLE V

### DUTIES OF OFFICERS

Section 5.1 Chairman of the Board. The Chairman of the Board of Directors shall preside at all meetings of the Board and perform such other duties as may be delegated to him from time to time by the Board.

Section 5.2 Chief Executive Officer. The Chief Executive Officer shall be the chief executive officer of the Corporation. He shall have general supervision and control of the business of the Corporation. All other officers shall act under his direction and he may assign or distribute duties or authority among officers and employees. The Chief Executive Officer may designate the officer who shall act in his place in his absence.

Section 5.3 President. The President shall be the chief operating officer of the Corporation. He shall have general and active management of the business of the Corporation as determined by the Chief Executive Officer.

Section 5.4 Vice Presidents. The Vice Presidents, under the direction of the Chief Executive Officer, shall assist in the management of the Corporation and shall perform such duties as may be assigned to them.

Section 5.5 Secretary. The Secretary shall keep the minutes of the meetings of the Board and of Members. He shall perform such other duties as may be assigned to him.

Section 5.6 Treasurer. The Treasurer shall perform the usual duties of such office and such other duties as may be assigned to him.

Section 5.7 Comptroller. The Comptroller shall perform the usual duties of such office and such other duties as may be assigned to him.

Section 5.8 Auditor. The Auditor shall perform the usual duties of such office and such other duties as may be assigned to him.

## ARTICLE VI

### MERGER AND CONSOLIDATION

Section 6.1 Merger and Consolidation. The Corporation shall merge with and into Ameritas Acacia Holding Company pursuant to the Plan of Reorganization of Union Central Life Insurance Company, dated as of \_\_\_\_\_, 2005, assuming that the conditions precedent to such merger set forth in such plan are satisfied or waived.

## ARTICLE VII

### AMENDMENT

Section 7.1 Amendment. These Regulations may be amended at any regular or special meeting of the Board of Directors by a majority of all the directors or in a writing signed by all the directors, provided, however, that the Board of Directors may not amend or alter Article VIII or this Section 7.1 of these Regulations, and such Article may be amended or altered only by the affirmative vote of two-thirds of the Members present and voting at any annual or special meeting of Members.

## ARTICLE VIII

### INDEMNIFICATION

The Corporation shall, to the fullest extent permitted by the provisions of the Ohio Revised Code, as the same may be amended and supplemented, indemnify and hold harmless any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, trustee, officer, employee, member, manager, or agent of another corporation, domestic or foreign, nonprofit or for profit, a limited liability company, or a partnership, joint venture, trust, or other enterprise, against expenses, including attorney's fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding. The indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified hereunder may be entitled and this indemnification shall continue as to a person who has ceased to be a Director, officer, employee, or agent and shall inure to the benefit of the heirs, executors and administrators of such a person. Any action, suit or proceeding to determine a claim for indemnification under this Article may be maintained by the person claiming such indemnification, or by the Corporation, in the Court of Common Pleas of Hamilton County, Ohio. The Corporation and (by claiming such indemnification) each such person consent to the exercise of jurisdiction over its or his person by the Court of Common Pleas of Hamilton County, Ohio in any such action, suit or proceeding.

## ARTICLE IX

### MISCELLANEOUS

Section 9.1 Gender. Any title or name used herein which may be viewed as gender specific (such as "Chairman"), shall be deemed to include, and may be referred to in, its gender neutral or opposite gender form (such as "Chairperson", "Chair" or "Chairwoman") as the Board or officeholder may deem appropriate.

Section 9.2 Compensation. Directors and members of the Executive Committee and other committees shall be entitled to such compensation and to such reimbursement or allowance for the expense of attending meetings of the Board or its committees as may be determined by the Board, or otherwise prescribed.

Pursuant to the Resolution of the Board authorizing the filing of these proposed Code of Regulations of the Corporation and pursuant to Section 3913.26(G)(4) of the Ohio Revised Code, the undersigned Chairman of the Board, President and Chief Executive Officer and the undersigned Secretary of the Corporation have signed their names to these proposed Code of Regulations on this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

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John Jacobs  
Chairman of the Board, President and  
Chief Executive Officer

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David F. Westerbeck  
Secretary

EXHIBIT I  
Form of Articles of Incorporation of Surviving MHC

AMENDED AND RESTATED  
ARTICLES OF INCORPORATION  
OF  
UNIFI MUTUAL HOLDING COMPANY

Ameritas Life Insurance Corp. ("ALIC"), Lincoln, Nebraska, a Nebraska mutual life insurance company, organized under the laws of the State of Nebraska, acting as incorporator, does hereby form a Mutual Insurance Company under Sections 44-6122 et seq. Neb. Rev. Stat., and does hereby adopt the following Articles of Incorporation.

**ARTICLE I.**

Section 1.01. **Name; Principal Place of Business.** The name of the Corporation is UNIFI Mutual Holding Company (the "Corporation"). The principal place of business of the Corporation shall be at 5900 "O" Street, Lincoln, Lancaster County, Nebraska.

Section 1.02. **Resident Agent.** The resident agent of the Corporation shall be UNIFI Mutual Holding Company whose address is the Corporation's office located at 5900 "O" Street, Lincoln, Nebraska.

**ARTICLE II.**

Section 2.01. **Commencement of Existence.** The Corporation shall commence and be in existence on January 1, 1998 at 12:01 a.m.

Section 2.02. **Duration.** The Corporation shall have perpetual duration.

**ARTICLE III.**

Section 3.01. **Corporate Nature and Capital.** The Corporation is a mutual insurance holding company resulting from the reorganization of Ameritas Life Insurance Corp. pursuant to Sections 44-6122 to 44-6142 Neb. Rev. Stat. enacted by the 95<sup>th</sup> Legislature, First Session, Legislature of Nebraska. The Corporation shall not issue stock.

Section 3.02. **Rights and Powers.** The Corporation shall have and exercise all powers and rights conferred upon corporations by the Nebraska Mutual Insurance Holding Company Act and the Nebraska Business Corporation Act, except as otherwise limited by the Nebraska Mutual Insurance Holding Company Act, and any enlargements of such powers conferred by subsequent legislative acts; and in addition thereto, the Corporation shall have and exercise all powers and rights not otherwise denied corporations by the laws of the State of Nebraska applicable to corporations organized pursuant to the Nebraska Mutual Insurance Holding Company Act and the Nebraska Business Corporation Act as necessary, suitable, proper, convenient or expedient for the attainment of the purposes set forth in this Section 3.02.

**ARTICLE IV.**

Section 4.01. **Members of the Corporation.**

- a. Each person who, and each corporation, firm or association which, is the owner of a policy of Life Insurance, Variable Life Insurance, Variable Annuity, or Sickness and Accident Insurance as those terms are defined by Neb. Rev. Stat. 44-201 issued by Ameritas Life Insurance Corp. which is in force at the time of the commencement of the existence of this Corporation shall be a member of the Corporation so long as the Policy of Life Insurance, Variable Life Insurance, Variable Annuity, or Sickness and Accident Insurance as those terms are defined by Neb. Rev. Stat. 44-201 remains in force.
- b. Each person who, and each corporation, firm or association which, is the owner of a policy of Life Insurance, Variable Life Insurance, Variable Annuity, or Sickness and Accident Insurance as those terms are defined by Neb. Rev. Stat. 44-201 issued or acquired pursuant to an Assumption Reinsurance Agreement by, (i) an insurance company which reorganizes

from a domestic or foreign mutual insurance company by merging its policyholders' membership interests into this Corporation and continues its corporate existence as a stock insurance company subsidiary of this Corporation, (ii) a mutual insurance company which has reorganized and as a result is the direct or indirect subsidiary of a previously created mutual insurance holding company which insurance company is acquired directly or indirectly by this Corporation, or (iii) a stock insurance company which is part of a mutual insurance holding company structure if the stock insurance company is acquired directly or indirectly by this Corporation (in all cases, an "Additional Insurance Company Subsidiary"), which policy of Life Insurance, Variable Life Insurance, Variable Annuity, or Sickness and Accident Insurance as those terms are defined by Neb. Rev. Stat. 44-201 is in force on the effective date of such reorganization or acquisition, shall be a member of this Corporation so long as the policy or contract of insurance or annuity remains in force.

- c. Each person who, and each corporation, firm or association which, becomes the owner of a policy of Life Insurance, Variable Life Insurance, Variable Annuity, or Sickness and Accident Insurance as those terms are defined by Neb. Rev. Stat. 44-201 issued or acquired pursuant to an Assumption Reinsurance Agreement by Ameritas Life Insurance Corp. or an Additional Insurance Company Subsidiary after the date of the existence of this Corporation, shall become a member of the Corporation and shall remain a member for so long as such policy of Life Insurance, Variable Life Insurance, Variable Annuity, or Sickness and Accident Insurance as those terms are defined by Neb. Rev. Stat. 44-201 remains in force. Each such member of the Corporation referenced in subsections (a) through (c) of this Section 4.01 shall be hereinafter referred to as a Member.

Section 4.02. **Termination of Members' Interest.** A membership interest in this Corporation shall automatically follow and shall not be severable from the policy or contract of insurance or annuity by virtue of which the membership in the Corporation is derived. Upon lapse or termination of the policy or contract of insurance or annuity by virtue of which the membership in the Corporation is derived, the membership in the Corporation shall automatically terminate and cease and the Member shall not be entitled to receive any distribution or compensation from the Corporation for the membership in the Corporation.

Section 4.03. **Non-Transferability of Members' Interest.** A policyholder's membership in the Corporation or any rights appertaining thereto or derived therefrom shall not be conveyable; transferable; assignable; saleable, including judicial sale; devisable; inheritable or be alienable in any manner whatsoever, including transfer by operation of law except as the ownership of the policy or contract of insurance or annuity by virtue of which the policyholder's membership in the Corporation is derived is conveyed, transferred, assigned, sold, devised, or distributed pursuant to a duly probated will or under the statutes of intestate succession.

Section 4.04. **No Liens upon Members' Interest.** A policyholder's membership in the Corporation or any rights appertaining thereto or derived therefrom shall not, separate from the policy or contract of life or health or accident insurance or annuity by virtue of which the policyholder's membership in the Corporation is derived, be subject to attachment, execution or levy or be subject to a lien, mortgage, or security interest or in any manner be used as collateral or otherwise be hypothecated.

## ARTICLE V.

Section 5.01. **Control of Ameritas Life Insurance Corp.** Pursuant to the reorganization of Ameritas Life Insurance Corp., this Corporation will receive all of the initial shares of the capital stock of Ameritas Life Insurance Corp. Unless otherwise permitted by applicable Nebraska Law, the Corporation shall, at all times, retain direct or indirect ownership and control of not less than a majority of the outstanding voting shares of Ameritas Life Insurance Corp. or any Additional Insurance Company Subsidiary.

Section 5.02. **Distribution upon Dissolution.** In the event of the voluntary dissolution or liquidation of the Corporation, any surplus of the Corporation remaining after payment of all liabilities of the Corporation shall be distributed to the Members at the time of such dissolution or liquidation as determined by the Board of Directors and approved by the Director of Insurance for the State of Nebraska.

Section 5.03. **Dividends.** The Corporation shall not pay dividends or make other distributions or payments of income or profits except as provided in Section 5.02 of this Article or as otherwise directed or approved by the Director of Insurance of the State of Nebraska.

**ARTICLE VI.**

Section 6.01. **Board of Directors.**

- a. The business and affairs of the Corporation shall be conducted by a Board of Directors. Subject to reduction as provided in the By-laws of the Company, the number of persons constituting the entire Board of Directors (each, a "Director") of the Corporation shall consist of twenty-five (25) persons divided into three (3) staggered classes. Class I shall consist of nine (9) Directors; Class II shall consist of eight (8) Directors; Class III shall consist of eight (8) Directors, unless and until the number of Directors in any class is reduced as set forth in the By-laws of the Company. The initial term of the Class I Directors shall expire at the annual meeting of Members in 2008. The initial term of Class II Directors shall expire at the annual meeting of Members in 2007 and the initial term of the Class III Directors shall expire at the annual meeting of Members in 2006. After the expiration of their initial term, the term of the Directors of each class shall be three (3) years.
- b. The Board of Directors shall exercise all of the corporate powers of the Corporation, except as otherwise provided by law, and shall manage all the property, business, and affairs of the Corporation. A majority of the Board of Directors shall constitute a quorum. The Board of Directors may provide for the appointment of an Executive Committee and may, to the extent allowed by law and the Corporation's By-laws, delegate to such Committee any or all of its powers and authority not reserved or restricted by these Articles, the By-laws, or applicable law.
- c. The Board of Directors shall have the full power from time-to-time to make, alter, amend or rescind by-laws, rules, and regulations for the conduct of the business and affairs of the Corporation in conformity with the provisions of these Articles and the By-laws and to employ or provide for the employment of such officers and agents and appoint such committees as it may, in its discretion, find appropriate for the conduct of such business and affairs.
- d. At each annual meeting of the members, there shall be elected for a term of three (3) years, a class of directors to replace those whose terms shall be then expiring. The persons constituting the initial Board of Directors and their respective terms shall be:

**Class I:**

<u>Name:</u>	<u>Initial Term Expires:</u>
James M. Anderson	2008
Lawrence J. Arth	2008
Bert A. Getz	2008
John H. Jacobs	2008
Floretta D. McKenzie	2008
Larry R. Pike	2008
Dudley S. Taft	2008
Winston J. Wade	2008
Robert M. Willis	2008

**Class II:**

<u>Name:</u>	<u>Initial Term Expires:</u>
James P. Abel	2007
Haluk Ariturk	2007
Michael S. Cambron	2007
Richard H. Finan	2007
Michael A. Fisher	2007
Francis v. Mastrianna, Ph.D.	2007
Tonn M. Ostergard	2007
D. Wayne Silby	2007

**Class III:**

<u>Name:</u>	<u>Initial Term Expires:</u>
William W. Cook Jr.	2006
James R. Knapp	2006
Patricia A. McGuire	2006
Thomas E. Petry	2006
Myrtis H. Powell, Ph.D.	2006
Edward J. Quinn Jr.	2006
Paul C. Schorr III	2006
John M. Tew, Jr., M.D.	2006

Section 6.02. **Election of Directors.**

- a. **Term.** At each annual meeting of the Members beginning in 2006, there shall be elected for a term of three (3) years, a class of directors to replace those whose terms shall be then expiring.
- b. **Management Nominees.** At least seven (7) months before the date fixed for election of directors of any class, the Board of Directors shall nominate a candidate for each office of director to be filled at such next ensuing election in accordance with the by-laws of the Corporation ("By-laws"). The directors shall file with the Director of Insurance of the State of Nebraska a certificate of such nominations, giving the name, occupation, and address of each nominee. Any vacancy occurring among such nominees shall be promptly filled in accordance with the By-laws and a similar certificate filed.
- c. **Member Nominees.** Nominations for candidates to fill vacancies on the Board of Directors may also be made by qualified voting Members by petition filed with the Secretary of the Corporation at least five (5) months prior to the meeting at which the election is to be held. Each such petition shall carry, in addition to the name, address, date of signing, and policy number of each signer, the name, address, occupation, and state of qualifications of each nominee. The minimum number of valid signatures required for nomination shall be three percent (3%) of the total number of qualified voters. Upon written request by a qualified voting Member delivered to the Secretary of the Corporation not sooner than eight (8) months before the meeting at which an election of Directors is to be held, the Secretary of the Corporation shall provide by first class mail to the address of the requesting Member, an estimate of the number of qualified voting Members as of the date that such written request is received by his office. The number of Members so specified by the Secretary as of such date shall be deemed controlling for purposes of determining the above 3% requirement. No signatures affixed to the petition more than sixty (60) days before the filing shall be counted. Upon receipt of proper nomination by petition, the Secretary shall forward to the Director of Insurance of the State of Nebraska, notice of such nomination and shall include the names of such nominees on the ballot with nominees of the Board of Directors with appropriate designations.
- d. **Votes.** Each Member of the Corporation shall be entitled to cast one (1) vote in person or by proxy regardless of the number of policies owned. No appointment of a proxy shall be valid unless in writing, dated and signed by a qualified voter and filed with the Secretary of the Corporation not less than five (5) days before the election. Each proxy shall expire six (6) months after the date of its execution by the Member, unless otherwise provided in the proxy application.

**ARTICLE VII.**

Section 7.01. **Meetings of the Members of the Corporation.** The annual meetings of the Members shall be held at the home office of the Corporation on such day and at such time of day as may be determined by the Board of Directors, but in any event no later than June 30th of each year. Special meetings of Members may be called at any time by the Chief Executive Officer and shall be called by the Chief Executive Officer upon a request from the majority of the Board of Directors. Notice of every special meeting of Members shall be delivered to each of the Members entitled to vote thereon at his or her last known address not less than ten (10) nor more than fifty (50) days prior to the date set for the meeting. Such notice shall state the date and place of the special meeting as well as the purpose for which it is called.

Section 7.02. **Quorum.** A quorum at any annual or special meeting of the Members of the Corporation shall consist of at least twenty-five (25) qualified voters.

**ARTICLE VIII.**

Section 8.01. **Indemnification.** Pursuant to the provisions of Neb. Rev. Stat. Section 21-20,110, the Corporation obligates itself in advance to provide indemnification in accordance with the provisions of Neb. Rev. Stat. Section 21-20,105 and shall be obligated to provide indemnification to the fullest extent permitted by law, including the provision of Neb. Rev. Stat. Sections 21-20,102 to 21-20,111 as provided in the By-laws of the Corporation.

**ARTICLE IX.**

Section 9.01. **Amendment.** Except as otherwise provided by law, these Articles may be amended at any annual meeting of the Members by a vote of two-thirds of the qualified voters present and voting in person or by proxy or at a special meeting of the Members by a like vote, but no amendment shall be acted upon at a special meeting unless the notice of such meeting includes a copy of the proposed amendment.

**ARTICLE X.**

Section 10.01. **Incorporator.** The name and address of the incorporator is: Ameritas Life Insurance Corp., P.O. Box 81889, Lincoln, Nebraska 68501-1889.

Ameritas Life Insurance Corp.

By: \_\_\_\_\_  
Donald R. Stading  
General Counsel

EXHIBIT J  
Form of By-laws of Surviving MHC

AMENDED AND RESTATED

UNIFI MUTUAL HOLDING COMPANY BY-LAWS

ARTICLE I.

**Board of Directors**

Section 1.01. **Number. Term. Classes.**

- a. Subject to subsection (d) of this Section 1.01, the number of persons constituting the entire Board of Directors (each, a "Director") of UNIFI (the "Company") shall consist of twenty-five (25) persons divided into three (3) staggered classes. Class I shall consist of nine (9) Directors; Class II shall consist of eight (8) Directors; Class III shall consist of eight (8) Directors, unless and until the number of Directors in any class is reduced as set forth in subsection (d) below. The initial term of the Class I Directors shall expire at the annual meeting of Members in 2008. The initial term of Class II Directors shall expire at the annual meeting of Members in 2007 and the initial term of the Class III Directors shall expire at the annual meeting of Members in 2006. After the expiration of their initial term, the term of the Directors of each class shall be three (3) years.
- b. From and after the date of adoption of these Amended and Restated By-Laws and continuing for six (6) years (the "Mandatory Period"), the persons to be nominated by the Company to serve as Directors shall consist of fourteen (14) persons to be designated by the Ameritas Acacia Designation Committee (the "Ameritas Acacia Designees") and eleven (11) persons to be designated by the Union Central Designation Committee (the "Union Central Designees"), or if the total number of Directors shall have been reduced, by the persons then serving as Ameritas Acacia Designees or Union Central Designees, as the case may be. The number of Ameritas Acacia Designees serving in any class shall not exceed the number of Union Central Designees serving in such class by more than one (1) person for more than a reasonable period of time as determined in good faith by the Board of Directors. No more than two (2) of the Ameritas Acacia Designees may be Inside Directors and no more than two (2) of the Union Central Designees may be Inside Directors; provided, however, that from and after the date that Mr. Larry R. Pike retires from the Board of Directors, only one (1) Union Central Designee maybe an Inside Director. Except for the Inside Directors, all other Directors shall be Independent Directors. Commencing with the annual meeting of Members in 2006, the members of the Board of Directors of the Company shall be elected from time to time by the members of the Company (the "Members"). During the Mandatory Period, the Company shall solicit proxies from the Members to be voted for the election of the Ameritas Acacia Designees and the Union Central Designees at the annual meeting of Members. For purposes of these By-laws, a Director shall be deemed to be an "Inside Director" if he is not "Independent." For purposes of these By-laws, a Director shall be deemed to be "Independent" if he or she (x) is not a full time employee of the Company or any of its affiliates and has not been such at any time during the last five (5) years and (y) is not being paid any remuneration by any of such entities, other than customary Director's fees and expenses.
- c. No person shall be nominated to serve as a Director after he has attained the age of 72 and a Director who attains the age of 72 shall resign or be removed not later than the next annual meeting of Members occurring after his 72<sup>nd</sup> birthday. No Inside Director shall serve as a Director after such Inside Director is no longer a full-time employee of the Company or any of its affiliates, except that Mr. Larry R. Pike may continue as an Inside Director until his retirement from the Board pursuant to the first sentence of this subsection (c).
- d. The Board of Directors shall have the authority by resolution to decrease the total number of persons that constitute the entire Board of Directors to a number less than twenty-five (25) but not less than five (5), so long as, (x) during the Mandatory Period, the ratio of twelve (12) Independent Ameritas Acacia Designees to nine (9) Independent Union Central Designees serving on the Board of Directors is maintained, continued and perpetuated as precisely as is practical, and provided further, that (y) the number of Ameritas Acacia Designees serving on the Board of Directors shall perpetually exceed the number of Union Central Designees by at least one (1) but by not more than three (3) director(s).

Section 1.02. **Vacancies of the Board of Directors.**

- a. If, during the Mandatory Period, any of the Ameritas Acacia Designees or Union Central Designees shall resign or be unable, for any reason, to continue to serve as Director of the Company for the remainder of his scheduled term (such Director, a "Vacating Director"), and the Board of Directors determines to fill such vacancy rather than reduce the size of the Board of Directors, then the Ameritas Acacia Designation Committee (if the Vacating Director was an Ameritas Acacia Designee) or the Union Central Designation Committee (if the Vacating Director was a Union Central Designee) shall designate another person to serve in such person's stead for the remainder of the term of such Vacating Director, which designation shall be subject to approval of the Board of Directors.
- b. If a Vacating Director was an Independent Director, then his replacement selected pursuant to (a) above shall also be an Independent Director. If a Vacating Director is not an Independent Director, then his successor need not be an Independent Director, provided, however, that if Mr. Larry R. Pike is the Vacating Director, then his replacement shall be an Independent Director.

Section 1.03. **Quorum.** A majority of the entire Board of Directors shall constitute a quorum for the transaction of business.

Section 1.04. **Supermajority Vote Requirement.** A vote of eighty percent (80%) of the entire Board of Directors shall constitute a Supermajority Vote. A Supermajority Vote shall be required to authorize any of the following actions: amendment to or waiver of any provisions of these By-laws; the redomestication or change of domicile of the Company from the State of Nebraska; relocation of the domicile of any of the Company's subsidiaries from their current domicile; the change of any subsidiary's name; a material change to the Company's capital structure; the sale of any subsidiary; sale or disposition of substantially all or all of the assets of the Company or any of its subsidiaries; a corporate reorganization of the Company; raising of debt or equity capital by the Company; the merger or consolidation, demutualization, liquidation, dissolution of the Company; and any modification, amendment or waiver of any provision of Sections 1.3 and 1.5 to 1.11 of the Agreement and Plan of Merger between Ameritas Acacia Mutual Holding Company and the Union Central Life Insurance Company dated January 28, 2005 (the "Merger Agreement"). The requirements of this Section 1.04 shall remain in effect for the Mandatory Period and, thereafter, shall automatically become null and void. Unless a Supermajority Vote is required, the action of the majority of the Directors present at a meeting at which a quorum is present shall be sufficient to authorize corporate action on behalf of the Company, unless a greater vote is required by law.

Section 1.05. **Meetings.**

- a. The Board of Directors shall meet as determined by the Board of Directors, but in any event no less than four (4) times in each calendar year. The annual meeting of the Board of Directors shall be held in the home office of the Company located in Lincoln, Nebraska, following the annual meeting of the Members.
- b. At least one (1) meeting of the Board of Directors shall be held annually in the Washington D.C. metropolitan area at least one (1) meeting of the Board of Directors shall be held in the Cincinnati, Ohio metropolitan area. The remaining meetings of the Board of Directors shall be at such place and time as the Board of Directors shall determine from time to time in advance of said meetings. Other meetings of the Board of Directors shall be held at such time and place as shall be fixed at any time prior to such meeting and in the case of called meetings, as stated in the notice of call of the meetings.

Section 1.06. **Notices of Meetings.**

- a. Meetings of the Board of Directors, other than the annual meeting of Directors, may be held upon the call of the Chairman of the Board, or in the case of his or her absence or incapacity, by the Vice Chairman of the Board, or promptly upon the written request by a majority of the members of the Board of Directors. The time and place of each such meeting shall be stated in the written notice of call and shall be transmitted by the Secretary to each Director at his or her address on record with the Secretary in reasonably sufficient time to permit convenient travel by usual means to the place of the meeting. Call and notice of call, or both, may be waived by any Director either before or after the meeting. Attendance without protest at any meeting by any Director shall constitute a waiver by him or her of call and notice of call.
- b. Members of the Board of Directors or any committee appointed by the Board of Directors may participate in any meeting, other than the annual meeting of Directors, by means of telephone conference or similar communications equipment, so long as all members participating in the meeting can hear each other. Participation in such meeting in such manner shall constitute presence in person at such meeting.

Section 1.07. **Compensation.**

- a. Each Director shall be paid \$100.00 for attendance at the annual board meeting.
- b. In addition to the compensation set forth in paragraph (a) above, each Independent Director shall be paid an annual compensation payable monthly or quarterly, as shall be determined by the Board of Directors from time-to-time and agreed upon with such directors, additional compensation for attending meetings of the Board of Directors or meetings of committees, and be reimbursed for reasonable expenses incurred in attending such meetings.

Section 1.08. **Directors of Intermediate Holding Company.** During the Mandatory Period, the Company shall cause all of the issued and outstanding common stock of Ameritas Holding Company ("AHC") owned by the Company to be voted by the Company for the election of the nominees for the AHC Board of Directors that have been selected for nomination pursuant to the Amended and Restated By-laws of AHC.

**ARTICLE II.**

**Officers**

Section 2.01. **Executive Officers.**

- a. The Company shall have the following Executive Officers and Officers:
  1. A Chairman of the Board, who may also be designated as Chief Executive Officer;
  2. A Vice Chairman of the Board, who may also be designated as President and Chief Operating Officer;
  3. A President, if the Vice Chairman of the Board has not been designated as the President;
  4. Such number of Chief Operating Officers, Executive Vice Presidents, Senior Vice Presidents, Vice Presidents, Second Vice Presidents, and Assistant Vice Presidents as the Board of Directors shall from time-to-time determine;
  5. A Secretary and one or more Assistant Secretaries; and
  6. A Treasurer.
- b. One person may hold more than one office at the same time, except that the Chairman of the Board or the Vice Chairman of the Board cannot also hold the office of Secretary, Treasurer or Vice President.

Section 2.02. **Chairman of the Board.** The Chairman of the Board shall preside at all meetings of the Members, the Board of Directors and the Executive Committee. He or she shall, unless a different officer is so designated by the Board of Directors, be the Chief Executive Officer of the Company, and as such, shall have the general direction and supervision of the business affairs of the Company subject to the direction of the Board of Directors. He or she may delegate such duties and responsibilities and authority to other officers as he or she may deem proper.

Section 2.03. **Vice Chairman of the Board.** The Vice Chairman of the Board, in the absence or incapacity of the Chairman of the Board, shall preside at all meetings of the Members, the Board of Directors, and the Executive Committee.

Section 2.04. **President.** The President, in the absence or incapacity of the Chairman of the Board, shall be the Chief Executive Officer of the Company. He or she shall, unless a different officer is so designated by the Board of Directors, shall have general control and management of the business affairs of the Company subject to the direction of the Chairman of the Board, the Vice Chairman of the Board and the Board of Directors. He or she may delegate such duties and responsibilities and authority to other officers as he or she may deem proper.

Section 2.05. **Secretary.** The Secretary shall give due notice of special meetings of the Members and shall keep accurate minutes and records of all meetings of the Members. He or she shall be Secretary to the Board of Directors and the Executive Committee and as such, shall give due notice of meetings of each and shall keep accurate minutes and records of the proceedings at all meetings of both. He or she shall have general supervision over all corporate records of the Company and shall perform such other duties as the Board of Directors or the Executive Committee shall from time-to-time direct.

Section 2.06. **Treasurer.** The Treasurer shall see that just and true cash, check, bank, and other proper financial records are kept, especially including records of all monies received, deposited, drawn and dispersed. He or she shall be generally in

charge of the safekeeping of the assets of the Company and shall perform such other duties as the Boards of Directors or the Executive Committee shall direct.

Section 2.07. **Other Executive Officers.** The powers, authority, duties, and responsibilities for other executive officers shall be delegated and defined by the Board of Directors or if no such delegation and definition by them, then by the Chairman of the Board or the Vice Chairman of the Board.

Section 2.08. **Succession of the Chairman of the Board and the Chief Executive Officer.** The Company shall take action (i) to cause Lawrence J. Arth to serve as Chairman of the Board of Directors and Chief Executive Officer beginning on the effective date of these By-laws and continuing until the earlier to occur of his no longer serving as Chief Executive Officer or July 31, 2008, and (ii) to cause John H. Jacobs to serve as Vice Chairman of the Board of Directors, President and Chief Operating Officer of the Company beginning on the effective date of these By-laws and continuing until the appointment described in the next sentence hereof. The Company shall take all necessary action to cause John H. Jacobs to be elected and appointed as Chairman of the Board of Directors and Chief Executive Officer of the Company to immediately succeed Mr. Arth no later than July 31, 2008.

Section 2.09. **Election and Appointment of Officers.** At each annual meeting of the Board of Directors, the Board of Directors shall elect persons to serve as the officers named above and may elect or appoint any other officers which it shall deem appropriate, assign the official titles to each, fix and authorize payment of the compensation of each such officer and provide for the duties of such office.

Section 2.10. **Term of Office; Vacancies.** The Officers elected by the Board of Directors shall hold their respective positions from time of election or appointment until the next annual meeting of the Board of Directors and until their successors are elected. Vacancies occurring among the Executive Officers may be filled by action of the Board of Directors in a manner consistent with the Merger Agreement.

Section 2.11. **Removal.** Any Officer elected by the Board of Directors may be removed by and at any time and his or her title, duties and compensation adjusted upon affirmative vote of the majority of the Board of Directors; provided however, that during the Mandatory Period, the Chief Executive Officer and the Chief Operating Officer may not be removed without a Supermajority Vote. A finding by the Board of Directors that any Officer is permanently disabled shall create a vacancy in the office held by such Officer.

Section 2.12. **Administrative Officers.** The Executive Committee may, at its discretion, designate such administrative officers as it may deem proper and delegate such duties, responsibilities and authority to them as it may determine.

### ARTICLE III.

#### Committees

Section 3.01. **Executive Committee.** At each of its annual meetings, the Board of Directors shall elect not less than three (3) Directors to serve, together with the Chairman of the Board and the Vice Chairman of the Board, as the Executive Committee for the ensuing year and until their successors are elected and qualified. Any vacancy in the Executive Committee occurring during the year may be filled for the unexpired term by the Board of Directors. Notice of call of meeting may be written or by telephone and shall be given to each member in sufficient time to permit convenient travel by usual means to the meeting. Call and notice of call of meetings may be waived before or after the meeting. Attendance without protest at any meeting shall constitute a waiver of call and notice of call thereof by the attending member. A majority of members of the Executive Committee shall constitute a quorum for the transaction of business.

Section 3.02. **Duties of Executive Committee.** Except as limited by the laws of the State of Nebraska or by the provisions of the Articles of Incorporation, the Executive Committee shall possess and exercise all the powers of the Board of Directors in the interim between meetings of the Board of Directors. The Executive Committee shall carry into practical effect all orders and directions of the Board of Directors and shall in such interim decide all questions of current business policy. The Secretary shall promptly forward a copy of the minutes of each meeting of the Executive Committee to each director. It may elect, appoint, employ, remove or authorize the appointment, employment or removal of such supervisory and administrative officers and employees as it shall deem necessary for the conduct of the company's business, including one or more assistant secretaries and one or more assistant treasurers, with full authority to perform the duties of Secretary and Treasurer,

respectfully, and fix and authorize payment of the compensation of such officers and employees. It may, at its discretion, adjust the compensation of such officers and employees so elected, appointed or employed.

**Section 3.03. Nominating and Corporate Governance Committee.**

- a. The Board of Directors shall establish and maintain a Nominating and Corporate Governance Committee comprised of eight (8) Independent Directors who shall serve until their successors are elected and qualified. During the Mandatory Period, the Nominating and Corporate Governance Committee shall be composed of an equal number of Ameritas Acacia Directors and Union Central Directors, all of whom shall be Independent and, subject to the powers of the Ameritas Acacia Designation Committee and the Union Central Designation Committee set forth in Sections 3.07 and 3.08 hereof, shall be responsible for the nomination of persons to stand for election as Directors. Subject to the powers of the Ameritas Acacia Designation Committee and the Union Central Designation Committee set forth in Sections 3.07 and 3.08 hereof, the Nominating and Corporate Governance Committee shall evaluate prospective director nominees against such evaluation criteria as experience, expertise, education, professionalism, diversity, geographic location, reputation, and other relevant considerations. The Nominating and Corporate Governance Committee shall submit to the Board of Directors a complete list of all persons who have been nominated to stand for election as Director (which, during the Mandatory Period, shall consist of the Ameritas Acacia Designees and the Union Central Designees) and any Director nominees proposed by Members in accordance with the Articles of Incorporation. The Board of Directors shall thereupon declare as nominees the persons who have been so nominated in accordance with the above provisions and the nominations shall be closed. The Nominating and Corporate Governance Committee shall make periodic recommendations to the Board of Directors as to which Directors should serve as members of the various committees of the Board of Directors and as the chairpersons thereof.
- b. If, during the Mandatory Period, any of the Ameritas Acacia Designees or Union Central Designees shall resign or be unable to serve as a member of the Nominating and Corporate Governance Committee for any reason, the Ameritas Acacia Designation Committee (if such person was an Ameritas Acacia Designee) or Union Central Designation Committee (if such person was a Union Central Designee) shall designate another Director to serve in such person's stead, which designation shall be subject to the approval of the Board.

**Section 3.04. Intercompany Transactions Committee.** The Board of Directors shall establish and maintain an Intercompany Transactions Committee comprised of six (6) Independent Directors who shall serve until their successors are elected and qualified. During the Effective Period, four (4) of the members of the Intercompany Transactions Committee shall be Ameritas Acacia Designees (two of which Ameritas Acacia Designees shall be persons then serving as directors of Ameritas Life and two (2) of which shall be persons then serving as directors of Acacia Life) and two (2) of whom shall be Union Central Designees (which Union Central Designees shall be persons then serving as directors of Union Central). The Intercompany Transactions Committee shall review intercompany transactions involving potential conflicts of interest among the Company and its subsidiaries, or any one of them, involving transactions between or among (a) Ameritas Life or subsidiaries, (b) Acacia Life or any Acacia Life subsidiaries, and/or (c) Union Central or any Union Central subsidiaries, against standards as may be imposed by the Nebraska Insurance Holding Company Systems Act, Sections 44-2120-44-2154, Sections 23A, 23B, 22(g) and 22(h) of the Federal Reserve Act (FRA) through Section 10 of the Home Owners' Loan Act (HOLA) 12 USC 1468 or which in such Committee's opinion might be applicable to a potential conflict of interest. In the event the Intermediate Holding Company or any of its subsidiaries shall determine to raise debt or equity capital in the future, prior to initiating any such transaction, the Intercompany Transactions Committee will review such transaction or transactions between the outside investor or investors and the Surviving Mutual Holding Company or its subsidiaries for the purpose of ensuring that the interests of Members are protected.

**Section 3.05. Audit Committee.** The Board of Directors shall establish and maintain an Audit Committee comprised of Independent Directors who shall serve until their successors are elected and qualified. The Audit Committee shall assist the Board of Directors in its oversight of the integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements and the performance of the Company's internal audit functions. The Audit Committee will also interact directly with and evaluate the performance of independent auditors, including determining whether to engage or dismiss such independent auditors and to monitor their qualifications and independence.

Section 3.06. **Ameritas Acacia Designation Committee.** For the Mandatory Period, there shall be an Ameritas Acacia Designation Committee. The initial members of the Ameritas Acacia Designation Committee shall be the following fourteen (14) persons, each of whom shall be deemed to be an Ameritas Acacia Designee: James P. Abel, Haluk Ariturk, Lawrence J. Arth, William W. Cook, Jr., Bert A. Getz, James R. Knapp, Patricia A. McGuire, Floretta D. McKenzie, Tonn M. Ostergard, Edward J. Quinn, Jr., Paul C. Schorr, III, Wayne D. Silby, Winston J. Wade, and Robert M. Willis. Thereafter, during the Mandatory Period, the Ameritas Acacia Designation Committee shall be comprised of the Ameritas Acacia Designees then serving as Directors of the Company. The Ameritas Acacia Designation Committee shall, in connection with each annual meeting of the Members at which Directors will be elected, select and designate the persons that shall comprise the Ameritas Acacia Designees to be nominated for election at such meeting, all of whom shall be at least 21 years of age and legally qualified to act as Directors. The Ameritas Acacia Designation Committee shall provide a list of the Ameritas Acacia Designees to be so nominated to the Nominating and Corporate Governance Committee at least sixty (60) days prior to the next annual meeting of Members. If a person so designated declines to stand for election before the ensuing annual meeting of the Members, the Ameritas Acacia Designation Committee shall designate another nominee. The Ameritas Acacia Designation Committee shall have the power, by majority vote, to enforce the provisions of the Merger Agreement set forth in Sections 1.3 and 1.5 through 1.11 thereof and to enforce the provisions of these By-laws that apply during the Mandatory Period.

Section 3.07. **Union Central Designation Committee.** For the Mandatory Period, there shall be a Union Central Designation Committee. The initial members of the Union Central Designation Committee shall be the following eleven (11) persons, each of whom shall be deemed to be a Union Central Designee: James M. Anderson, Michael S. Cambron, Richard H. Finan, Michael A. Fisher, John H. Jacobs, Francis V. Mastrianna, Thomas E. Petry, Larry R. Pike, Myrtis H. Powell, Dudley S. Taft, and John M. Tew, Jr. Thereafter, during the Mandatory Period, the Union Central Designation Committee shall be comprised of the Union Central Designees then serving as Directors of the Company. The Union Central Designation Committee shall, in connection with each annual meeting of Members at which Directors will be elected, select and designate the persons that shall comprise the Union Central Designees to be nominated for election at such meeting, all of whom shall be at least 21 years of age and legally qualified to act as Directors. The Union Central Designation Committee shall provide a list of the Union Central Designees to be so nominated to the Nominating and Corporate Governance Committee at least sixty (60) days prior to the next annual meeting of Members. If a person so designated declines to stand for election before the ensuing Annual Meeting of Members, the Union Central Designation Committee shall designate another nominee. The Union Central Designation Committee shall have the power, by majority vote, to enforce the provisions of the Merger Agreement set forth in Sections 1.3 and 1.5 through 1.11 thereof and to enforce the provisions of these By-laws that apply during the Mandatory Period.

Section 3.08. **Compensation Committee.** The Board of Directors shall establish and maintain a Compensation Committee comprised of Independent Directors who shall serve until their successors are elected and qualified. The Compensation Committee will evaluate and make recommendations with respect to (and report such evaluations and recommendations to the Board of Directors) the compensation of the officers of the Company, and their performance relative to their compensation, to assure that they are compensated effectively in a manner consistent with the overall objectives of the Company. During the course of such evaluations, the Compensation Committee shall take into account historical compensation levels, internal equity considerations, competitive practice, the state of the current market, and any limitations of applicable regulatory bodies. The Board of Directors shall make all final determinations relating to the compensation of executive officers of the Company. In addition, the Compensation Committee shall evaluate and make recommendations to the Board regarding the compensation of the members of the Board of Directors, including their compensation for services on committees of the Board of Directors.

Section 3.09. **Standing Committees.** The Board of Directors may establish and discontinue standing committees, as it may from time-to-time consider necessary and proper, and delegate to each of them such responsibilities and authority as it may deem appropriate, provided however, that during the Mandatory Period, the Board of Directors shall not abolish the following committees without a Supermajority Vote: Executive Committee, Nominating and Corporate Governance Committee, Audit Committee, Ameritas Acacia Designation Committee and the Union Central Designation Committee. The Chairman and Vice Chairman of the Board shall be ex-officio members of each standing committee with full voting rights, except that neither the Chairman of the Board nor the Vice Chairman of the Board shall be a voting member of the Audit Committee, the Nominating and Corporate Governance Committee or the Compensation Committee.

Section 3.10. **Committee Secretary.** The chairman of each committee other than the Executive Committee shall appoint a committee secretary, who shall keep minutes of the official votes and acts of the committee and such other records of the committee's deliberations and activities as the chairman shall direct. The committee secretary shall keep one copy of such minutes and shall file a copy with the Secretary of the company and send a copy to each member of the Executive Committee.

Section 3.11. **Vacancies in Committee.** Vacancies in any committee (other than the Ameritas Acacia Designation Committee and the Union Central Designation Committee) may be filled by action of the Board of Directors.

Section 3.12. **Committee Chairman.** Each committee of the Board shall elect a Chairman to preside at the meetings of such committee. During the Mandatory Period, at least one (1) of the following committees of the Board of Directors shall be chaired by a Union Central Designee then serving as Director: Nominating and Corporate Governance Committee; Audit Committee or Compensation Committee.

Section 3.13. **Quorum.** A majority of the members of any committee shall constitute a quorum for the transaction of business.

Section 3.14. **Selection of Initial Committee Members.** The initial members of the committees required to be established and maintained under these By-laws shall be comprised of the Directors designated to serve on such committees pursuant to Section 1.6 of the Merger Agreement.

## ARTICLE IV.

### Indemnification and Exculpation

Section 4.01. **Indemnification.** The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that such person is or was a director, officer or employee of the company or is or was serving at the request of the company as a director, officer or employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses, including attorney's fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding to the full extent authorized by the laws of the State of Nebraska.

Section 4.02. **Personal Liability.** No person employed by the Company as a director, officer, employee, or agent or serving at the request of the Company as a director, officer, employee, or agent of one of the Company's subsidiaries or affiliates shall be personally liable to the Company or any member thereof for monetary damages of any type which arise as a result of acts or omissions by the director, officer, employee, or agent which are related to the director's, officer's, employee's, or agent's job responsibilities with the Company, which are done in good faith and which do not involve intentional misconduct or a knowing violation of the law. No person serving at the request of the Company as a director or officer shall be personally liable to the Company or any Member thereof for monetary damages of any type which arise as a result of the directors enforcement of the provisions of Sections 1.3 and 1.5 through 1.11 of the Merger Agreement or these By-laws, to the extent permitted by applicable law.

Section 4.03. **Non-Exclusive Provision.** The foregoing right of indemnity and reimbursement shall not be deemed exclusive of any other rights to which any director, officer, employee, or agent may be entitled under any other law, by-law, agreement, vote of shareholders or otherwise.

## ARTICLE V.

### Miscellaneous

Section 5.01. **Amendments.** These By-laws may be amended by the Board of Directors at any regular or special meeting, but during the Mandatory Period only by affirmative vote of a Supermajority of the Board of Directors, except that the provisions of clause (y) of Section 1.01(d) may not be amended without the unanimous vote of the entire Board of Directors.

EXHIBIT K  
Form of Articles of Incorporation of Intermediate Holding Company

AMENDED AND RESTATED  
ARTICLES OF INCORPORATION  
OF  
AMERITAS HOLDING COMPANY

The undersigned corporate entity, acting as the incorporator of a corporation under the Nebraska Business Corporation Act, adopts the following Articles of Incorporation of such corporation:

**ARTICLE I.**

Section 1.01. **Name; Principal Place of Business.** The name of the Company is Ameritas Holding Company (the "Company"). The principal place of business of the Company shall be at Lincoln, Lancaster County, Nebraska.

Section 1.02. **Resident Agent.** The resident agent of the Company shall be Ameritas whose address is the Company's office located at 5900 "O" Street, Lincoln, Nebraska.

**ARTICLE II.**

Section 2.01. **Commencement of Existence.** The Company shall commence and be in existence on January 1, 1998 at 12:01 a.m.

Section 2.02. **Duration.** The Company shall have perpetual duration.

**ARTICLE III.**

Section 3.01. **Purpose.** The purpose of the Company is to transact and engage in any and all lawful business for which corporations may be organized under the Nebraska Business Corporation Act or the Nebraska Mutual Insurance Holding Company Act, and any and all lawful business which, directly or indirectly, arises therefrom, is incidental thereto, is associated therewith, is in furtherance thereof, or which facilitates the foregoing.

Section 3.02. **Rights and Powers.** The Company shall have and exercise all powers and rights conferred upon corporations by the Nebraska Mutual Insurance Holding Company Act and the Nebraska Business Corporation Act, except as otherwise limited by the Nebraska Mutual Insurance Holding Company Act, and any enlargements of such powers conferred by subsequent legislative acts; and in addition thereto, the Company shall have and exercise all powers and rights not otherwise denied corporations by the laws of the State of Nebraska applicable to corporations organized pursuant to the Nebraska Mutual Insurance Holding Company Act and the Nebraska Business Corporation Act as necessary, suitable, proper, convenient or expedient for the attainment of the purposes set forth in Article III.

Section 3.03. **Corporate Nature and Capital.** The aggregate number of shares which the Company shall have authority to issue is 120 million shares of capital stock, of which 20 million shares shall be preferred stock, having a par value of \$0.01 per share, issuable in one or more series, and 100 million shares shall be common stock, having a par value of \$0.01 per share. Except as may be provided by written agreement with the mutual insurance holding company that is the beneficial majority owner of the corporation, no preemptive right to newly issued shares shall be granted to any person.

Section 3.04. **Limitations on Shares.** The Board of Directors may determine, in whole or in part, the preferences, limitations, and relative rights within the limits set forth in Neb. Rev. Stat. Section 21-2035, of (a) any class of shares before the issuance of any shares of that class or (b) one or more series within a class before the issuance of any shares of that Series.

Section 3.05. **Limited Liability.** The private property of the shareholders, officers and directors of the Company shall in no case be liable for corporate debts but shall be exempt therefrom.

**ARTICLE IV.**

Section 4.01. **Board of Directors.**

- a. The business and affairs of the Company shall be conducted by a Board of Directors. Subject to reduction as provided in the By-laws of the Company, the number of persons constituting the entire Board of Directors (each, a "Director") of the Company shall consist of twenty-five (25) persons divided into three (3) staggered classes. Class I shall consist of nine (9) Directors; Class II shall consist of eight (8) Directors; Class III shall consist of eight (8) Directors, unless and until the number of Directors in any class is reduced as set forth in the By-laws of the Company. The initial term of the Class I Directors shall expire at the annual meeting of the shareholders in 2008. The initial term of Class II Directors shall expire at the annual meeting of shareholders in 2007 and the initial term of the Class III Directors shall expire at the annual meeting of shareholders in 2006. After the expiration of their initial term, the term of the Directors of each class shall be three (3) years.
- b. The Board of Directors shall exercise all of the corporate powers of the Company, except as otherwise provided by law, and shall manage all the property, business, and affairs of the Company. A majority of the Board of Directors shall constitute a quorum. The Board of Directors may provide for the appointment of an Executive Committee and may, to the extent allowed by law and the Company's By-laws, delegate to such Committee any or all of its powers and authority not reserved or restricted by these Articles, the By-laws, or applicable law.
- c. The Board of Directors shall have the full power from time-to-time to make, alter, amend or rescind by-laws, rules, and regulations for the conduct of the business and affairs of the Company in conformity with the provisions of these Articles and the By-laws and to employ or provide for the employment of such officers and agents and appoint such committees as it may, in its discretion, find appropriate for the conduct of such business and affairs.
- d. At each annual meeting of the shareholders, there shall be elected for a term of three (3) years, a class of directors to replace those whose terms shall be then expiring.
- e. At each annual meeting of the shareholders, there shall be elected for a term of three (3) years, a class of directors to replace those whose terms shall be then expiring. The persons constituting the initial Board of Directors and their respective terms shall be:

**Class I:**

<b><u>Name:</u></b>	<b><u>Initial Term Expires:</u></b>
James M. Anderson	2008
Lawrence J. Arth	2008
Bert A. Getz	2008
John H. Jacobs	2008
Floretta D. McKenzie	2008
Larry R. Pike	2008
Dudley S. Taft	2008
Winston J. Wade	2008
Robert M. Willis	2008

**Class II:**

<b><u>Name:</u></b>	<b><u>Initial Term Expires:</u></b>
James P. Abel	2007
Haluk Ariturk	2007
Michael S. Cambron	2007
Richard H. Finan	2007
Michael A. Fisher	2007
Francis v. Mastrianna, Ph.D.	2007
Tonn M. Ostergard	2007
D. Wayne Silby	2007

**Class III:**

<u>Name:</u>	<u>Initial Term Expires:</u>
William W. Cook Jr.	2006
James R. Knapp	2006
Patricia A. McGuire	2006
Thomas E. Petry	2006
Myrtis H. Powell, Ph.D.	2006
Edward J. Quinn Jr.	2006
Paul C. Schorr III	2006
John M. Tew, Jr., M.D.	2006

**ARTICLE V.**

Section 5.01. **Annual Meeting of Shareholders.** The annual meeting of the shareholders shall be held at the home office of the Company on such day and at such time of day as may be determined by the Board of Directors no later than June 30<sup>th</sup> of each year. Special meetings of shareholders may be called at any time by the Chief Executive Officer and shall be called by the Chief Executive Officer upon a request from the majority of the Board of Directors. Notice of every special meeting of shareholders shall be delivered to each of the shareholders entitled to vote thereon at his or her last known address not less than ten (10) nor more than fifty (50) days prior to the date set for the meeting. Such notice shall state the date and place of the special meeting as well as the purpose for which it is called.

Section 5.02. **Action Without Meetings.** Actions required or permitted to be taken at a shareholders' meeting may be taken without a meeting if the action is taken by all of the shareholders entitled to vote on the action. Such action shall be evidenced by one or more written consents describing the action taken, signed by all the shareholders entitled to vote on the action, and delivered to the Company for inclusion in the minutes or filing with the corporate records.

Section 5.03. **Amendment.** Except as otherwise provided by law, these Articles may be amended at any annual meeting of the shareholders by a vote of two-thirds of the qualified voters present and voting in person or by proxy or at a special meeting of the shareholders by a like vote, but no amendment shall be acted upon at a special meeting unless the notice of such meeting includes a copy of the proposed amendment.

**ARTICLE VI.**

Section 6.01. **Indemnification.** Pursuant to the provisions of Neb. Rev. Stat. Section 21-20,110, the Company obligates itself in advance to provide indemnification in accordance with the provisions of Neb. Rev. Stat. Section 21-20,105 and shall be obligated to provide indemnification to the fullest extent permitted by law, including the provision of Neb. Rev. Stat. Sections 21-20,102 to 21-20,111 as provided in the By-laws of the Company.

**ARTICLE VII.**

Section 7.01. **Incorporator.** The name and address of the incorporator is: Ameritas Life Insurance Corp., P.O. Box 81889, Lincoln, Nebraska 68501-1889.

Ameritas Life Insurance Corp.

By: \_\_\_\_\_

Donald R. Stading  
General Counsel

EXHIBIT L  
Form of By-laws of Intermediate Holding Company  
AMENDED AND RESTATED

AMERITAS HOLDING COMPANY BY-LAWS

ARTICLE I.

**Offices**

Section 1.01. **Principal Office.** The principal office of the Ameritas Holding Company (the "Company") in the State of Nebraska shall be located in the City of Lincoln, County of Lancaster. The Company may have such other offices, either within or without the State of Nebraska, as the Board of Directors may designate or as the business of the Company may require from time to time.

Section 1.02. **Registered Office.** The registered office of the Company may be, but need not be, identical with the principal office in the State of Nebraska, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II.

**Shareholders**

Section 2.01. **Annual Meeting.** The annual meeting of the shareholders of the Company (the "Shareholders") shall be held on such day at such time of day as may be determined by the Board of Directors but in no event later than June 30 of each year. If the day fixed for the annual meeting shall be on a legal holiday in the State of Nebraska, such meeting shall be held on the next succeeding business day.

Section 2.02. **Special Meetings.** Special meetings of the Shareholders, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the Chairman of the Board or the President or by the Board of Directors, and shall be called by the Chairman of the Board, the President or the Secretary at the request of the holders of not less than one-tenth of all the outstanding shares of the Company entitled to vote at the meeting.

Section 2.03. **Place of Meetings.** Written or printed notice stating the place (either within or without the State of Nebraska), the day and the hour of the meeting and, in case of a special meeting; the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the Chairman or the Secretary, or the officer or persons calling the meeting, to each Shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Shareholder at its address as it appears on the stock transfer books of the Company, with postage thereon prepaid.

Section 2.04. **Quorum.** A majority of the outstanding shares of the Company entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of Shareholders. If less than a majority of the outstanding shares are represented at a meeting, those present may adjourn the meeting from time to time with notice to Shareholders. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed.

Section 2.05. **Proxies.** At all meetings of Shareholders, a Shareholder may vote by proxy executed in writing by the Shareholder or by its duly authorized attorney in fact. Such proxy shall be filed with the Secretary of the Company before or at the time of the meeting.

Section 2.06. **Voting of Shares.** Each outstanding share entitled to vote shall be entitled to one vote upon each matter submitted to a vote at a meeting of Shareholders.

Section 2.07. **Voting of Shares by Certain Holders.** Shares standing in the name of another corporation may be voted by such officer, agent or proxy as the Board of Directors of such corporation may prescribe.

Section 2.08. **Informal Action by Shareholders.** Any action required to be taken at a meeting of the Shareholders, or any other action which may be taken at a meeting of the Shareholders, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Shareholders entitled to vote with respect to the subject matter thereof.

### ARTICLE III.

#### Board of Directors

Section 3.01. **General Powers.** The business and affairs of the Company shall be managed by its Board of Directors.

Section 3.02. **Number, Term.**

- a. Subject to subsection (d) of this Section 3.02, the number of persons constituting the entire Board of Directors (each, a "Director") of the Company shall consist of twenty-five (25) persons divided into three (3) staggered classes. Class I shall consist of nine (9) Directors; Class II shall consist of eight (8) Directors; Class III shall consist of eight (8) Directors, unless and until the number of Directors in any class is reduced as set forth in subsection (d) below. The initial term of the Class I Directors shall expire at the annual meeting of Shareholders in 2008. The initial term of Class II Directors shall expire at the annual meeting of Shareholders in 2007 and the initial term of the Class III Directors shall expire at the annual meeting of Shareholders in 2006. After the expiration of their initial term, the term of the Directors of each class shall be three (3) years.
- b. From and after the date of adoption of these Amended and Restated By-Laws and continuing for six (6) years (the "Mandatory Period"), the persons to be nominated by the Company to serve as Directors shall consist of fourteen (14) persons to be designated by the Ameritas Acacia Designation Committee (the "Ameritas Acacia Designees") and eleven (11) persons to be designated by the Union Central Designation Committee (the "Union Central Designees"), or if the total number of Directors shall have been reduced, by the persons then serving as Ameritas Acacia Designees or Union Central Designees, as the case may be. The number of Ameritas Acacia Designees serving in any class shall not exceed the number of Union Central Designees serving in such class by more than one (1) person for more than a reasonable period of time as determined in good faith by the Board of Directors. No more than two (2) of the Ameritas Acacia Designees may be Inside Directors and no more than two (2) of the Union Central Designees may be Inside Directors; provided, however, that from and after the date that Mr. Larry R. Pike retires from the Board of Directors, only one (1) Union Central Designee maybe an Inside Director. Except for the Inside Directors, all other Directors shall be Independent Directors. Commencing with the annual meeting of Shareholders in 2006, the members of the Board of Directors of the Company shall be elected from time to time by the Shareholders of the Company. During the Mandatory Period, the Company shall solicit proxies from the Shareholders (unless the Company is a wholly owned subsidiary) to be voted for the election of the Ameritas Acacia Designees and the Union Central Designees at the annual meeting of Shareholders. For purposes of these By-laws, a Director shall be deemed to be an "Inside Director" if he is not "Independent." For purposes of these By-laws, a Director shall be deemed to be "Independent" if he or she (x) is not a full time employee of the Company or any of its affiliates and has not been such at any time during the last five (5) years and (y) is not being paid any remuneration by any of such entities, other than customary Director's fees and expenses.
- c. No person shall be nominated to serve as a Director after he has attained the age of 72 and a Director who attains the age of 72 shall resign or be removed not later than the next annual meeting of Shareholders occurring after his 72<sup>nd</sup> birthday. No Inside Director shall serve as a Director after such Inside Director is no longer a full-time employee of the Company or any of its affiliates, except that Mr. Larry R. Pike may continue as an Inside Director until his retirement from the Board pursuant to the first sentence of this subsection (c).
- d. The Board of Directors shall have the authority by resolution to decrease the total number of persons that constitute the entire Board of Directors to a number less than twenty-five (25) but not less than five (5), so long as, (x) during the Mandatory Period, the ratio of twelve (12) Independent Ameritas Acacia Designees to nine (9) Independent Union Central Designees serving on the Board of Directors is maintained, continued and perpetuated as precisely as is practical, and provided further, that (y) the number of Ameritas Acacia Designees serving on the Board of Directors shall perpetually exceed the number of Union Central Designees by at least one (1) but by not more than three (3) director(s).

Section 3.03. **Vacancies in the Board of Directors.**

- a. If, during the Mandatory Period, any of the Ameritas Acacia Designees or Union Central Designees shall resign or be unable, for any reason, to continue to serve as Director of the Company for the remainder of his scheduled term

(such Director, a "Vacating Director"), and the Board of Directors determines to fill such vacancy rather than reduce the size of the Board of Directors, then the Ameritas Acacia Designation Committee (if the Vacating Director was an Ameritas Acacia Designee) or the Union Central Designation Committee (if the Vacating Director was a Union Central Designee) shall designate another person to serve in such person's stead for the remainder of the term of such Vacating Director, which designation shall be subject to approval of the Board.

- b. If a Vacating Director was an Independent Director, then his replacement selected pursuant to (a) above shall also be an Independent Director. If a Vacating Director is not an Independent Director, then his successor need not be an Independent Director, provided, however, that if Mr. Larry R. Pike is the Vacating Director, then his replacement shall be an Independent Director.

Section 3.04. **Quorum.** A majority of the entire Board of Directors shall constitute a quorum for the transaction of business.

Section 3.05. **Supermajority Vote Requirement.** A vote of eighty percent (80%) of the entire Board of Directors shall constitute a Supermajority Vote. A Supermajority Vote shall be required to authorize any of the following actions: amendment to or waiver of any provisions of these By-laws; the redomestication or change of domicile of the Company from the State of Nebraska; relocation of the domicile of any of the Company's subsidiaries from their current domicile; the change of any subsidiary's name; a material change to the Company's capital structure; the sale of any subsidiary; sale or disposition of substantially all or all of the assets of the Company or any of its subsidiaries; a corporate reorganization of the Company; raising of debt or equity capital by the Company; the merger or consolidation, demutualization, liquidation, dissolution of the Company; and any modification, amendment or waiver of any provision of Sections 1.3 and 1.5 to 1.11 of the Agreement and Plan of Merger between Ameritas Acacia Mutual Holding Company and the Union Central Life Insurance Company dated January 28, 2005 (the "Merger Agreement"). The requirements of this Section 3.05 shall remain in effect during the "Mandatory Period and, thereafter, shall automatically become null and void. Unless a Supermajority Vote is required, the action of the majority of the Directors present at a meeting at which a quorum is present shall be sufficient to authorize corporate action on behalf of the Company, unless a greater vote is required by law.

Section 3.06. **Meetings.**

- a. The Board of Directors shall meet as determined by the Board of Directors, but in any event no less than four (4) times in each calendar year. The annual meeting of the Board of Directors shall be held in the home office of the Company located in Lincoln, Nebraska, following the annual meeting of the Shareholders.
- b. At least one (1) meeting of the Board of Directors shall be held annually in the Washington D.C. metropolitan area at least one (1) meeting of the Board of Directors shall be held in the Cincinnati, Ohio metropolitan area. The remaining meetings of the Board of Directors shall be at such place and time as the Board of Directors shall determine from time to time in advance of said meetings. Other meetings of the Board of Directors shall be held at such time and place as shall be fixed at any time prior to such meeting and in the case of called meetings, as stated in the notice of call of the meetings.

Section 3.07. **Notices of Meetings.**

- a. Meetings of the Board of Directors, other than the annual meeting of Directors, may be held upon the call of the Chairman of the Board, or in the case of his or her absence or incapacity, by the Vice Chairman of the Board, or promptly upon the written request by a majority of the members of the Board of Directors. The time and place of each such meeting shall be stated in the written notice of call and shall be transmitted by the Secretary to each Director at his or her address on record with the Secretary in reasonably sufficient time to permit convenient travel by usual means to the place of the meeting. Call and notice of call, or both, may be waived by any Director either before or after the meeting. Attendance without protest at any meeting by any Director shall constitute a waiver by him or her of call and notice of call.
- b. Members of the Board of Directors or any committee appointed by the Board of Directors may participate in any meeting, other than the annual meeting of Directors, by means of telephone conference or similar communications equipment, so long as all members participating in the meeting can hear each other. Participation in such meeting in such manner shall constitute presence in person at such meeting.

Section 3.08. **Manner of Acting.** Members of the Board of Directors or of any committee appointed by the Board may participate in a meeting by means of conference telephone or similar communications equipment whereby all members participating in the meeting are able to hear each other, and participation in such meeting in such manner shall constitute presence in person at such meeting. Any two members of the Board of Directors may, upon written request directed to the

Chairman or the Secretary of the Corporation, (i) place any matter on the agenda for any meeting of the Board of Directors and/or (ii) call for a vote on any agenda item during any meeting of the Board of Directors. Any action required or permitted to be taken at a meeting of the Board of Directors, or of any committee appointed by the Board, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the Directors or all of the members of such committee, as the case may be.

Section 3.09. **Compensation.**

- a. Each Director shall be paid \$100.00 for attendance at the annual board meeting.
- b. In addition to the compensation set forth in paragraph (a) above, each Independent Director shall be paid an annual compensation payable monthly or quarterly, as shall be determined by the Board of Directors from time-to-time and agreed upon with such directors, additional compensation for attending meetings of the Board of Directors or meetings of committees, and be reimbursed for reasonable expenses incurred in attending such meetings.

**ARTICLE IV.**

**Officers**

Section 4.01. **Executive Officers.**

- a. The Company shall have the following Executive Officers and Officers:
  1. A Chairman of the Board, who may also be designated as Chief Executive Officer;
  2. A Vice Chairman of the Board, who may also be designated as President and Chief Operating Officer;
  3. A President, if the Vice Chairman of the Board has not been designated as the President;
  4. Such number of Chief Operating Officers, Executive Vice Presidents, Senior Vice Presidents, Vice Presidents, Second Vice Presidents, and Assistant Vice Presidents as the Board of Directors shall from time-to-time determine;
  5. A Secretary and one or more Assistant Secretaries; and
  6. A Treasurer.
- b. One person may hold more than one office at the same time, except that the Chairman of the Board or the Vice Chairman of the Board cannot also hold the office of Secretary, Treasurer or Vice President.

Section 4.02. **Chairman of the Board.** The Chairman of the Board shall preside at all meetings of the Shareholders, the Board of Directors and the Executive Committee. He or she shall, unless a different officer is so designated by the Board of Directors, be the Chief Executive Officer of the Company, and as such, shall have the general direction and supervision of the business affairs of the Company subject to the direction of the Board of Directors. He or she may delegate such duties and responsibilities and authority to other officers as he or she may deem proper.

Section 4.03. **Vice Chairman of the Board.** The Vice Chairman of the Board, in the absence or incapacity of the Chairman of the Board, shall preside at all meetings of the Shareholders, the Board of Directors, and the Executive Committee.

Section 4.04. **President.** The President, in the absence or incapacity of the Chairman of the Board, shall be the Chief Executive Officer of the Company. He or she shall, unless a different officer is so designated by the Board of Directors, shall have general control and management of the business affairs of the Company subject to the direction of the Chairman of the Board, the Vice Chairman of the Board and the Board of Directors. He or she may delegate such duties and responsibilities and authority to other officers as he or she may deem proper.

Section 4.05. **Secretary.** The Secretary shall give due notice of special meetings of the Shareholders and shall keep accurate minutes and records of all meetings of the Shareholders. He or she shall be Secretary to the Board of Directors and the Executive Committee and as such, shall give due notice of meetings of each and shall keep accurate minutes and records of the proceedings at all meetings of both. He or she shall have general supervision over all corporate records of the Company and shall perform such other duties as the Board of Directors or the Executive Committee shall from time-to-time direct.

Section 4.06. **Treasurer.** The Treasurer shall see that just and true cash, check, bank, and other proper financial records are kept, especially including records of all monies received, deposited, drawn and dispersed. He or she shall be generally in

charge of the safekeeping of the assets of the Company and shall perform such other duties as the Boards of Directors or the Executive Committee shall direct.

Section 4.07. **Other Executive Officers.** The powers, authority, duties, and responsibilities for other executive officers shall be delegated and defined by the Board of Directors or if no such delegation and definition by them, then by the Chairman of the Board or the Vice Chairman of the Board.

Section 4.08. **Succession of the Chairman of the Board and the Chief Executive Officer.** The Company shall take action (i) to cause Lawrence J. Arth to serve as Chairman of the Board of Directors and Chief Executive Officer beginning on the effective date of these By-laws and continuing until the earlier to occur of his no longer serving as Chief Executive Officer or July 31, 2008, and (ii) to cause John H. Jacobs to serve as Vice Chairman of the Board of Directors, President and Chief Operating Officer of the Company beginning on the effective date of these By-laws and continuing until the appointment described in the next sentence hereof. The Company shall take all necessary action to cause John H. Jacobs to be elected and appointed as Chairman of the Board of Directors and Chief Executive Officer of the Company to immediately succeed Mr. Arth no later than July 31, 2008.

Section 4.09. **Election and Appointment of Officers.** At each annual meeting of the Board of Directors, the Board of Directors shall elect persons to serve as the officers named above and may elect or appoint any other officers which it shall deem appropriate, assign the official titles to each, fix and authorize payment of the compensation of each such officer and provide for the duties of such office.

Section 4.10. **Term of Office; Vacancies.** The officers elected by the Board of Directors shall hold their respective positions from time of election or appointment until the next annual meeting of the Board of Directors and until their successors are elected. Vacancies occurring among the Executive Officers may be filled by action of the Board of Directors in a manner consistent with the Merger Agreement.

Section 4.11. **Removal.** Any officer elected by the Board of Directors may be removed by and at any time and his or her title, duties and compensation adjusted upon affirmative vote of the majority of the Board of Directors; provided however, that during the Mandatory Period, the Chief Executive Officer and the Chief Operating Officer may not be removed without a Supermajority Vote. A finding by the Board of Directors that any officer is permanently disabled shall create a vacancy in the office held by such officer.

Section 4.12. **Administrative Officers.** The Executive Committee may, at its discretion, designate such administrative officers as it may deem proper and delegate such duties, responsibilities and authority to them as it may determine.

Section 4.13. **Salaries.** The salaries of the officers, if any, shall be fixed from time to time by the Board of Directors and no officer shall be prevented from receiving such salary by reason of the fact that he or she is also a Director of the Company.

Section 4.14. **Delegation of Duties.** The Board of Directors may at its discretion designate such administrative officers as it may deem proper and delegate such duties, responsibilities and authority to them as it may determine.

## ARTICLE V.

### Committees

Section 5.01. **Executive Committee.** At each of its annual meetings, the Board of Directors shall elect not less than three (3) Directors to serve, together with the Chairman of the Board and the Vice Chairman of the Board, as the Executive Committee for the ensuing year and until their successors are elected and qualified. Any vacancy in the Executive Committee occurring during the year may be filled for the unexpired term by the Board of Directors. Notice of call of meeting may be written or by telephone and shall be given to each member in sufficient time to permit convenient travel by usual means to the meeting. Call and notice of call of meetings may be waived before or after the meeting. Attendance without protest at any meeting shall constitute a waiver of call and notice of call thereof by the attending member. A majority of members of the Executive Committee shall constitute a quorum for the transaction of business.

Section 5.02. **Duties of Executive Committee.** Except as limited by the laws of the State of Nebraska or by the provisions of the Articles of Incorporation, the Executive Committee shall possess and exercise all the powers of the Board of Directors in the interim between meetings of the Board of Directors. The Executive Committee shall carry into practical effect all orders and directions of the Board of Directors and shall in such interim decide all questions of current business policy. The Secretary shall promptly forward a copy of the minutes of each meeting of the Executive Committee to each director. It may

elect, appoint, employ, remove or authorize the appointment, employment or removal of such supervisory and administrative officers and employees as it shall deem necessary for the conduct of the company's business, including one or more assistant secretaries and one or more assistant treasurers, with full authority to perform the duties of Secretary and Treasurer, respectfully, and fix and authorize payment of the compensation of such officers and employees. It may, at its discretion, adjust the compensation of such officers and employees so elected, appointed or employed.

Section 5.03. **Nominating and Corporate Governance Committee.**

- a. The Board of Directors shall establish and maintain a Nominating and Corporate Governance Committee comprised of eight (8) Independent Directors who shall serve until their successors are elected and qualified. During the Mandatory Period, the Nominating and Corporate Governance Committee shall be composed of an equal number of Ameritas Acacia Directors and Union Central Directors, all of whom shall be Independent and, subject to the powers of the Ameritas Acacia Designation Committee and the Union Central Designation Committee set forth in Sections 5.05 and 5.06 hereof, shall be responsible for the nomination of persons to stand for election as Directors. Subject to the powers of the Ameritas Acacia Designation Committee and the Union Central Designation Committee set forth in Sections 5.05 and 5.06 hereof, the Nominating and Corporate Governance Committee shall evaluate prospective director nominees against such evaluation criteria as experience, expertise, education, professionalism, diversity, geographic location, reputation, and other relevant considerations. The Nominating and Corporate Governance Committee shall submit to the Board of Directors a complete list of all persons who have been nominated to stand for election as Director (which, during the Mandatory Period, shall consist of the Ameritas Acacia Designees and the Union Central Designees) and any Director nominees proposed by Shareholders in accordance with the Articles of Incorporation. The Board of Directors shall thereupon declare as nominees the persons who have been so nominated, in accordance with the above provisions and the nominations shall be closed. The Nominating and Corporate Governance Committee shall make periodic recommendations to the Board of Directors as to which Directors should serve as members of the various committees of the Board of Directors and as the chairpersons thereof.
- b. If, during the Mandatory Period, any of the Ameritas Acacia Designees or Union Central Designees shall resign or be unable to serve as a member of the Nominating and Corporate Governance Committee for any reason, the Ameritas Acacia Designation Committee (if such person was an Ameritas Acacia Designee) or Union Central Designation Committee (if such person was a Union Central Designee) shall designate another Director to serve in such person's stead, which designation shall be subject to the approval of the Board.

Section 5.04. **Audit Committee.** The Board of Directors shall establish and maintain an Audit Committee comprised of Independent Directors who shall serve until their successors are elected and qualified. The Audit Committee shall assist the Board of Directors in its oversight of the integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements and the performance of the Company's internal audit functions. The Audit Committee will also interact directly with and evaluate the performance of independent auditors, including determining whether to engage or dismiss such independent auditors and to monitor their qualifications and independence.

Section 5.05. **Investment Committee.** The Board of Directors shall establish and maintain an Investment Committee comprised of Independent Directors who shall serve until their successors are elected and qualified. The Investment Committee shall have control and management of the assets of the Company and of all business pertaining thereto, be responsible for decisions with respect to investment risk management of the Company (unless otherwise required by law), and be responsible for recommending to the Board of Directors investment policies and practices and decisions respecting the investment and sale of assets.

Section 5.06. **Ameritas Acacia Designation Committee.** For the Mandatory Period, there shall be an Ameritas Acacia Designation Committee. The initial members of the Ameritas Acacia Designation Committee shall be the following fourteen (14) persons, each of whom shall be deemed to be an Ameritas Acacia Designee: James P. Abel, Haluk Ariturk, Lawrence J. Arth, William W. Cook, Jr., Bert A. Getz, James R. Knapp, Patricia A. McGuire, Floretta D. McKenzie, Tonn M. Ostergard, Edward J. Quinn, Jr., Paul C. Schorr, III, Wayne D. Silby, Winston J. Wade, and Robert M. Willis. Thereafter, during the Mandatory Period, the Ameritas Acacia Designation Committee shall be comprised of the Ameritas Acacia Designees then serving as Directors of the Company. The Ameritas Acacia Designation Committee shall, in connection with each annual meeting of the Shareholders at which Directors will be elected, select and designate the persons that shall comprise the Ameritas Acacia Designees to be nominated for election at such meeting, all of whom shall be at least 21 years of age and legally qualified to act as Directors. The Ameritas Acacia Designation Committee shall provide a list of the Ameritas Acacia Designees to be so nominated to the Nominating and Corporate Governance Committee at least sixty (60) days prior to the

next annual meeting of Shareholders. If a person so designated declines to stand for election before the ensuing annual meeting of the Shareholders, the Ameritas Acacia Designation Committee shall designate another nominee. The Ameritas Acacia Designation Committee shall have the power, by majority vote, to enforce the provisions of the Merger Agreement set forth in Sections 1.3 and 1.5 through 1.11 thereof and to enforce the provisions of these By-laws that apply during the Mandatory Period.

Section 5.07. **Union Central Designation Committee.** For the Mandatory Period, there shall be a Union Central Designation Committee. The initial members of the Union Central Designation Committee shall be the following eleven (11) persons, each of whom shall be deemed to be a Union Central Designee: James M. Anderson, Michael S. Cambron, Richard H. Finan, Michael A. Fisher, John H. Jacobs, Francis V. Mastrianna, Thomas E. Petry, Larry R. Pike, Myrtis H. Powell, Dudley S. Taft, and John M. Tew, Jr. Thereafter, during the Mandatory Period, the Union Central Designation Committee shall be comprised of the Union Central Designees then serving as Directors of the Company. The Union Central Designation Committee shall, in connection with each annual meeting of Shareholders at which Directors will be elected, select and designate the persons that shall comprise the Union Central Designees to be nominated for election at such meeting, all of whom shall be at least 21 years of age and legally qualified to act as Directors. The Union Central Designation Committee shall provide a list of the Union Central Designees to be so nominated to the Nominating and Corporate Governance Committee at least sixty (60) days prior to the next annual meeting of Shareholders. If a person so designated declines to stand for election before the ensuing Annual Meeting of Shareholders, the Union Central Designation Committee shall designate another nominee. The Union Central Designation Committee shall have the power, by majority vote, to enforce the provisions of the Merger Agreement set forth in Sections 1.3 and 1.5 through 1.11 thereof and to enforce the provisions of these By-laws that apply during the Mandatory Period.

Section 5.08. **Compensation Committee.** The Board of Directors shall establish and maintain a Compensation Committee comprised of Independent Directors who shall serve until their successors are elected and qualified. The Compensation Committee will evaluate and make recommendations with respect to (and report such evaluations and recommendations to the Board of Directors) the compensation of the officers of the Company, and their performance relative to their compensation, to assure that they are compensated effectively in a manner consistent with the overall objectives of the Company. During the course of such evaluations, the Compensation Committee shall take into account historical compensation levels, internal equity considerations, competitive practice, the state of the current market, and any limitations of applicable regulatory bodies. The Board of Directors shall make all final determinations relating to the compensation of executive officers of the Company. In addition, the Compensation Committee shall evaluate and make recommendations to the Board regarding the compensation of the members of the Board of Directors, including their compensation for services on committees of the Board of Directors.

Section 5.09. **Standing Committees.** The Board of Directors may establish and discontinue standing committees, as it may from time-to-time consider necessary and proper, and delegate to each of them such responsibilities and authority as it may deem appropriate, provided however, that during the Mandatory Period, the Board of Directors shall not abolish the following committees without a Supermajority Vote: Executive Committee, Nominating and Corporate Governance Committee, Audit Committee, Ameritas Acacia Designation Committee and the Union Central Designation Committee. The Chairman and Vice Chairman of the Board shall be ex-officio members of each standing committee with full voting rights, except that neither the Chairman of the Board nor the Vice Chairman of the Board shall be a voting member of the Audit Committee, the Nominating and Corporate Governance Committee or the Compensation Committee.

Section 5.10. **Subsidiary Board of Directors.** During the Mandatory Period, the persons comprising the respective Boards of Directors of The Union Central Life Insurance Company and its subsidiaries at any time shall be determined solely by the Union Central Designees then in office and the persons comprising the respective Boards of Directors of Ameritas Acacia Life Insurance Company and its subsidiaries shall be determined solely by the Ameritas Acacia Designees then in office.

Section 5.11. **Committee Secretary.** The chairman of each committee other than the Executive Committee shall appoint a committee secretary, who shall keep minutes of the official votes and acts of the committee and such other records of the committee's deliberations and activities as the chairman shall direct. The committee secretary shall keep one copy of such minutes and shall file a copy with the Secretary of the company and send a copy to each member of the Executive Committee.

Section 5.12. **Vacancies in Committee.** Vacancies in any committee may be filled by action of the Board of Directors.

Section 5.13. **Committee Chairman.** Each committee of the Board shall elect a Chairman to preside at the meetings of such committee. During the Mandatory Period, at least one (1) of the following committees of the Board of Directors shall be

chaired by a Union Central Designee then serving as Director: Nominating and Corporate Governance Committee; Audit Committee or Compensation Committee.

Section 5.14. **Quorum.** A majority of the members of any committee shall constitute a quorum for the transaction of business.

Section 5.15. **Selection of Initial Committee Members.** The initial members of the committees required to be established and maintained under these By-laws shall be comprised of the Directors designated to serve on such committees pursuant to Section 1.6 of the Merger Agreement.

## ARTICLE VI.

### Contracts, Loans, Checks and Deposits

Section 6.01. **Contract.** The Board of Directors may authorize any officer(s) or agent(s) to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Company, and such authority may be general or confined to specific instances.

Section 6.02. **Loans.** No loans shall be contracted on behalf of the Company and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 6.03. **Checks, Drafts, Etc.** All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Company shall be signed by such officer(s) or agent(s) of the Company and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 6.04. **Deposits.** All funds of the Company not otherwise employed shall be deposited from time to time to the credit of the Company in such banks, trust companies or other depositories as the Board of Directors may select.

## ARTICLE VII.

### Certificates for Shares and Their Transfer

Section 7.01. **Certificates for Shares.** Certificates representing shares of the Company shall be in such form as shall be determined by the Board of Directors. Such certificates shall be signed by the Chief Executive Officer or a Vice President and by the Secretary or an Assistant Secretary. All certificates for shares, including certificates for newly issued shares, shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue shall be entered on the stock transfer books of the Company. All certificates surrendered to the Company for transfer shall be canceled and no new certificates shall be issued in respect of such transfer until the former certificates for a like number of shares shall have been surrendered and canceled, except that in case of a lost, destroyed or mutilated certificate a new one may be issued therefor upon such terms and indemnity to the Company as the Board of Directors may prescribe.

Section 7.02. **Transfer of Shares.** Transfer of shares of the Company shall be made only on the stock transfer books of the Company by the holder of record thereof or by its legal representative, who shall furnish proper evidence of authority to transfer, or by its attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the Company, and on surrender for cancellation of the certificate for such shares. The person in whose name shares stand on the books of the Company shall be deemed by the Company to be the owner thereof for all purposes.

## ARTICLE VIII.

### Fiscal Year

Section 8.01. The fiscal year of the Company shall be January 1 to December 31.

## ARTICLE IX.

### Dividends

Section 9.01. The Board of Directors may from time to time declare, and the Company may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law.

## ARTICLE X.

### Seal

Section 10.01. The Board of Directors shall provide a corporate seal and shall have inscribed thereon the name of the Company and the words "Corporate Seal."

## ARTICLE XI.

### Waiver Of Notice

Section 11.01. Whenever any notice is required to be given to any Shareholder or Director of the Company under the provisions of these By-laws or under the provisions of the Articles of Incorporation or under the provisions of the Nebraska Business Corporation Act, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

## ARTICLE XII.

### Indemnification and Non-Liability

Section 12.01. **Indemnification.** The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that such person is or was a director, officer or employee of the company or is or was serving at the request of the company as a director, officer or employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses, including attorney's fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding to the full extent authorized by the laws of the State of Nebraska.

Section 12.02. **Personal Liability.** No person employed by the Company as a director, officer, employee, or agent or serving at the request of the Company as a director, officer, employee, or agent of one of the Company's subsidiaries or affiliates shall be personally liable to the Company or any Shareholder thereof for monetary damages of any type which arise as a result of acts or omissions by the director, officer, employee, or agent which are related to the director's, officer's, employee's, or agent's job responsibilities with the Company, which are done in good faith and which do not involve intentional misconduct or a knowing violation of the law. No person serving at the request of the Company as a director or officer shall be personally liable to the Company or any Shareholder thereof for monetary damages of any type which arise as a result of the directors enforcement of the provisions of Sections 1.3 and 1.5 through 1.11 of the Merger Agreement or these By-laws, to the extent permitted by applicable law.

Section 12.03. **Non-Exclusive Provision.** The foregoing right of indemnity and reimbursement shall not be deemed exclusive of any other rights to which any director, officer, employee, or agent may be entitled under any other law, by-law, agreement, vote of Shareholders or otherwise.

## ARTICLE XIII.

### Amendments

Section 13.01. These By-laws may be amended by the Board of Directors at any regular or special meeting, but during the Mandatory Period only by affirmative vote of a Supermajority of the Board of Directors, except that the provisions of clause (y) of Section 3.02(d) may not be amended without the unanimous vote of the entire Board of Directors.

EXHIBIT M  
Closed Block Memorandum

**CLOSED BLOCK MEMORANDUM**

Introduction

The objective of the Closed Block is to provide reasonable assurance to owners of policies therein that, after the Effective Time, assets will be available to provide for continuation, in aggregate, of dividends throughout the life of such policies based upon the dividend scale payable for 2005 if the experience underlying such dividend scale (including the portfolio interest rate) continues, and for appropriate adjustment in such dividend scale if the experience changes. This Closed Block Memorandum sets forth how the Union Central Life Insurance Company ("Union Central" or "the Company") seeks to meet that objective in its funding of the Closed Block and how the Closed Block will operate with respect to certain charges. In addition, the last section of this Closed Block Memorandum describes how dividends will be continued for certain dividend-paying individual annuity and supplementary contracts not in the Closed Block. Article VIII of the Plan of Reorganization (the "Plan") describes, in general, how the dividends shall be apportioned after the Effective Time. Unless otherwise specified, terms in the Plan have the same meaning herein.

*INITIAL FUNDING FOR THE CLOSED BLOCK*

- I. Section I contains the procedure that will be followed to determine the amount of Closed Block Assets that will be used to fund the Closed Block as of July 1, 2005 (the "Closed Block Funding Date").
- II. Section II contains the experience assumptions used to determine the amount described in Section I.

*HOW THE CLOSED BLOCK WILL BE OPERATED*

- III. Section III contains the bases for making certain charges to the Closed Block, including expenses and taxes, other than Federal and foreign income taxes to the Closed Block after the Closed Block is established.
- IV. Section IV contains the bases for charging Federal and foreign income taxes to the Closed Block after the Closed Block is established.

*ALTERNATIVE PROTECTION FOR DIVIDEND-PAYING INDIVIDUAL CONTRACTS OUTSIDE THE CLOSED BLOCK*

- V. Section V contains the procedures to determine dividends (in the form of excess interest credited) on dividend-paying individual annuity and supplementary contracts, which will be excluded from the Closed Block.

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## I. AMOUNT OF INITIAL CLOSED BLOCK ASSETS

### A. Closed Block Funding

The amount of initial Closed Block Assets is determined in two steps whereby a provisional amount of assets is estimated as of the Closed Block Funding Date, so that accounting processes may begin promptly, and a final calculation of initial Closed Block Assets is made within 180 days after the Closed Block Funding Date.

#### 1. Estimate of the Assets Needed at the Closed Block Funding Date

Assets needed in the Closed Block will be determined such that those assets together with anticipated revenues from Closed Block Business will provide for payment of contractual policy benefits (such as death claims and surrender benefits), specified expenses, commissions and taxes, and the continuation of dividends throughout the life of the policies included in the Closed Block based upon the dividend scale payable for 2005 if the experience underlying such dividend scale (including the portfolio interest rate) continues.

Union Central will use a model based on the business and assets present on September 30, 2004 to estimate the assets needed at the Closed Block Funding Date, in order to allow the accounting to begin formal operation immediately on the Closed Block Funding Date. This estimate will identify the approximate amount of initial assets needed to fund the Closed Block.

Using a model of the business in force on September 30, 2004, Union Central will project the needed assets as of September 30, 2004, and determine the ratio of assets needed to reserves and liabilities. Union Central will apply these ratios to the estimated reserves and liabilities as of the Closed Block Funding Date to calculate the estimated needed assets as of the Closed Block Funding Date.

Based on the model as of September 30, 2004 and the calculations described above, Union Central will establish a provisional funding of the Closed Block as of the Closed Block Funding Date. The provisional Closed Block funding consists of the policy loans and the due and deferred gross premium assets on the Closed Block policies in force, plus certain investment grade bonds and commercial mortgages chosen from the traditional life segment of the Company's general account. (While the provisional funding includes gross premium assets in the sense that the gross premium cash flows will be credited to the Closed Block as received, a statutory balance sheet presentation of assets will show net premiums. Funding is fundamentally determined by cash flows, not by statutory presentation.)

#### 2. Final Closed Block Funding

As soon after the Closed Block Funding Date as possible, using a model based on the business and assets present on the Closed Block Funding Date, Union Central will calculate the amount of assets needed to fund the Closed Block to complete its establishment as of the Closed Block Funding Date. The *actual* initial assets will be determined using a new model reflecting the actual insurance business in force and actual assets owned by Union Central and available to fund the Closed Block. If there is a shortfall of the *provisional* funding below the *actual* initial assets needed, additional assets will be identified and allocated from the traditional life segment of Union Central's General Account, with interest, to complete the funding. If there is an excess of the *provisional* funding over the *actual* initial assets needed, assets will be transferred from the Closed Block to the balance of Union Central's General Account, with interest, to complete the funding.

### B. Closed Block Model

Union Central will calculate the actual assets needed to fund the Closed Block as of the Closed Block Funding Date, by:

- (1) building a model that projects all insurance cash flows from the liabilities included in the Closed Block as of the Closed Block Funding Date (including interest on, and changes in, policy loans);
- (2) selecting a test set of starting assets which consist of fixed-income assets; and
- (3) projecting the cash flows on these assets together with assets purchased by reinvesting cash until the Closed Block liabilities all terminate.

Steps (2) and (3) are repeated iteratively using different test amounts of starting assets until the assets remaining after the last policy has expired, terminated, or otherwise matured are approximately zero. The calculation of the amount of Closed Block Assets takes into account the requirement that the assets allocated to the Closed Block be in an amount which, together with anticipated revenues from the Closed Block Business, is expected to be sufficient to support such business, including, but not limited to, provisions for payment of contractual policy benefits (such as death claims and surrender

benefits), specified expenses, specified commissions, and taxes, and to provide for the continuation of dividends, in aggregate, with respect to such policies for the life thereof, based upon the dividend scale payable in 2005, if the experience underlying such scale (including the portfolio interest rate) continues. While it does not affect the funding, a related concept for the Closed Block is that if the experience underlying the dividend scale payable in 2005 does not continue, but rather changes, then the dividend scale will be changed appropriately to reflect such changes in the underlying experience.

The following describes the three steps of the calculations listed above.

#### 1. Insurance Cash Flows

A complete description of policies included in and excluded from the Closed Block is contained in Schedule I of this Closed Block Memorandum. The Closed Block includes Union Central's traditional individual dividend paying ordinary life policies, including whole life plans, limited pay plans, endowments, and some term policies, as well as policies which are eligible to be reinstated to dividend paying policies. Riders and dividend options on policies in the Closed Block are included in the Closed Block. Eligible contracts will continue to be added to the Closed Block until the Effective Time.

The life insurance model of Union Central's Closed Block Business will be developed from Union Central's records. The model will consist of approximately 5,000 model cells. Model cells are defined by plan, rate book, valuation basis, policy loan interest rate, sex, underwriting basis, issue age, and other factors. The model also provides for paid-up dividend additions and dividend accumulations.

The model will also include aggregate projections for a number of riders and other benefits, such as premium waiver and extended term insurance. Other incidental benefits on Closed Block policies that are not material will be funded at 100% of the statutory reserve for the benefit.

The model for in-force business is designed to generate pre-Federal income tax insurance cash flows, defined as follows:

- (a) Cash premiums, plus policy loan interest paid in cash or added to the loan, plus dividends applied to dividend accumulations, to paid-up additions, and to reduce premiums, minus
- (b) Benefits (which are assumed to be paid in cash), interest paid in cash, and all policyholder dividends, minus
- (c) The charges for administrative expenses, commissions, service fees, overrides, commission-related expenses, investment expenses, and taxes, licenses and fees other than Federal and foreign income tax as set forth in Section III, minus
- (d) The increase (or plus the decrease) in policy loans.

Certain aspects of these items are commented upon below:

##### a. Premiums are Assumed to be Received on a Modal Basis

The assumption of modal premiums means that the model assumes certain modal premiums are deferred. Any difference between the model gross deferred premium asset and the actual gross deferred premium asset at the outset, along with any related difference in costs incurred upon receipt of such premiums, will be recognized in the final validation of the model. Therefore, the Closed Block is funded in part by the amount of the gross deferred and uncollected premiums (less applicable commissions, commission related expenses, premium taxes and income taxes, if any, on the difference between the model deferred premium asset and the actual deferred premium asset) on Closed Block Business as of the Closed Block Funding Date.

##### b. Benefits

"Benefits" include death, surrender, withdrawal and maturity benefits (including any interest allowed for benefits paid after the date incurred) plus waived premiums (to the extent waived premiums are included in the cash premium income). Death benefits, either in the model or in a true-up adjustment, reflect anticipated claims incurred before the Closed Block Funding Date pursuant to Section III, including both claims in the course of settlement and claims incurred but not reported as of the Closed Block Funding Date. Benefits are modeled as being evenly distributed throughout the year, and to be paid or applied (in the case of, for example, dividends used to purchase additions) when incurred.

c. Expenses Charged on a Fixed Formula Basis

For administrative expenses, overrides and other commission-related expenses, and investment management expenses, the Closed Block will be charged based on a fixed formula as outlined in Section III. The model will project charges consistent with the level of these fixed charges for these items.

d. Commissions and Service Fees Charged Based on Actual Experience

For first-year and renewal commissions and service fees, the Closed Block will be charged based on the actual commissions and service fees incurred. The model will assume commissions and service fees based on contractual commission rates and service fees and recent experience concerning the vesting of service fees.

e. Taxes Charged According to Recent and Expected Future Experience

For premium taxes, franchise taxes and any similar taxes, the Closed Block will be charged based on the actual experience of Union Central according to the allocation procedures defined in Section III. For these items, the model will assume charges developed from Union Central's recent experience.

f. Policy Loan Utilization

The model reflects the actual policy loans in force on the Closed Block Funding Date. Future policy loans are projected as specified in Section II.

g. Reinsurance

Reinsurance cash flows are projected and include premiums ceded and benefits and other cash reimbursement as specified in Section III.

2. Closed Block Assets

The assets that back Union Central's traditional life insurance business, other than policy-related assets such as policy loans, are held in the traditional life segment of the general account of Union Central. These assets consist primarily of investment grade bonds and commercial mortgages. The Closed Block will be funded initially with all policy loans (including due or accrued interest) on Closed Block Business, all due and deferred gross premiums on Closed Block Business, and certain assets (including due and accrued interest) from the traditional life segment of the general account of Union Central as determined by the calculations described in this section. (In a statutory presentation, the due and deferred premiums will be net premiums, but the Closed Block will be credited the full gross premium when it arrives. Commissions are charged to the Closed Block as paid.)

3. Asset Cash Flows and Federal Income Taxes

Asset cash flows include coupons (or other forms of interest) and any repayments of principal. Investment expenses and a yearly default charge (based on estimated default costs) are assumed for the assets initially funding the Closed Block. Cash flows on initial Closed Block assets are projected assuming the Treasury Yield Curve as of the Closed Block Funding Date for projections of calls and prepayments. Investment cash flow is added to insurance cash flow, and Federal income taxes for the period (calculated as discussed below) are subtracted from the cash flow. The net cash flow is then assumed to be reinvested at the interest rate that underlies the current dividend scale. The reinvestment rate is determined after deducting a provision for investment expense and default costs. The reinvestment rate is 6.40%, based on the assumed earned rate underlying the 2005 dividend scale.

The calculation described here is performed iteratively, using various test amounts of assets until the surplus of the Closed Block is approximately zero after the last policy has expired, terminated, or otherwise matured. The Closed Block Assets at the Closed Block Funding Date will be adjusted to reflect any differences between model and actual amounts for such items as statutory reserves and claim liability, due and deferred gross premiums, tax reserves, etc.

Federal income taxes in each period are calculated as set forth in Section II.

## II. DESCRIPTION OF EXPERIENCE ASSUMPTIONS USED TO DETERMINE INITIAL ASSETS NEEDED

The factors comprising the experience assumptions used in the cash flow projections are as follows:

### A. Mortality

Mortality rates are based on the mortality experience underlying the development of the 2005 dividend scale. The mortality experience underlying the 2005 dividend scale varied for the pre 1980 CSO business and for various 1980 CSO plans. The rates vary by sex, issue age, and duration since issue, issue period, and premium underwriting basis (for example, smoker/nonsmoker versus aggregate).

Death benefits include face amount plus refund of unearned premiums.

The Closed Block will be funded for anticipated death claims incurred before the Closed Block Funding Date based on the liability held on the Closed Block Funding Date.

### B. Lapse

Base lapse rates are based on the Company's most recent lapse assumptions that vary by product. The assumptions were developed from a combination of pricing assumptions and recent persistency studies.

Lapse rates on paid-up additions, dividend accumulations, and riders are based on recent Company experience.

Surrender benefits are calculated as interpolated cash values. The model recognizes that actual surrender benefits are increased by the portion of dividend accumulations corresponding to the surrendered policies and reduced by the portion of policy loans corresponding to the surrendered policies.

### C. Commissions, Service Fees, Overrides and Other Commission-Related Expenses

The model assumes charges for commissions consistent with the actual commission applicable to the products in the Closed Block. The model assumes charges for service fees equal to 1% of premium after year ten, consistent with the service fee schedules and recent experience with respect to vesting of service fees. The combination of Quality Incentive Compensation (QIC), Overrides, and commission-related field expenses are assumed to be 255% of renewal commissions (excluding service fees), which is consistent with the recent experience with respect to QIC and is in accordance with how Overrides and commission-related field expenses will be charged to the Closed Block as described in Section III.

### D. Expenses and Taxes

The model assumes charges for the following expenses and taxes, consistent with the fixed schedule of charges that will be assessed against the Closed Block as described in Section III.

1. Quarterly administrative expenses will be modeled as \$10.00 per policy. Administrative expenses are calculated based on policies in force at the beginning of each quarter and assumed to be paid at the end of each quarter.
2. The model assumes charges for investment expenses consistent with the fixed schedule of charges that will be assessed against the Closed Block as described in Section III.
3. The model will assess charges for the following taxes based on the recent experience of Union Central. The assumptions for these taxes were derived in a manner consistent with the procedures for charging actual taxes to the Closed Block as described in Section III.

Premium taxes, franchise taxes and any similar taxes will be modeled as a percentage of premium, net of 16.2% of dividends.

The model assumes no state and local income taxes.

### E. Policy Loan Utilization

The model reflects the distribution of policy loans by model cell allocated to the base policies and paid-up additions as of the Closed Block Funding Date.

The model assumes that loan interest is earned at the appropriate policy loan rate for each model cell. Variable policy loans on Whole Life 87 are assumed to earn 6.50%, and variable policy loans on all other policy forms with such loans are assumed to earn 6.33%, based on the average variable policy loan rates for 2004. Policy loans are projected assuming recent policy loan utilization rates continue.

#### F. Dividends

Dividends reflect the current dividend scale effective January 1, 2005. For certain 1980 CSO plans, there is direct recognition of policy loans in the dividend scale, which the model handles by adjusting the dividend scale for each model cell to reflect the amount of policy loan in force for the cell in a year. Union Central pays pro rata annual dividends on death but not on surrenders.

Terminal dividends are payable on deaths, maturities, surrenders and lapses on some Union Central policies in the 1958 CSO block, and on some policies in the 1980 CSO block. Terminal dividends reflect the 2005 scale. No terminal dividends are paid on Union Central's other business.

#### G. Dividend Options

Dividends on base policies and paid-up additions are applied to various dividend options according to recent experience.

#### H. Reserves

Terminal reserve and net premium factors are input for each model cell or generated within the model based on the valuation basis and method. Year-end reserves (in the model) are calculated as mean reserves.

#### I. Tax Reserves

Tax reserves are calculated according to the tax law applicable to each model cell. Approximate tax reserves are used for certain plans.

#### J. DAC Taxes

In calculating the DAC proxy taxable income, the following assumptions are made:

- (1) Dividends used to purchase paid-up additions are treated as excluded premiums for DAC proxy taxable income.
- (2) Dividends applied to dividend accumulations are treated as excluded premiums for DAC proxy taxable income.
- (3) Dividends used to reduce premiums also reduce premiums for the DAC proxy taxable income.

The DAC proxy taxable income is based on capitalizing 7.7% of premiums net of the adjustments above. The DAC amortization period is ten years for the Closed Block.

The amortization of any DAC proxy taxable income arising from premiums paid before the Closed Block Funding Date is excluded from this calculation.

#### K. Federal Income Taxes

The tax basis profit or loss (for Federal income tax purposes) associated with Closed Block activities is calculated. This consists of the statutory income effect of Closed Block insurance cash flows other than policy loan interest (adjusted to a tax basis by substituting tax reserves for statutory reserves and dividend apportionment liability), investment income on policy loans, investment income on Closed Block Assets (including investment income on reinvestments in the Closed Block) and the DAC proxy taxable income as discussed above in paragraph J. Changes in dividend apportionment liability affect statutory income but not taxable income. The tax basis profit reflects the expenses, taxes and commissions deducted from the Closed Block without regard to any different "actual" expenses, taxes and commissions.

Federal income taxes are calculated assuming a tax rate of 35%. Capital gains are also taxed at 35% recognizing any differences between the tax and statutory values of assets in the Closed Block.

#### L. Riders and Incidental Benefits

Recent experience will be used to project future gains and losses from riders and incidental benefits.

M. Asset Default Rates for Initial Closed Block Assets

Asset default costs are projected on the initial assets in the models based on the quality rating of each asset. The default rates are based on the following table:

Annual Default Cost*	
Category	Annual Default Costs
Cash and Exempt Bonds	0 bp
NAIC 1	4 bp
NAIC 2	30 bp
Commercial Mortgages	40 bp

\* Annual default costs are based on industry experience, analysis of the portfolio as of September 30, 2004, and expectations of future experience.

N. Reinsurance Ceded

The model will reflect the projected cash flows on reinsurance ceded to unaffiliated reinsurers for those policies with reinsurance in force on the Closed Block Funding date, based on the terms of the reinsurance contracts.

**III. THE BASIS FOR MAKING CERTAIN CHARGES TO THE CLOSED BLOCK, INCLUDING EXPENSES AND TAXES OTHER THAN FEDERAL AND FOREIGN INCOME TAXES, AFTER THE CLOSED BLOCK IS ESTABLISHED**

Cash shall be withdrawn from the Closed Block for certain charges and taxes in accordance with the following formulas:

- A. \$10.00 per life insurance policy in force in the Closed Block at the beginning of each quarter. This charge made at the end of each quarter is in lieu of any allocation of actual administrative expenses and payroll taxes of the types currently reported in Exhibits 2 and 3 of the NAIC blank.
- B. Charges for life insurance commissions (including Quality Incentive Compensation) and service fees will be charged as they are incurred, and chargebacks of first year commissions will be credited to the Closed Block as they are recovered. Overrides will be charged as 100% of all renewal commissions (which exclude service fees), and other commission-related expenses will be charged as 100% of the renewal commissions (which exclude service fees).
- C. The charge for investment management expenses for each class of investments in the Closed Block will be assessed at the end of each quarter based on the Statutory Book Value of the asset excluding any accrued interest as of the beginning of the quarter. The quarterly charges are:

Asset Type	Charge
Investment Grade Bonds (including MBS, ABS, etc.) and Cash	2.75 bp
Below Investment Grade Bonds	8.50 bp
Commercial Mortgages	8.75 bp
Real Estate	50.00 bp
Policy Loans	0.00 bp

These basis point charges will be in lieu of any allocation of investment management expenses of the type currently reported in Exhibit 2 of the NAIC blank. Note that actual net asset default costs (which are not covered by these charges) will be assessed directly against the appropriate asset as such additional costs occur. For foreclosed real estate, direct expenses of maintaining the property will be assessed in addition to the investment expenses shown.

- D. The premium tax, franchise tax and any similar tax charge to the Closed Block in a given year is calculated as the sum of the tax assessed according to the laws of each of the various jurisdictions (before any credit for guaranty fund assessments) multiplied by the proportion to the premium in the Closed Block from each of those jurisdictions.

The Closed Block will not be charged for guaranty fund assessments nor will it receive credits for premium tax offsets for such guaranty fund assessments. It is intended that the Closed Block will also not be charged for state and local income taxes. However, in the event of a major increase in the expenses of Union Central with respect to state and local income

taxes, the charges to the Closed Block may be re-evaluated in a manner that is consistent with the actual expenses to Union Central and that is fair to all policyholders, subject to the approval of the Ohio Superintendent of Insurance.

- E. Funding Adjustment Charges for new policies issued after the Closed Block Funding Date but before the Effective Time will be deducted. Such charges shall be as adopted by the board of directors of Union Central. The charges will vary (1) by product and (2) by whether the charge is for a base policy or for a rider. The charges will be expressed as a combination of dollars per policy issued, plus dollars per unit of face amount issued, plus percentages of premium issued.

Funding Adjustment Charges represent the estimated excess of the present value of premiums over the present value of benefits (including dividends) plus those expenses and commissions to be charged to the Closed Block. These are the amounts that would not be necessary to fund for if the business were already in force on the Closed Block Funding Date.

- F. The Closed Block will be charged for death claims incurred but not yet paid before the Closed Block Funding Date. The Closed Block will not be charged for damages or legal costs arising from any lawsuit. However, the closed block will be charged for death claims or other claims for benefits actually or allegedly incurred after the Closed Block Funding Date on Closed Block Business even though arising from lawsuits.
- G. The Closed Block will be charged for reinsurance premiums to unaffiliated reinsurers on Closed Block Business as such charges are incurred by Union Central. The Closed Block will be reimbursed for claims paid by unaffiliated reinsurers on Closed Block Business, and for premium taxes reimbursed by the unaffiliated reinsurers on coinsurance. All other reinsurance charges or reimbursements will not affect the Closed Block.

#### **IV. THE BASIS FOR CHARGING FEDERAL AND FOREIGN INCOME TAXES TO THE CLOSED BLOCK, AFTER THE CLOSED BLOCK IS ESTABLISHED**

There is no intention that this section will have any impact on the overall tax liabilities of Union Central.

##### **A. Computation of Federal Tax Liability of Closed Block**

A Federal income tax liability will be determined for the Closed Block Business as if the Closed Block were a separate insurance company with the same character as Union Central under the Internal Revenue Code (having only those items, and amounts, of income, gain, loss and expense as are provided for in the Plan of Reorganization or in Section III above) filing separate Federal tax returns for each taxable year after the Closed Block Funding Date. Items such as any part of expenses not charged to the Closed Block are ignored for the calculation of tax to be charged to the Closed Block. Both charges for any foreign income taxes and foreign income tax credits against the Federal income tax are recognized and allocated. This hypothetical Closed Block tax calculation will be based on the following:

1. The tax rate will be the applicable maximum corporate income tax rate or rates to which Union Central is subject for the year in question on capital gains and other types of income. Assuming no change in tax law, this maximum corporate tax rate would ignore a higher marginal tax rate created by a phase-out of a small company deduction or of a small company tax rate.
2. Ordinary taxable income (loss) for the Closed Block will be calculated according to then applicable tax law. (Taxable gain currently is approximately the statutory gain from operations after policyholder dividends adjusted for tax-basis investment income but excluding any effect of IMR, less (plus) the increase (decrease) in net due and deferred premiums, plus (less) the increase (decrease) in statutory reserves, less (plus) the increase (decrease) in tax reserves, plus capitalized policy acquisition expense arising under Section 848 of the Internal Revenue Code, less amortization of such amounts, plus (less) the increase (decrease) in policyholder dividend liability. Tax reserves are net of due and deferred net premiums, as required by tax law, but an offsetting adjustment to earned premium is also required by tax law.)
3. The taxable realized capital gains (losses) will recognize the tax basis for assets, including any differences between tax and statutory asset bases.
4. Any tax benefits attributable to assets allocated to the Closed Block (e.g., the dividends received deduction) shall be allocated to the Closed Block in computing the separate return tax liability. If an asset is allocated in part to the Closed Block and in part to the remainder of Union Central, then the tax benefits attributable to that asset shall be allocated pro rata.

Any "intercompany transactions and distributions" between the Closed Block and the "open block" will be recognized in determining the Closed Block separate return tax liability, without regard to consolidated tax return principles and whether or not such transactions are deferred or actually recognized for Federal tax purposes.

Section 848 of the Internal Revenue Code (relating to the capitalization of policy acquisition expense) will be taken into account by increasing the Closed Block's taxable income by an amount equal to the "specified policy acquisition expense" under Section 848(c)(1) (determined without regard to any limitation based on the amount of the Closed Block's "general deductions") and allowing an amortization deduction in a corresponding amount ratably over a 120-month period as provided in Section 848(a). The Closed Block's hypothetical separate tax return calculation will reflect any amortization relating to only those policy acquisition expenses capitalized on or after the Closed Block Funding Date.

In the event of a major change in the Federal taxation of insurance companies or of Union Central (e.g., a change from an income tax to a premium tax or value-added tax), the tax charge to the Closed Block will be re-evaluated in a manner that is consistent with the new tax basis and fair to all the policyholders, subject to the approval of the Ohio Superintendent of Insurance.

**B. Charges to the Closed Block for its Positive Separate Return Tax Liability**

The Closed Block will be charged an amount equal to the Closed Block's positive separate return tax liability not later than 90 days after the filing of the Federal income tax return. If payments of estimated Federal income tax are at any time required to be made to the Internal Revenue Service, then the Closed Block will be charged the estimated amount of its share (based on the payments that would have been required of the Closed Block on a separate return basis) by the due date for such required payment. The Closed Block will be credited for any excess of prior estimated payments over the final actual payment required for a year.

**C. Credit to the Closed Block for Losses and Associated Tax Benefits**

The Closed Block will be credited an amount equal to the reduction in taxes, if any, arising from losses from operations, capital losses and tax credits. The credit for the Closed Block's negative separate return liability will be made whether or not such losses would actually reduce the tax liability of Union Central or of any affiliated group of which Union Central is a member. Charges and credits to the Closed Block will be made no later than 90 days after the filing of the Federal income tax return.

As stated above, the Closed Block will be credited an amount equal to the tax credits allocated to the Closed Block. Tax credits shall be allocated between the Closed Block and the remainder of the Company (or any affiliates) in accordance with the basis giving rise to such credits. If the Company is unable to determine the basis giving rise to the credit, then the credit shall be allocated in such other manner as is fair to all of the policyholders.

**D. Audit Adjustments**

Union Central may be audited by the Internal Revenue Service, resulting in adjustments to its tax liability that may affect the Closed Block in different ways. Union Central will allocate the tax expense arising from audits among all policyholders in a fair and reasonable manner. Any compromises involving issues that affect the Closed Block policyholders will reasonably and fairly take into account the impact on all policyholders.

1. In the event of an adjustment to the Federal income tax return for Union Central for a tax period commencing with or after the Closed Block Funding Date (e.g., arising from an audit by the Internal Revenue Service (the "Service"), an amended return or a claim for refund allowed by the Service), Union Central shall recompute the separate return tax liability for the Closed Block pursuant to the procedures set forth in Section A above.
2. If the adjustments result in an increase in the separate return tax liability for the Closed Block for the tax year in question, the Closed Block shall be charged in an amount equal to the increase in the separate tax return tax liability on the date that such additional tax liability is paid by Union Central to the Service. If the adjustments result in an increase in the separate return tax liability for the Closed Block and include statutory interest, additions to tax, or penalties that are attributable, in whole or in part, to the increase in the separate return tax liability for the Closed Block, the Closed Block shall also be charged for its allocable share of those amounts on the same date that it is charged for the increase in the Federal income tax liability. In no event, however, shall the Closed Block be charged for any amounts attributable to taxable periods prior to the Closed Block Funding Date.
3. In the event that the adjustments to the Federal income tax return result in a decrease in the separate return tax liability for the Closed Block, the Closed Block shall be credited in an amount equal to the decrease (together with the allocable portion of any interest refunded with the decrease in tax) on the date that such amount is paid by the Service. In the event that a subsequent adjustment results in a reduction in the amount credited to the Closed Block under this section, such later adjustment shall be charged to the Closed Block in accordance with the procedures set forth in the preceding paragraph. In no event shall the Closed Block be credited for any reduction in Federal income tax liability relating to taxable periods prior to the Closed Block Funding Date.

## V. ALTERNATIVE PROTECTION FOR DIVIDEND-PAYING INDIVIDUAL ANNUITY AND SUPPLEMENTARY CONTRACTS OUTSIDE THE CLOSED BLOCK

Two blocks of dividend-paying individual participating business will receive alternative protection of their dividend expectations outside the Closed Block, as described in this section.

### **Traditional Deferred Annuities**

There are less than 200 traditional dividend-paying deferred annuities in force, whose dividends are determined as excess interest dividends. The dividend interest rates depend on the loan interest rate on the contracts, and have not changed for the last 15 years, nor are they expected to change.

The Company will not change the dividend interest rates on these contracts without the prior approval of the Ohio Superintendent.

### **Supplementary Contracts**

The Company does not anticipate starting to pay dividends on supplementary contracts unless it has previously paid dividends on those contracts. There are two situations involving supplementary contracts where the Company has paid dividends in recent years: (a) during the initial certain period on life contingent supplementary contracts that elected guaranteed benefit rates, and (b) on non-life contingent supplementary contracts.

#### (a) Life Contingent Supplementary Contracts Which Had Elected Guaranteed Benefits

Dividends are potentially payable during any certain period on life contingent supplementary contracts where the guaranteed rate provisions of life contracts were elected as supplementary benefits. (If current rates were elected, no dividends are paid.)

#### (b) Supplementary Contracts Without Life Contingencies

Dividends are potentially payable during any phase of a supplementary contract not involving life contingencies: whether left on deposit to accumulate, whether fixed interest or fixed payments are being made, or whether the funds are being paid for a fixed period.

Union Central will determine the dividend for Supplementary Contracts not involving life contingencies as the fund balance times the net dividend rate, which is the excess, if positive, of the preliminary dividend rate (which is based on the portfolio asset yield less a spread of 275 basis points, rounded to the nearest multiple of 0.25%) over the guaranteed rate on the contract. Similarly, the dividend for Supplementary Contracts involving life contingencies but with a period certain, whose annuity benefits are based on guaranteed rates and not on once current rates, will be determined as the period certain fund balance times the net dividend rate, where the period certain fund balance is the present value of the period certain benefits discounted at the guaranteed interest rate.

Specifically, the portfolio asset yield will be derived as the arithmetic average of the prior four quarters' ending asset yield as of the dividend calculation date. (For example, the ending asset yields as of June 30, 2005, March 31, 2005, December 31, 2004, and September 30, 2004 are averaged to determine the portfolio asset yield used to derive the dividend if a contract's anniversary occurs in the third quarter of 2005.)

The preliminary dividend rate will be the portfolio asset yield (averaged over four quarters as stated above) less 275 basis points, rounded to the nearest multiple of 0.25%.

The net dividend rate will not change if the newly calculated preliminary dividend rate is less than 100 basis points different from the previously calculated preliminary dividend rate applicable to that contract. For example, if the rolling average yield is 6.80%, the preliminary dividend rate will be 4.00% (4.05% rounded to the nearest multiple of 0.25%). If the preliminary dividend rate last used to set the current dividend rate being paid (either one year earlier or potentially even earlier if the current rate is simply being carried forward unchanged from a prior year) was 3.00% or less, or was 5.00% or more, then a new net dividend rate is determined for this quarter as the excess, if positive, of the preliminary dividend rate over the guarantee rate. Thus (assuming sufficient change in the preliminary dividend rate), all contracts with an anniversary occurring in the following quarter and with guaranteed rates below 4.00% will receive a dividend based on the preliminary dividend rate of 4% minus their guarantee rate.

## Schedule I

### Description of Policies Included in and Excluded From the Closed Block

“Closed Block Business” includes traditional dividend-paying individual ordinary insurance policies issued by Union Central before the Effective Time and in force on any date on or after the Closed Block Funding Date, or which were eligible at the Effective Time to be reinstated to a dividend-paying policy.

Closed Block Business includes all riders (whenever issued), additional benefit provisions, dividend accumulations and options related to life insurance policies in the Closed Block. Closed Block Business includes individual whole life policies, limited payment whole life insurance policies, endowment policies, certain term life insurance policies, and policies in effect under a nonforfeiture option. Closed Block Business also includes certain term policies that are not explicitly dividend-paying, including annual renewable term policies, and certain other term policies that, by their terms, will become participating at a date on or after the Effective Time.

Closed Block Business excludes any policy or contract issued at or after the Effective Time. Closed Block Business also excludes supplementary contracts, second-to-die policies, universal life policies, single premium whole life policies, Term-to-70 policies that have been deemed paid up, level term policies on policy form UC 8606 (or any state or underwriting class variations thereof), individual annuities, group annuities, group life insurance, group health insurance, group disability insurance, individual health insurance, individual disability insurance, and any other kind of policy or contract, whenever issued or whenever in force, which is not an individual life insurance policy as described above in the first paragraph.