

SUMMARY OF AGREEMENT AND PLAN OF MERGER

1. The boards of directors of **THE FARMERS COOPERATIVE ELEVATOR COMPANY** (“**FCEC**”) and **KANZA COOPERATIVE ASSOCIATION** (“**KANZA**”) have unanimously authorized the execution of an Agreement and Plan of Merger, which if duly ratified by the members/voting stockholders of **FCEC** would permit the merger of **FCEC** into **KANZA** to be governed by the Articles of Incorporation and Bylaws of **KANZA**.
2. **KANZA** is a full-service farmers’ cooperative with branch locations in Pratt, Sedgwick, and Stafford counties in Kansas serving customers in those and the surrounding counties in central and south-central Kansas.
3. **FCEC** is a full-service farmers’ cooperative with branch locations in Kingman, Reno, and Sedgwick counties in Kansas serving customers in those and the surrounding counties in central and south-central Kansas.
4. The Agreement and Plan of Merger, which has been approved by the unanimous vote of **FCEC**’s board of directors, will be effective on or about September 1, 2024, if first approved by a two-thirds (2/3rds) vote of the common stockholders of **FCEC** who are present and voting at a duly called membership meeting following not less than twenty (20) days’ notice. The Agreement and Plan of Merger has been approved by the unanimous vote of **KANZA**’s board of directors and under Kansas law ratification by **KANZA**’s stockholders is not required.
5. **KANZA** will be the surviving legal entity, and the registered office, principal place of business or headquarters will be in Iuka, Kansas. The current offices of **FCEC** will remain staffed and open to customers.
6. The Agreement and Plan of Merger provides that all stock and equity of **FCEC** stockholders will be converted into stock and equity of **KANZA** upon the effective date of the merger on a dollar-for-dollar basis. Each **FCEC** stockholder’s share of the total equity credits shall be applied first to the issuance of up to one hundred (100) shares of voting Common Stock in **KANZA** with a total par value of \$25.00 per share to patrons who are eligible to own voting stock (bona fide producers of agricultural products as defined in Kansas law and **Kanza**’s bylaws). Patrons who are not eligible to vote will first receive up to one hundred (100) shares of participating stock with a total par value of \$25.00 per share. The balance of each stockholder’s equity credit, if any, will then be applied to the issuance of revolving fund credits which will be equal to the amount of equity held by each stockholder starting with the most recent year first and working backward until the equity credit is depleted. All equities which are issued or earned (through patronage allocations) in **KANZA** will be eligible for redemption on a revolving basis as provided in the bylaws and board policy of **KANZA**. All non-qualified, allocated equity credits will be converted into non-qualified, allocated equity credits in **KANZA** on a dollar-for-dollar basis and will be eligible for redemption only as provided in the Bylaws and board policies of **KANZA**.

7. The Agreement and Plan of Merger may be abandoned prior to the effective date of the merger by the Board of Directors of either **KANZA** or **FCEC** if their respective due diligence reveals an economic or legal justification for doing so.
8. Upon the effective date of the merger, the board of directors of **KANZA** will be expanded from nine (9) to eleven (11). **KANZA's** trade territory will also be redistricted as follows: The two (2) current districts west of Kansas Highway 14 will be combined into a single West District. This will result in six (6) directors in the West District. The terms of the West District directors will be unchanged. The current East District will remain the same (all that area east of Kansas Highway 14) but the number of directors in that district shall be increased from three (3) to five (5). The terms of the current East District directors shall be unchanged. Two (2) of **FCEC's** current board members and one (1) associate (non-voting) board member, to be selected by **FCEC's** board of directors, will be appointed to serve on the expanded board. In order to ensure that no more than four (4) directors' terms expire in any one year, one appointed director shall serve an initial term of three (3) years, and one shall serve an initial term of two (2) years. As with all associate directors, the nominated associate director shall serve at the pleasure of the board. The identity of the two (2) appointed directors and their initial terms, and the identity of the associate director, shall be determined prior to the effective date by **FCEC's** board of directors. **Kanza's** bylaws will be amended on the effective date of the merger to expand the board of directors to redraw the districts as explained above.
9. The Agreement and Plan of Merger, Articles and Bylaws of **KANZA**, and short form audit reports for both cooperatives are available for inspection at the offices of both cooperatives.