

SECURA INSURANCE, A MUTUAL COMPANY
APPROVAL OF MUTUAL HOLDING COMPANY PLAN
AND RELATED TRANSACTIONS

Board of Directors Meeting
November 12, 2019

Pursuant to Wis. Stat. § 644.07(2), the Board of Directors (“Board”) of SECURA Insurance, A Mutual Company (“SECURA” or “Company”), a mutual insurance company organized and existing under Chapter 611 of the Wisconsin Insurance Code, at the Board’s meeting duly held on November 12, 2019, adopts the following resolutions.

WHEREAS, the Board recognizes and affirms the benefits to SECURA and its policyholders from the Company’s mutual structure, but understands the limitations that such structure imposes on SECURA’s ability to react quickly to changes in the insurance marketplace, to move quickly to take advantage of business opportunities in that marketplace and to maintain mutuality with its policyholders; and

WHEREAS, throughout its history, the Board has been involved in discussions regarding the benefits of “mutuality” to SECURA and its policyholders and regarding its corporate structure; and

WHEREAS, more recently, in a series of meetings over the past three years, the Board, with the assistance of the Company’s senior management and outside advisors, has evaluated multiple alternative structures to SECURA’s current mutual company structure, and discussed the advantages and disadvantages of these alternative structures; and

WHEREAS, following its most recent review and analysis of current available structural alternatives, in a Board meeting held November 18, 2018, the Board determined to focus on an insurance mutual holding company (“MHC”) structure and requested that management present how SECURA may use an MHC structure to further its strategies; and

WHEREAS, at a subsequent meeting of the Board on July 19, 2019, the Board discussed anticipated uses of the MHC for SECURA and believes that restructuring into an MHC system will provide benefits to SECURA, including but not limited to:

- Maintaining the mutuality that has been part of SECURA’s structure and culture since its inception in 1900, and giving the Company the opportunity to pursue expansion through subsidiary companies while maintaining that mutuality;
- Enhancing SECURA’s ability to respond to the future needs of policyholders, prospective policyholders and other Company stakeholders in a rapidly changing insurance marketplace through the development of insurance and non-insurance products and services and investment in ancillary and non-insurance businesses;
- Providing an avenue to obtain additional capital that will give SECURA new debt and equity financing opportunities in the event additional capital is required in the future;

- Place SECURA in a more flexible position to more expeditiously take advantage of opportunities as they present themselves, such as mergers and acquisitions of other mutual insurance companies; and
- Increasing the Company's competitiveness by enhancing the efficiency, management and financial flexibility of SECURA's insurance operations; and

WHEREAS, at the July 19, 2019 Board meeting, the Board also passed a resolution authorizing management to continue its activities to achieve the restructuring of SECURA into an insurance mutual holding company system (the "Restructuring"), and also authorized management to draft all required documents and to bring such documents to effect the Restructuring to the Executive Committee of the Board for review and recommendation, and to the Board in November 2019 for anticipated approval of a resolution authorizing management to file an application and the MHC documentation and other required filing materials with the Wisconsin OCI to request approval for the restructuring; and

WHEREAS, management, with the assistance of outside advisors, has prepared and reviewed with the Executive Committee on October 29, 2019 and with the Board on November 12, 2019, the initial proposed form of a Mutual Holding Company Plan of Conversion (the "MHC Plan") including a draft of a Policyholder Information Booklet to be distributed to SECURA's policyholders (the "Policyholder Information Booklet") and other related exhibits and materials, all as previously provided to the Board in the materials for this Board meeting and, together with the changes to such documents as the Board may approve at this meeting, incorporated herein by reference; and

WHEREAS the Board has determined that Restructuring as described in the MHC Plan will enhance SECURA's ability to respond to a changing insurance marketplace, address future challenges and take advantage of future opportunities, including, in particular, by enhancing SECURA's ability to successfully address the strategic challenges and opportunities identified by the Board in this resolution. The Board has further determined that the MHC Plan and the transactions contemplated therein are fair and equitable to SECURA's policyholders as required by Wis. Stat. § 644.07(2), and are expected to benefit the policyholders by achieving the enhanced capabilities described above while preserving mutuality and the ability to operate with a focus on the interests of policyholders; and

WHEREAS, in order to restructure into an MHC, SECURA is required by Wis. Stat. Chapter 644 to file the MHC Plan and related documents with the OCI and is also required to make certain other filings with governmental entities (collectively, the "Regulatory Filings"); and

WHEREAS, in addition to approval by SECURA's Board, adoption of the MHC Plan would require the issuance of an order approving the MHC Plan by the OCI after a public hearing, certain other regulatory approvals, and approval by SECURA's policyholders (the "Members") at a meeting called for that purpose (the "Special Policyholders Meeting");

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NOW, THEREFORE, IT IS RESOLVED:

1. **Approval of MHC Plan and the Restructuring**

RESOLVED, that the Board finds that the MHC Plan and the Restructuring are fair and equitable to SECURA's policyholders and are expected to benefit the policyholders and SECURA in the manner described in the above recitals.

RESOLVED, that the MHC Plan, in substantially the form presented to the Board, together with such changes to the MHC Plan as the Board may approve at this meeting, and each of the actions contemplated in such Plan, are authorized, approved, and adopted in all respects, and that, subject to receipt of the required approval of the OCI and the Members, and the fulfillment of all other conditions precedent to consummation of the MHC Plan, SECURA's officers are, and each of them individually is, authorized and directed, in the name and on behalf of SECURA, to: (a) execute the MHC Plan, with such changes or additions (including to any of the exhibits thereto) and as may be required by any regulatory authority or governmental agency, or as may be required to comply with any applicable laws or regulations, or as SECURA's Chief Executive Officer shall, in his sole discretion, approve (such approval to be conclusively evidenced by the execution and delivery thereof), together with any other agreements, certificates, instruments, and documents as may be required in connection with the Restructuring; (b) perform the obligations and carry out the duties of SECURA under the MHC Plan and under such other agreements, certificates, instruments, and documents required in connection with the Plan; and (c) take such other action as may be contemplated by the MHC Plan, or deemed by SECURA's officers to be necessary or desirable in connection with the Plan and the Restructuring. Notwithstanding this resolution, any changes to the MHC Plan (including any exhibits thereto) that materially alter the MHC Plan, will be brought before the Board for its further approval and adoption by resolution.

RESOLVED, that, upon receipt of regulatory and Member approval, SECURA will form SECURA Insurance Mutual Holding Company, a Wisconsin mutual holding company under Wis. Stat. Chapter 644, as set forth in the MHC Plan.

RESOLVED, that, subject to required regulatory and Member approvals, SECURA's Articles of Incorporation be amended and restated in the form set forth in the MHC Plan (the "Third Amended and Restated Articles of Incorporation") and SECURA's Bylaws be amended and restated in the form set forth in the MHC Plan (the "Third Amended and Restated Bylaws"), effective as of the date contemplated in the MHC Plan.

2. **Regulatory Filings**

RESOLVED, that the Policyholder Information Booklet is approved in substantially the form provided to the Board in the materials for this Board meeting, together with such changes as the Board may approve at this meeting, and shall be submitted, together with the MHC Plan and all such other materials as required by law or as deemed appropriate by SECURA's officers, to the OCI for approval as provided in Wis. Stat. § 644.07(4), and that all other Regulatory Filings be made on behalf of SECURA with the appropriate governmental entities.

RESOLVED, that SECURA's officers are authorized and directed to respond to all requests for additional information by, and to meet with, or cause SECURA's outside legal advisors to meet with, officials of the OCI or any governmental agency having jurisdiction to confer on any issues relating to the proposed Restructuring.

RESOLVED, that SECURA's officers are authorized and directed to obtain a tax opinion meeting the requirements of the MHC Plan from SECURA's legal counsel.

RESOLVED, that SECURA's officers are authorized and directed to work with SECURA's legal advisors to seek a No-Action Letter meeting the requirements of the MHC Plan from the Securities and Exchange Commission.

RESOLVED, that SECURA's officers are authorized to negotiate the terms of any Stipulation and Consent Order that may be proposed by the OCI as a condition of approving the Restructuring, and SECURA's Chief Executive Officer is authorized to execute and deliver any such Stipulation and Consent Order that he deems necessary and desirable to achieve the benefits of the Restructuring on behalf of SECURA and its Members, provided, however, that any material changes to the MHC Plan resulting from any such Stipulation and Consent Order shall be subject to further Board approval prior to the execution and delivery of such Stipulation and Consent Order and the submission of the MHC Plan to the Members as provided for below.

3. **Member Approval**

RESOLVED, that, subject to the approval of the MHC Plan by the OCI, the MHC Plan, including the Third Amended and Restated Articles of Incorporation of SECURA included as an element of the MHC Plan, be submitted to the Members for approval at the Special Meeting to be called by SECURA's Secretary for that purpose.

RESOLVED, that SECURA's officers shall distribute the Policyholder Information Booklet, together with such changes as the Board may approve at this meeting and with such changes and additions, consistent with the MHC Plan, as may be required by the OCI or deemed necessary or appropriate by SECURA's officers in their sole discretion, to the Members in advance of the Special Meeting; and shall provide for such other Member communications as such officers deem necessary or appropriate to inform the Members of the potential advantages and benefits, as well as disadvantages and risks, of the MHC Plan and the Restructuring, and to communicate other information that a Member might reasonably deem material to the decision whether to vote to approve the MHC Plan.

RESOLVED, that the record date for purposes of determining the Members eligible to vote on the MHC Plan shall be the date which is 90 days in advance of the date established for the Special Meeting.

RESOLVED, that the Board recommends to the Members that they vote to approve the MHC Plan.

RESOLVED, that SECURA's Secretary is authorized to designate one or more representatives of SECURA to solicit, receive, vote, and tabulate Member proxies and otherwise assist with the conduct of the Special Meeting, and if any such representative requires a resolution in

any form different from, but generally consistent with, the foregoing, such resolution shall be deemed to have been fully approved and adopted when so certified by the Secretary.

RESOLVED, that upon the consummation of the Restructuring and the incorporation of SECURA Insurance Mutual Holding Company, the Board authorizes a distribution of \$500,000 from SECURA to SECURA Insurance Mutual Holding Company for its capitalization.

RESOLVED, that upon the issuance of 100% of the outstanding shares in SECURA Holdings, Inc. to SECURA Insurance Mutual Holding Company, the Board authorizes a contribution of \$50,000 from SECURA Insurance Mutual Holding Company to SECURA Holdings, Inc. for its capitalization.

RESOLVED, that upon the consummation of the Restructuring and the incorporation of SECURA Holdings, Inc. (after which time SECURA Holdings, Inc. will directly hold 100% of the shares of SECURA), the Board authorizes SECURA to distribute 100% of the shares of SECURA Supreme Insurance Company to SECURA Holdings, Inc.

RESOLVED, that any officer of SECURA is authorized and directed on behalf of SECURA to pay all fees and expenses incurred in connection with the Restructuring, including, without limitation, fees and expenses of SECURA's advisors and agents, filing fees, and printing and mailing expenses.

4. **General**

RESOLVED, that any officer of SECURA is authorized and directed in the name and on behalf of SECURA, to: (a) take or cause to be taken all such further actions and to prepare, execute and deliver or cause to be prepared, executed and delivered, and where necessary or appropriate, file or cause to be filed, all such other instruments and documents, including, but not limited to, all certificates, contracts, bonds, agreements, documents, instruments, receipts or other papers; and (b) engage such persons as such officer shall in his or her judgment determine to be necessary or appropriate to carry out fully the intent and purposes of the foregoing resolutions and each of the transactions contemplated thereby.

RESOLVED, that any and all actions heretofore or hereafter taken or caused to be taken by SECURA's officers, agents, and representatives in preparing and effecting the MHC Plan and the Restructuring, consistent with the foregoing resolutions, are ratified, confirmed, and approved in all respects.