Special Meeting of the Board of Directors
Surplus Lines Stamping Office of Texas

October 14, 2019

Lorrie Cheshier, Chair of The Board, called the special meeting of the Board of Directors of the Surplus Lines Stamping Office of Texas to order on October 14, 2019 at 9:00 a.m. She noted the following Board members in attendance by telephone conference pursuant to the Plan of Operations Section C.(6):

<table>
<thead>
<tr>
<th>Board members in attendance:</th>
<th>Expiring Terms:</th>
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<tbody>
<tr>
<td>Lorrie Cheshier, Chair</td>
<td>12/31/2019</td>
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<tr>
<td>Charles Gillenwater, Vice Chair</td>
<td>12/31/2019 (by phone)</td>
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<tr>
<td>Kyle Streetman</td>
<td>12/31/2019 (by phone)</td>
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<tr>
<td>Rosemarie Marshall, Secretary</td>
<td>12/31/2020 (by phone)</td>
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<tr>
<td>Teri Brinson</td>
<td>12/31/2021 (by phone)</td>
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<tr>
<td>Leslie Milvo</td>
<td>12/31/2021 (by phone)</td>
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<td>Randall Myers</td>
<td>12/31/2021 – Joined executive session</td>
</tr>
</tbody>
</table>

Not in attendance:
- Peter Harrison 12/31/2020
- Penni Nelson 12/31/2020

Counsel in attendance:
- Tracy McCreight, General Counsel, Duane Morris LLP
- Alex Gonzales, General Counsel, Duane Morris LLP (by phone)

Staff members in attendance:
- Denisse Orellana – VP of Human Resources
- Tara Mitchell – VP of ITS
- Ashley Corpus – SLTX
- Marceline Gutierrez - SLTX
- Dalton Moore – SLTX
- Seror Jasim – SLTX
- James Tang – SLTX
- Lourdes Wong – SLTX
- Shantell Jackson – SLTX
- Nathan Onks – SLTX
- Rachel Buche – SLTX
- Catherine Hull – SLTX
- Tyler Prideaux – SLTX
- Ming Zhou – SLTX
- Christina Robinson – SLTX
- Devin Helle – SLTX

Other in attendance:
- Moya Mckenna – Texas Department of Insurance
Cheshier confirmed by roll call a quorum of five or more members is present pursuant to Texas Government Code Sec. 551.125(b)(2) and Plan of Operations Sec. C.6.

A conference speakerphone is available for the public at this meeting site, and a conference call-in number was provided to members of the public on request.

Board Secretary Marshall shall take the minutes with the assistance of the staff.

Cheshier announced administrative housekeeping announcements before starting the agenda.

1. Antitrust activity or discussion are prohibited at all Stamping Office functions. This prohibition includes the exchange of information concerning individual company rates, coverages, market practices, claims settlement practices, expenses, or any other competitive aspect of an individual company’s operation.

2. We not have a public comments session.

3. Representatives of state agencies and members of the public are welcome to observe or record this Board meeting, but please refrain from asking questions or interjecting comments during the Board’s deliberations.

4. The state agency personnel present may be asked questions about their agency’s policies if those questions relate to an agenda item.

5. We have a closed executive session on the Agenda. Only the Board, legal counsel and necessary executive staff will be in this room or participating by telephone conference during the executive session. We will reconvene in open session after the executive session to vote on Agenda Item 1 as appropriate.

Agenda Item 1: Discussion/consideration of SLTX employment, evaluation, reassignment, duties, discipline, or dismissal; role and scope of duties for SLTX VP/Directors; reorganization of SLTX IT and Operations Departments.

Cheshier announced that the Board will go into closed session, pursuant to the Texas Open Meetings Act, on agenda item 1 to deliberate personnel matters, contemplated and pending litigation [Texas Government Code Section 551.074] and attorney-client matters in which the duty of SLTX’s counsel clearly conflict with provisions of the Texas Open Meetings Act [Texas Government Code Section 551.071.]
All members of the public, state agency representatives and SLTX staff, unless otherwise directed, are requested to leave the meeting room at this time. The public conference call shall be muted.

The meeting began at 9:07 a.m.

The closed session was called to order by Cheshier at 9:14 a.m. on October 14, 2019.

The Secretary will take notes for certified agenda.

Board members are reminded that all matters discussed in a closed session are confidential and privileged. Also, Board members are encouraged to freely express their opinions and can indicate how they expect to vote, but the Board may only vote in an open session. Straw votes are not allowed.

The executive session was ended by Cheshier at 10:09 a.m. on October 14, 2019.

Open Session

Cheshier reconvened the Board into open session on October 14, 2019 at 10:20 a.m. She called roll of Board to confirm quorum on telephone conference.

Cheshier asked if any Board members had comments to make or questions to present in public session concerning Agenda Item 1.

Cheshier asked if there were any motions to be made.

A motion was made that the Board of Directors authorize the Chair of the Board to bring a resolution to Frost Bank naming Denisse Orellana and Brian Wilds as signatories on the SLTX operating and payroll bank accounts, with both signatures being required for all checks.

Marshall made the first motion

Gillenwater seconded the motion.

Motion passed unanimously.

Cheshier asked if any additional motions to be made. Milvo asked about Item 4 on the agenda. Cheshier advised this was still an open item.

A motion was made that the Board of Directors authorize the Chair of the Board to sign consulting agreements for temporary executives on behalf of the Stamping Office, with prior notification to the full Board, until a new executive director is hired.

Milvo made the first motion

Brinton seconded the motion.

Motion passed unanimously.
Cheshier asked if there were any additional motions to be made. Hearing none, she asked for a motion to adjourn.

Motion made by Brinson.

Motion seconded by Streetman.

Meeting adjourned by 10:30 p.m.

Rosemarie Marshall, Secretary