

# CAMARA & SIBLEY LLP

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JOE SIBLEY - SIBLEY@CAMARASIBLEY.COM - EXT. 3002

March 23, 2020

*Sent via Certified Mail, Return Receipt Requested*

LIFE INSURANCE COMPANY OF ALABAMA  
c/o M. Lynn Lowe, Registered Agent  
302 Broad Street  
Gadsden, AL 35901

*Sent via facsimile to (256)-399-0667*

*Sent via email to skeck@licoa.com*

Re: Notice Of Request To Conduct Inspection Of Records Pursuant To AL CODE § 10A-2-16.02.

To Whom It May Concern:

My firm represents the following shareholders of Life Insurance Company of Alabama ("LICOA"): Trondheim Capital Partners LP, MTP 401K Plan, Bjornsund Ventures LLC, Maureen Peterson, Nate Tobik, Conant Family Foundation, Emily Clark, and Mitchell Partners (together, the "Shareholders"). As you know, the Shareholders maintain an ownership interest in LICOA of 55,876 of the LINS class shares; and 2,853 shares of the LINS class shares.

By this demand letter, the Shareholders – who have been record owners more than 180 days prior to this request – are hereby providing you notice that, pursuant to AL Code § 10A-2-16.02(b), they intend to conduct an inspection of LICOA's books, papers, records of account, minutes, and record of shareholders. The Shareholders specifically demand the following records:

1. All interim balance sheets and profit and loss statements of LICOA for the period from January 1, 2020 to the most recent available date.
2. A detailed report, from the most recent available date, of LICOA's investment portfolio showing investments, purchase price, and current valuation.
3. Copies of any communications to or from LICOA's investment manager from January 1, 2020 to the date of this letter.
4. Any analyses that have been prepared from January 1, 2020 to the date of this letter showing the effects of interest rate fluctuations on the value of LICOA's liabilities.

5. Any materials or records made by or prepared for LICOA regarding the 2020 coronavirus epidemic and/or the March 2020 market crash.
6. All documents evidencing any settlement agreements entered into by LICOA with any of its shareholders or with any of its employees, directors, or officers.
7. A complete set of actions by written consent and minutes (final versions or the most recent drafts to the extent that final versions are not available) of all meetings of the LICOA's Board of Directors (the "Board") and all committees thereof, and of LICOA's shareholders, for the period from January 1, 2000 to the date of this letter.
8. Copies of all materials provided to the Board and all committees thereof in connection with the actions by written consent and meetings identified in the previous paragraph.
9. A summary of any succession plans relating to the management of LICOA currently in effect, and any minutes of any meetings whereby such succession plans were discussed or adopted.
10. All information regarding any inquiries made by parties interested in acquiring, merging, or engaging in any business combination with LICOA, together with any memos, correspondence, records, or analyses prepared by or for LICOA that are related to the same.
11. Any materials or records made by or prepared for LICOA regarding planning for the future of the company, including but not limited to those regarding business planning, future business projections, share repurchases, reverse splits of any of LICOA's share classes of common stock, merger and acquisition transactions, or a sale of the company.
12. All information in or that comes into LICOA's possession or control, or that can reasonably be obtained from related parties, employees, officers, or directors, relating to purchases of shares of any of LICOA's classes of common stock, by any related parties, officers, directors, or employees of LICOA.
13. Copies of any LICOA policies, internal memos, or correspondence (including correspondence with third parties) regarding the purchase of shares of any of LICOA's classes of common stock by any related parties, officers, directors, or employees of LICOA.
14. Any records or analyses prepared by or for LICOA related to capital budgeting or to calculations of the return on investment for capital expenditures incurred over the past five years.
15. All records pertaining to the letter that was sent by LICOA to certain of its shareholders on November 5, 2019: including but not limited to the list of shareholders to whom it was sent, copies of any responses received from other LICOA shareholders, and any communications, memoranda, or correspondence by, to, or among LICOA and/or its employees or directors regarding this matter.
16. Copies of all correspondence received by LICOA (or its directors or officers) from other parties (including other shareholders) pertaining to any concerns including but not limited to profitability, capital allocation, share buybacks, nepotism, and conflicts of interest.
17. The minutes of the Audit Committee of the Board of Directors of LICOA

- (henceforth, the “Audit Committee”) for November 9, 2018 disclose that “a discussion was also held regarding the state examiners [sic] draft summary. It was recommended that continue [sic] efforts be made to turn responses to the examination issues into actions.” Shareholders demand a copy of the draft report mentioned, as well as copies of any other records pertaining to the “issues” mentioned, including but not limited to any communications, memoranda, or correspondence by, to, or among LICOA and/or its employees or directors regarding these matters.
18. Copies of any draft state examiners reports for the past 25 years, as well as any other records pertaining to any matter flagged (as an “issue” or otherwise) by the regulators in the draft reports or in the final reports, including but not limited to any communications, memoranda, or correspondence by, to, or among LICOA and/or its employees or directors regarding these matters.
  19. The minutes of the meeting of the Audit Committee for August 5, 2014 disclose that Willis, Boatner and Whiteside presented “suggestions” in “all of their audit reports to date.” Shareholders demand copies (both draft and final) of all of these audit reports, as well as any communications, memoranda, or correspondence by, to, or among LICOA and/or its employees or directors regarding these matters.
  20. The minutes of all “salary review meetings” that pertain to officers and family members of officers or directors.
  21. All records of the compensation and “salary review” committees (to whatever extent they are different) including, but not limited to, all memoranda or correspondence written by management to these committees or vice versa. This would include, for example, each memo like the memo written by Clarence Daugette dated October 27, 2015 proposing a bonus for officers and employees of LICOA.
  22. The minutes of the Audit Committee for April 26, 2016 disclose that “a continuing comment from the auditors is in relation to travel and entertainment expenses.” Shareholders demand all records regarding this topic, including but not limited to any communications, memoranda, or correspondence by, to, or among LICOA and/or its employees or directors regarding these matters.
  23. The minutes of the Audit Committee for August 8, 2016 disclose that “Roger Boatner will be making a presentation to senior management in reference to travel and entertainment expenses.” Shareholders demand a copy of this presentation, as well as all records regarding this topic, including but not limited to any communications, memoranda, or correspondence by, to, or among LICOA and/or its employees or directors regarding these matters.
  24. The minutes of the Audit Committee for August 8, 2017 regarding “open internal audit items” disclose that “there has been progress on the payroll and travel issues.” Shareholders demand all records regarding this topic, including but not limited to any communications, memoranda, or correspondence by, to, or among LICOA and/or its employees or directors regarding these matters.
  25. The minutes of the Board of Directors meeting for August 14, 2017 disclose that “changes were made to the Travel and Expense policy to address the

- receipt issues raised by the auditors, and a new Salary Adjustment Procedure to address salary control issues raised by the auditors.” Shareholders demand copies of the original and revised Travel and Expense policy and Salary Adjustment Procedure, any drafts thereto, and any communications, memoranda, or correspondence by, to, or among LICOA and/or its employees or directors regarding these matters.
26. All records pertaining to compensation levels set for officers and family members of officers or directors, including but not limited to any reports or analyses by compensation consultants, and any communications, memoranda, or correspondence by, to, or among LICOA and/or its employees or directors regarding these matters.
  27. All records pertaining to job descriptions of officers, including but not limited to draft and final versions of the job descriptions and any communications, memoranda, or correspondence by, to, or among LICOA and/or its employees or directors regarding these matters.
  28. All records pertaining to the promotion of Rosalie Renfrow and the salary raise given to her in 2018, including but not limited to information about the search process for a new Chief Investment Officer, salary budgeting for this position, and any communications, memoranda, or correspondence by, to, or among LICOA and/or its employees or directors regarding these matters.
  29. All records of LICOA's travel and entertainment expenses for the past 10 years, including a schedule showing each travel or entertainment event (such as LICOA's foreign trips or conventions) with the date, the amount spent on the event, and its business purpose; as well as a list of attendees of each event.
  30. All records pertaining to “raises” and “bonuses” granted by LICOA to its officers, including but not limited to any communications, memoranda, or correspondence by, to, or among LICOA and/or its employees or directors regarding these matters.

The purposes of the inspection by Shareholders of the LICOA records demanded are as follows:

1. Independently assessing and verifying the value of the Shareholders’ shares;
2. Independently verifying and assessing whether the issues relating to nepotism and to compensation and expenses identified by the State of Alabama Department of Insurance are still ongoing or have been cured;
3. Determining whether LICOA's business is being properly conducted;
4. Determining whether LICOA's officers and/or directors have engaged in tortious conduct such as shareholder oppression, nepotism, waste, usurpation of corporate opportunities, or other breaches of fiduciary duty;
5. Determining whether LICOA, its officers, and/or directors have engaged in securities fraud;
6. Communicating with other LICOA shareholders regarding matters of corporate governance;
7. Assessing and verifying the value of the Shareholders’ shares in a status quo scenario;

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8. Assessing the value of the Shareholders' shares in a scenario where the company cuts costs;
9. Assessing the value of the Shareholders' shares in a scenario where the company sells to an acquirer;
10. Assessing the value of the Shareholders' shares in a scenario where the company suffers a loss because of an interest rate increase or a credit market shock;
11. Determining whether Shareholders should seek representation on the Board;
12. Determining whether Shareholders should make one or more shareholder proposals on a platform that compares the status quo of LICOA with a sale of the company or with cost-cutting to improve performance; and
13. Sharing with other LICOA shareholders the range of possible values realized depending on the path that the company chooses.

The Shareholders designate and authorize Camara & Sibley LLP and its attorneys and other employees, and any other persons designated by any of the foregoing, acting alone or in any combination, to conduct the inspection and copying requested by this letter.

The AL Code § 10A-2-16.03 provides that "the right to copy records under Section 10A-2-16.02 includes, if reasonable, the right to receive copies made by photographic, xerographic, or other means." Given nationwide concerns about "social distancing," I would prefer that you email the requested records to me within the five business days provided for in the statute.

In the absence of prompt notice to the contrary, the Shareholders will assume that the LICOA agrees that this demand complies in all respects with the requirements of AL Code § 10A-2-16.02. The Shareholders reserve the right to withdraw or modify this request at any time. If LICOA does not respond to this letter or fails to permit inspection and copying of the demanded materials as required by AL Code § 10A-2-16.02, the Shareholders will seek appropriate relief to the fullest extent permitted under law.

Please contact me with any further questions.

Respectfully,

/s/ Joe Sibley

Joe Sibley