



MEMORANDUM

Date: October 23, 2018

To: Trustees of Daniel Corporations

From: Felipe Pia, Chief Financial Officer

Subject: Insurance Coverage

Directors and Officers liability insurance coverage, fiduciary liability insurance coverage, and employment practices liability insurance coverage are provided by Stratford Insurance Company for the Daniel entities. The Directors and Officers coverage has a limit of \$1,000,000 with \$10,000 retention for each claim. The fiduciary liability insurance has a limit of \$1,000,000 with \$10,000 retention for each claim. The employment practices liability insurance has a limit of \$1,000,000 with \$10,000 retention for each claim. The employee theft limit is \$300,000 with \$5,000 retention for each claim.

These insurance coverages provide for wrongful acts resulting in losses that an insured is legally obligated to pay as a result of a claim including judgments, settlements, compensatory damages, punitive or exemplary damages, pre-judgment and post-judgment interest, legal fees, and expenses awarded pursuant to a court order or judgment.

An insured person is defined for directors and officers and employment practices liability as any duly elected or appointed director, officer, trustee, trustee emeritus, manager, department head, executive director, duly constituted committee member, member of the staff or faculty, or the in-house general counsel, or an employee. An insured person is defined for fiduciary as any past, present or future executive or employee; and any past, present or future natural person trustee or fiduciary for a multi-employer plan, if such person in such capacity is added as an insured person by specific written endorsement. For the employee theft portion of the coverage, the carrier shall pay the insured for direct loss of money, securities by loss from an employee who is defined as any natural person while in the regular service of organization in the ordinary course of such organization's business, whom such organization compensates by salary and has the right to govern and direct in the performance of such service, including any part-time, seasonal, leased, or temporary employee, including volunteer while in the regular service of an organization, executive while performing acts within the scope of the usual duties of an employee, as well as any natural person fiduciary, trustee, administrator or other plan official, while in the regular service of an ERISA Plan, who is required to be bonded.

For Directors and Officers liability insurance, a wrongful act is an actual or alleged act, error, omission, misstatement, misleading statement, or breach of duty or neglect asserted against an insured person in his/her capacity as an insured.

For fiduciary liability insurance, a wrongful act is actual or alleged breach of fiduciary duty, obligation, or responsibility; or actual or alleged negligent act or omission with respect to the employee benefit plan, welfare plan, or pension plan.

For employment practices liability insurance, a wrongful act is actual or alleged discrimination; retaliation; sexual harassment; wrongful termination; breach of employment agreement; violation of the Family Medical Leave Act; employment-related misrepresentation; defamation including libel, slander, or invasion of privacy; failure to create or enforce adequate workplace or employment policies or procedures; failure to employ or promote; wrongful discipline; denial of training; deprivation of career opportunity; denial or deprivation of seniority; wrongful evaluation; or negligent hiring, supervision of others, training, or retention.