

times during normal business hours, upon reasonable advance notice to the Borrower; *provided* that members of senior management will be notified and permitted to be present during any such meetings; *provided, further*, that the Borrower shall not be required to reimburse the costs of the Administrative Agent or any Lender (or any representative thereof) for more than one visit per Fiscal Year to the Borrower's properties unless an Event of Default has occurred and is continuing. Notwithstanding anything to the contrary in this Section 6.08, none of the Borrower or any of its Subsidiaries will be required to permit the Administrative Agent or any of its independent contractors, representatives or designees to make copies of any document, information or other matter that constitutes non-financial trade secrets or non-financial proprietary information.

Section . *Use of Proceeds.*

The proceeds of the Revolving Loans shall be used (a) for the working capital, general corporate purposes and growth initiatives of the Borrower and (b) to pay fees, commissions and expenses incurred in connection with this Agreement and the Transactions. None of the transactions contemplated by this Agreement (including the direct or indirect use of the proceeds of the Revolving Loans) will violate or result in a violation of Regulation T, U or X of the FRB.

Section . *Additional Guarantors.*

In the event that (a) any Wholly-Owned Subsidiary (other than any Excluded Subsidiary) is formed or acquired after the Closing Date or (b) any other Subsidiary of Parent guarantees any Capital Market Indebtedness of the Borrower or any Guarantor, the Borrower shall (i) promptly notify the Administrative Agent thereof and shall cause such Subsidiary to become a Guarantor under the Guarantee Agreement by executing and delivering to the Administrative Agent a Guarantee Agreement Supplement (as defined in the Guarantee Agreement) and (ii) take all such actions and execute and deliver, or cause to be executed and delivered, all such documents, instruments, agreements, and certificates reasonably requested by Administrative Agent in connection with such Guarantee Agreement Supplement; *provided* that legal opinions shall not be required to be executed and delivered in connection with any such Guarantee Agreement Supplement. Any notification delivered to the Administrative Agent pursuant to the foregoing sentence shall include (1) the date on which such Person became a Wholly Owned-Subsidiary of a Credit Party and (2) all of the data required to be set forth in Schedule 5.14 with respect to such Person; and such written notice shall be deemed to supplement Schedule 5.14(a) for all purposes hereof. In addition, the Borrower may cause any Subsidiary that is not a Subsidiary Guarantor to so guarantee payment of the Obligations and become a Subsidiary Guarantor.

Section . *Maintenance of Properties.*

The Borrower shall, and shall cause each of its Subsidiaries (other than Immaterial Subsidiaries) to, maintain or cause to be maintained in good repair, working order and condition, ordinary wear and tear excepted, all material properties used or useful in the business of the Borrower, the Subsidiary Guarantors and their respective Subsidiaries and from time to time will make or cause to be made all appropriate repairs, renewals and replacements thereof, except, in each case, where the failure to do so could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

Section . *Environmental.*

- (a) Environmental Disclosure. The Borrower will deliver to the Administrative Agent and Lenders:
- (i) promptly upon the occurrence thereof, written notice describing in reasonable detail (1) any Release of Hazardous Materials, which has a reasonable possibility of resulting in one or more Environmental Claims or otherwise having, individually or in the aggregate, a Material Adverse Effect and (2) any remedial action taken by the Borrower or any other Person in response to (A) any past, current, or threatened event or occurrence involving any Hazardous Materials, and any corrective action or response action with respect to any such event or occurrence, the existence of which could reasonably be expected to result in one or more Environmental Claims or otherwise have, individually or in the aggregate, a Material Adverse Effect, or (B) any

Environmental Claims that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect;

(ii) as soon as practicable following the sending or receipt thereof by Parent or any of its Subsidiaries, a copy of any and all written communications with respect to (1) any Environmental Claims that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, (2) any Release of Hazardous Materials, which could reasonably be expected to result in one or more Environmental Claims or otherwise have, individually or in the aggregate, a Material Adverse Effect and (3) any occurrence or condition on any real property adjoining, or in the vicinity of, any

real property which could reasonably be expected to result in one or more Environmental Claims or otherwise have, individually or in the aggregate, a Material Adverse Effect;

(iii) prompt written notice describing in reasonable detail (1) any proposed acquisition of stock, assets, or property by Parent or any of its Subsidiaries that could reasonably be expected to (A) result in Environmental Claims the existence of which could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or (B) affect the ability of Parent or any of its Subsidiaries to maintain in full force and effect all material Governmental Authorizations required under any Environmental Laws for their respective operations, except as could otherwise not reasonably be expected to have a Material Adverse Effect and (2) any proposed action to be taken by Parent or any of its Subsidiaries to modify current operations in a manner that could reasonably be expected to subject Parent or any of its Subsidiaries to any additional material obligations or requirements under any Environmental Laws, the existence of which could reasonably be expected to result in one or more Environmental Claims or otherwise have, individually or in the aggregate, a Material Adverse Effect; and

(iv) with reasonable promptness, such other documents and information as from time to time may be reasonably requested by Administrative Agent in relation to any matters disclosed pursuant to this Section 6.12(a).

(b) Hazardous Materials Activities, Etc. The Borrower shall promptly take, and shall cause each of its Subsidiaries (other than Immaterial Subsidiaries) promptly to take, any and all actions necessary to (i) cure any violation of applicable Environmental Laws by such Credit Party or its Subsidiaries that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and (ii) make an appropriate response to any Environmental Claim against such Credit Party or any of its Subsidiaries and discharge any obligations it may have to any Person thereunder where failure to do so could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

ARTICLE 13

ARTICLE 14

Negative Covenants

Until all principal of and interest on each Revolving Loan and all fees and other amounts payable hereunder have been paid in full (other than unmatured, surviving contingent indemnification obligations not yet due and payable) and all Revolving Commitments have been terminated, the Borrower covenants and agrees with the Lenders to and shall cause each of its Subsidiaries to:

Section . *Limitation on Indebtedness; Certain Capital Stock.*

(a) The Borrower shall not, nor shall it permit any of its Subsidiaries (other than Immaterial Subsidiaries) to Incur or otherwise become liable for any Indebtedness, except:

(i) Indebtedness under the Loan Documents;

(ii) Indebtedness consisting of the deferred purchase price of equity interests (or option or warrants or similar instruments) of departing officers, directors and employees of the Borrower, any Subsidiary Guarantor or any of their respective Subsidiaries issued (whether in the form of notes or otherwise) for the purchase or redemption thereof pursuant to the terms of an existing compensation plan or employment contract;

(iii) Indebtedness in connection with Permitted Transactions entered into by Insurance Subsidiaries or by the Borrower in connection with Investments permitted by clause (r) of the definition of "Permitted Investment";

(iv) Permitted Swap Obligations;

(v) non-recourse Indebtedness of Insurance Subsidiaries incurred in the ordinary course of business resulting from the sale or securitization of non-admitted assets, policy loans, CBOs and CMOs;

(vi) Indebtedness (including Capitalized Lease Liabilities, mortgage financings or purchase money obligations), incurred for the purpose of financing or reimbursing all or any part of

the purchase price or cost of the acquisition, development, construction, purchase, lease, repair, addition or improvement of property (real or personal), plant, equipment or other fixed or capital assets, whether through the direct purchase of assets or the purchase of Equity Interests of any Person owning such assets (in each case, incurred within 180 days of such acquisition, development, construction, purchase, lease, repair, addition or improvement) and all Indebtedness incurred to refund, refinance or replace any such Indebtedness, in an aggregate principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (vi), will not exceed \$10.0 million at any one time outstanding;

(vii) Indebtedness of the Borrower owing to and held by any Subsidiary or Indebtedness of a Subsidiary owing to and held by the Borrower or any other Subsidiary; *provided, however*:

(1) if the Borrower is the obligor on Indebtedness owing to a Subsidiary that is not a Credit Party, such Indebtedness is expressly subordinated to the prior payment in full in cash of all obligations with respect to the Revolving Loans;

(2) if a Subsidiary Guarantor is the obligor on such Indebtedness and a Subsidiary that is not a Credit Party is the obligee, such Indebtedness is subordinated in right of payment to the Guarantees of such Subsidiary Guarantor under the Guarantee Agreement; and

(3) (A) any subsequent issuance or transfer of Capital Stock or any other event that results in any such Indebtedness being beneficially held by a Person other than the Borrower or a Subsidiary of the Borrower; and (B) any subsequent sale or other transfer of any such Indebtedness to a Person other than the Borrower or a Subsidiary of the Borrower; shall be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Borrower or such Subsidiary, as the case may be;

(viii) (x) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument, including, but not limited to, electronic transfers, wire transfers and commercial card payments drawn against insufficient funds in the ordinary course of business (except in the form of committed or uncommitted lines of credit); *provided, however*, that such Indebtedness is extinguished within ten Business Days of Incurrence; and (y) Indebtedness owed to banks and other financial institutions Incurred in the ordinary course of business of the Borrower and its Subsidiaries with such banks or financial institutions that arise in connection with ordinary banking arrangements to provide treasury services or to manage cash balances of the Borrower and its Subsidiaries;

(ix) Indebtedness in respect of letters of credit in an amount not to exceed \$10 million at any one time outstanding;

(x) Indebtedness Incurred by the Borrower or its Subsidiaries in respect of workers' compensation claims, health, disability or other employee benefits or property, casualty or liability insurance, self-insurance obligations, performance, bid, surety, appeal and similar bonds and completion Guarantees (not for borrowed money) or security deposits, banker's guarantees or banker's acceptances, in each case in the ordinary course of business;

(xi) the Existing Debt and any other Indebtedness existing on the date hereof and listed on Schedule 7.01, and any Refinancing Indebtedness in respect thereof;

(xii) Guarantees to suppliers or licensors (other than Guarantees of Indebtedness) in the ordinary course of business;

(xiii) Guarantees of (x) the Borrower or any Subsidiary Guarantor in respect of Indebtedness otherwise permitted to be incurred by the Borrower or a Subsidiary Guarantor under this Section 7.01(a); provided that if such Indebtedness is by its express terms subordinated in right of payment to the Revolving Loans or the Guarantee of such Subsidiary, as applicable, any such Guarantee of the Borrower or such Subsidiary Guarantor with respect to such Indebtedness shall be subordinated in right of payment to such Credit Party's Obligations with respect to the Revolving Loans substantially to the same extent as such Indebtedness is subordinated to the Revolving Loans or the Guarantee of

such Subsidiary, as applicable and (y) Subsidiaries that are not Subsidiary Guarantors of Indebtedness incurred by the Borrower or any Subsidiary in accordance with the provisions of this Agreement;

(xiv) Indebtedness arising from agreements of the Borrower or a Subsidiary providing for indemnification, adjustment of purchase price, earn-outs or similar obligations, in each case, Incurred or assumed

in connection with the acquisition or disposition of any business or assets of the Borrower or any business, assets or Capital Stock of a Subsidiary, other than Guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Capital Stock for the purpose of financing such acquisition;

(xv) Indebtedness Incurred by the Borrower or any Subsidiary in connection with third party insurance premium financing arrangements in the ordinary course of business;

(xvi) Indebtedness of Persons Incurred and outstanding on the date on which such Person became a Subsidiary or was acquired by, or merged or consolidated with or into, the Borrower or any Subsidiary (other than Indebtedness Incurred in connection with, or in contemplation of, such acquisition, merger or consolidation); *provided, however*, that after giving effect thereto, the Fixed Charge Coverage Ratio of the Borrower and its Subsidiaries for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of such transaction would have been at least 2.00 to 1.00 determined on a pro forma basis; and any Refinancing Indebtedness in respect of Indebtedness Incurred pursuant to this clause (xvi);

(xvii) other Indebtedness of the Borrower; *provided* that on the date of the Incurrence of such Indebtedness after giving effect to such Incurrence (or on the date of the initial borrowing of such Indebtedness or entry into the definitive agreement providing the commitment to fund such Indebtedness after giving *pro forma* effect to the Incurrence of the entire committed amount, in which case such committed amount may thereafter be borrowed and reborrowed in whole or in part, from time to time, without further compliance with this clause (xvii)) after giving *pro forma* effect to the Incurrence of the entire committed amount of such Indebtedness, the Credit Parties shall be in compliance on a pro forma basis with the financial covenants set forth in Section 7.10 for the most recently ended Fiscal Quarter; *provided further* that such Indebtedness must (A) be pari passu or junior to the Revolving Loans with respect to Lien priority and payment priority, (B) not have a maturity date earlier than the Commitment Termination Date and (C) not benefit from any Guarantees of any Person that do not also Guarantee the Revolving Loans; and

(xviii) in addition to the items referred to in clauses (i) through (xvii) above, Indebtedness of the Borrower and its Subsidiaries in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (xviii) and then outstanding, will not exceed \$50.0 million at any one time outstanding.

(b) The Borrower shall not and shall not permit FGL Insurance to issue any Capital Stock other than to the Credit Parties. The Borrower shall not and shall not permit any Subsidiary to issue Capital Stock other than to the Borrower or a Subsidiary of the Borrower unless such Subsidiary (other than FGL Insurance) would be permitted to Dispose of such Capital Stock pursuant to Section 7.03 hereof. The Borrower shall not and shall not permit any of its Subsidiaries (other than Immaterial Subsidiaries) to issue any Capital Stock that is subject to mandatory redemption at any time prior to the first anniversary of the Maturity Date (as it exists on any date of determination).

(c) For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this Section 7.01:

(i) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in Section 7.01(a), the Borrower, in its sole discretion, may divide and classify such item of Indebtedness (or any portion thereof) on the date of Incurrence and may later reclassify such item of Indebtedness (or any portion thereof) in any manner that complies with this Section 7.01 and only be required to include the amount and type of such Indebtedness once;

(ii) Guarantees of, or obligations in respect of letters of credit or banker's acceptances related thereto relating to, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;

(iii) the principal amount of any Disqualified Stock of the Borrower or a Subsidiary, or Preferred Stock of a Subsidiary that is not a Subsidiary Guarantor, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

(iv) Indebtedness permitted by this Section 7.01 need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this Section 7.01 permitting such Indebtedness; and

(v) the amount of Indebtedness issued at a price that is less than the principal amount thereof shall be equal to the amount of the liability in respect thereof determined in accordance with GAAP.

Accrual of interest, accrual of dividends, the accretion of accreted value or the amortization of debt discount, the payment of interest in the form of additional Indebtedness and the payment of dividends in the form of additional shares

of Preferred Stock or Disqualified Stock shall not be deemed to be an Incurrence of Indebtedness for purposes of this Section 7.01. The amount of any Indebtedness outstanding as of any date shall be (i) the accreted value thereof in the case of any Indebtedness issued with original issue discount or the aggregate principal amount outstanding in the case of Indebtedness issued with interest payable-in-kind, (ii) the principal amount or liquidation preference thereof, together with any interest thereon that is more than 30 days past due, in the case of any other Indebtedness, (iii) in the case of the guarantee by a specified Person of Indebtedness of another Person, the maximum liability to which the specified Person may be subject upon the occurrence of the contingency giving rise to the obligation and (iv) in the case of Indebtedness of others guaranteed solely by means of a Lien on any asset or property of the Borrower or any Subsidiary (and not to their other assets or properties generally), the lesser of (x) the Fair Market Value of such asset or property on the date on which such Indebtedness is Incurred and (y) the amount of the Indebtedness so secured.

(d) For purposes of determining compliance with any U.S. dollar-denominated restriction on the Incurrence of Indebtedness, the U.S. dollar-equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first committed, in the case of revolving credit Indebtedness; *provided* that if such Indebtedness is Incurred to Refinance other Indebtedness denominated in a foreign currency, and such Refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being Refinanced plus the amount of any reasonable premium (including reasonable tender premiums), defeasance costs and any reasonable fees and expenses incurred in connection with the issuance of such new Indebtedness. Notwithstanding any other provision of this Section 7.01, the maximum amount of Indebtedness that the Borrower may Incur pursuant to this Section 7.01 shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to Refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being Refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such Refinancing.

Section . *Liens.*

The Borrower shall not, nor shall it permit any of its Subsidiaries (other than Immaterial Subsidiaries) to, directly or indirectly, create, assume, incur or suffer to exist any Lien on any property now owned or hereafter acquired by it, except for the following:

- (a) Liens on assets of Insurance Subsidiaries and Subsidiaries thereof securing (i) Indebtedness permitted by Section 7.01(a)(iii), (ii) obligations under Primary Policies, (iii) obligations under transactions entered into in connection with Insurance Investments, (iv) statutory Liens on assets of Insurance Subsidiaries and Subsidiaries thereof and (v) Liens arising in connection with Reinsurance Agreements entered into in the ordinary course of business;
- (b) Liens on cash or Cash Equivalents securing Permitted Swap Obligations or captive financing arrangements;
- (c) Liens for Taxes, assessments or other governmental charges or levies not yet subject to penalties for non-payment or that are being contested in good faith and by appropriate proceedings and with respect to which adequate reserves are being maintained in accordance with GAAP;
- (d) (i) pledges or deposits by such Person under workers' compensation laws, unemployment, general insurance and other insurance laws and old age pensions and other social security or retirement benefits or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory or regulatory obligations of such Person or deposits of cash or United States government bonds to secure surety or appeal bonds to which such Person is a party, or good faith deposits as security for contested taxes or import or customs duties or for the payment of rent, in each case Incurred in the ordinary course of business and (ii) collateral consisting of cash or Cash Equivalents securing letters of credit issued in respect of obligations to insurers in an aggregate amount not to exceed \$10.0 million at any time outstanding;

- (e) Liens imposed by law and carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens arising in the ordinary course of business of such Person;
 - (f) Liens incurred in connection with the collection or disposition of delinquent accounts receivable in the ordinary course of business;
 - (g) Liens for the purpose of securing the payment of all or a part of the purchase price of, or Capitalized Lease Liabilities, mortgage financings, purchase money indebtedness or other payments Incurred pursuant to Section 7.01(a)(vi) hereof to finance assets or property (other than Capital Stock or other Investments) acquired, constructed, improved or leased in the ordinary course of business; *provided* that, in the case of this clause (g):
 - (i) the aggregate principal amount of Indebtedness secured by such Liens does not exceed the cost of the assets or property so acquired, constructed or improved, plus reasonable fees and expenses of such Person incurred in connection therewith; and
 - (ii) such Liens are created within 180 days of construction, acquisition or improvement of such assets or property and do not encumber any other assets or property of the Borrower or any Subsidiary other than such assets or property and assets affixed or appurtenant thereto and the proceeds thereof;
 - (h) minor survey exceptions, encumbrances, ground leases, easements or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including, without limitation, minor defects or irregularities in title) and similar encumbrances as to the use of real properties or Liens incidental to the conduct of the business of such Person or to the ownership of its properties that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;
 - (i) statutory, common law or contractual Liens of landlords;
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- (j) leases, licenses, subleases and sublicenses of assets (including, without limitation, real property and intellectual property rights) that do not materially interfere with the ordinary conduct of the business of the Borrower or any of its Subsidiaries;
- (k) attachment or judgment Liens not constituting an Event of Default under Section 8.01(i);
- (l) Liens arising from precautionary Uniform Commercial Code financing statement filings with respect to operating leases or consignment arrangements entered into by the Credit Parties and their Subsidiaries in the ordinary course of business;
- (m) Liens incurred to secure Cash Management Obligations incurred in the ordinary course of business and customary set-off rights in favor of depository banks;
- (n) any Lien on any asset of any Person existing at the time such Person becomes a Subsidiary of the Borrower or is merged or consolidated with or into a Subsidiary of the Borrower, or on any asset at the time the Borrower or any Subsidiary acquires such asset (including by means of a merger or consolidation) and (i) is not created in contemplation of such event and (ii) is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure), the obligations to which such Liens relate;
- (o) Liens on any cash earnest money deposit made by the Borrower or any Subsidiary in connection with any letter of intent or acquisition agreement that is not prohibited by this Agreement;
- (p) Liens arising out of deposits by the Borrower and its Subsidiaries of cash, securities or other property (other than any Capital Stock of any such Subsidiary) securing obligations of such Person in respect of (i) trust arrangements formed in the ordinary course of business for the benefit of cedents to secure reinsurance recoverables owed to them by any Insurance Subsidiary, or (ii) other security arrangements contained or arising in connection with any Reinsurance Agreement or Statutory Reserve Financing in the ordinary course of business;
- (q) Liens on the Capital Stock of FGL Insurance (or any successor thereto) arising pursuant to the terms of the OM Purchase Agreement as in effect on the Closing Date (but not any foreclosure thereof or sale thereof to a third party);
- (r) Liens in favor of issuers of surety, appeal or performance bonds or letters of credit or bankers' acceptances or similar obligations issued pursuant to the request of and for the account of such Person in the ordinary course of its business;
- (s) Liens that constitute banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a bank, depository or other financial institution, whether arising by operation of law or pursuant to contract;
- (t) Liens existing on the Closing Date and listed on Schedule 7.02;
- (u) Liens securing Indebtedness or other obligations of a Subsidiary owing to the Borrower or a Guarantor;

(v) Liens securing Refinancing Indebtedness Incurred to refinance, refund, replace, amend, extend or modify, as a whole or in part, Indebtedness that was previously so secured pursuant to clauses (g), (n), (t) or (u) of this Section 7.02, provided that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect of the property that was previously so subject to a Lien) that secured (or, under the written arrangements under which the original Lien arose, could secure), the indebtedness being refinanced;

(w) any interest or title of a lessor under any operating lease;

(x) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale or purchase of goods entered into by the Borrower or any of its Subsidiaries in the ordinary course of business;

(y) Liens on funds of the Borrower or any Subsidiary held in deposit accounts with third party providers of payment services securing credit card charge-back reimbursement and similar cash management obligations of the Borrower or the Subsidiaries; and Liens of a collecting bank arising in the ordinary course

of business under Section 4-208 of the Uniform Commercial Code in effect in the relevant jurisdiction covering only the items being collected upon;

(z) Liens arising by operation of law or contract on insurance policies and the proceeds thereof to secure premiums thereunder; and Liens on insurance policies and proceeds of insurance policies (including rebates of premiums) securing Indebtedness incurred pursuant to Section 7.01(a)(xvi) to finance the payment of premiums on the insurance policies subject to such Liens;

(aa) customary Liens granted in favor of a trustee to secure fees and other amounts owing to such trustee under an indenture or other agreement pursuant to which Indebtedness permitted under Section 7.01 is Incurred in an aggregate amount not to exceed \$10,000,000;

(ab) Liens in favor of credit card processors granted in the ordinary course of business in an aggregate amount not to exceed \$10,000,000;

(ac) Liens in favor of clearing agencies, futures commission merchants, broker-dealers, or trading exchanges in connection with cleared swaps and other cleared derivative transactions arising due to the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules and regulations promulgated thereunder;

(ad) any encumbrance or restriction (including put and call arrangements) with respect to capital stock of any non-majority-owned joint venture or similar arrangement pursuant to any joint venture or similar arrangement the Investment in which was permitted under this Agreement; and

(ae) other Liens securing obligations in an amount not to exceed \$50.0 million at any time outstanding.

Notwithstanding the foregoing, other than pursuant to Section 7.02(g), none of the Borrower or its Subsidiaries may directly or indirectly voluntarily grant a Lien on any Capital Stock of an Insurance Subsidiary now owned or hereafter acquired by it.

Section . *Disposition of Assets.*

The Borrower shall not, nor shall it permit any of its Subsidiaries (other than Immaterial Subsidiaries) to, Dispose of (whether in one or a series of transactions) any property (including accounts and notes receivable with or without recourse and Capital Stock of any of its Subsidiaries whether newly issued or otherwise), except:

(a) (i) Dispositions of inventory and equipment in the ordinary course of business, (ii) Dispositions of cash or Cash Equivalents in the ordinary course of business or (iii) the unwinding of any Permitted Swap Obligations;

(b) the sale of equipment to the extent that such equipment is exchanged for credit against the purchase price of similar replacement equipment or the proceeds of such sale are reasonably promptly applied to the purchase price of such replacement equipment;

(c) Dispositions of Insurance Investments by any Insurance Subsidiary (or any Subsidiary of an Insurance Subsidiary);

(d) Dispositions by the Borrower to a Subsidiary of the Borrower or by any Subsidiary of the Borrower to the Borrower or any of the Subsidiaries of the Borrower;

(e) any Dispositions pursuant to Reinsurance Agreements and Statutory Reserve Financings entered into in the ordinary course of business for the purpose of managing insurance risk consistent with industry practice;

(f) any Disposition of used, obsolete, surplus, damaged or worn out property disposed of by the Borrower or any of its Subsidiaries in the ordinary course of business and the disposition of Permitted Investments in the ordinary course of business;

- (g) foreclosure, condemnation, casualty or any similar action with respect to property or other assets;
 - (h) the licensing or sublicensing of patents, trade secrets, know-how and other intellectual property, know-how or other general intangibles and licenses, leases or subleases of other property which
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do not materially interfere with the business of the Borrower and its Subsidiaries as operated immediately prior to the granting of such license, lease or sublease;

(i) Dispositions consisting of mergers, amalgamations and consolidations among the Borrower and its Subsidiaries, or of any liquidation, winding up or dissolution of any of their Subsidiaries, in each case to the extent permitted by Section 7.06;

(j) a sale/leaseback transaction that is made for cash consideration in an amount not less than the cost of the underlying fixed or capital asset and is consummated within 180 days after the Borrower or any Subsidiary acquires or completes the acquisition of such fixed or capital asset;

(k) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(l) to the extent allowable under Section 1031 of the Code, any exchange of like property for use in any business that is the same as or related, ancillary or complementary to any of the businesses of the Borrower and the Subsidiaries on the Closing Date and any reasonable extension or evolution of any of the foregoing;

(m) any sale of Capital Stock, Indebtedness or other securities, of (i) any Immaterial Subsidiary or (ii) any Subsidiary, including any Insurance Subsidiary, which becomes a Subsidiary of the Borrower after the Closing Date;

(n) the receipt by the Company or any Restricted Subsidiary of any cash insurance proceeds or condemnation award payable by reason of theft, loss, physical destruction or damage, taking or similar event with respect to any of their respective property or assets;

(o) operating leases in the ordinary course of business;

(p) the surrender or waiver of contract rights or litigation rights or the settlement, release or surrender of tort or other litigation claims of any kind;

(q) the transfer of improvements, additions or alterations in connection with the lease of any property;

(r) dispositions of Investments made out of the cash proceeds received from any Insurance Subsidiary permitted to be distributed in accordance with Section 7.07 hereof, pending further distribution in accordance with Section 7.07 hereof;

(s) an issuance of Capital Stock by a Subsidiary to the Borrower or a Guarantor;

(t) sales of assets received by the Borrower or any Subsidiary upon the foreclosure on a Lien;

(u) sale of assets of a Subsidiary which becomes a Subsidiary of the Borrower after the Closing Date;

(v) (i) sale of Equity Interests in an Immaterial Subsidiary, (ii) subject to the last paragraph of this Section 7.03, sale of Equity Interests in any Insurance Subsidiary (other than FGL Insurance) and (iii) other sales of assets (other than Equity Interests), so long as, in each such case (x) immediately before and after giving effect thereto, no Default shall have occurred and be continuing, and (y) no Rating Decline Event shall have occurred; and

(w) dispositions permitted by Section 7.07 hereof.

Notwithstanding the foregoing neither the Borrower nor any Subsidiary thereof shall Dispose of (whether in one or a series of transactions) (i) any Capital Stock of FGL Insurance, (ii) Capital Stock representing more than 49.9% of the aggregate amount of outstanding Capital Stock of any Insurance Subsidiary of the Borrower (other than FGL Insurance) in existence on the Closing Date, in each case, whether newly issued or otherwise.

Section . *Transactions with Affiliates.*

(a) The Borrower shall not, and shall not permit any of its Subsidiaries to, enter into or conduct any transaction with any Affiliate of the Borrower (an “**Affiliate Transaction**”), involving payments of consideration in excess of \$5.0 million unless:

(i) the terms of such Affiliate Transaction, when viewed together with any related Affiliate Transactions, are not materially less favorable to the Borrower or such Subsidiary, as the case may be, than those that could have been obtained in a comparable transaction at the time of such transaction in arm’s-length dealings with a Person who is not an Affiliate; and

(ii) in the event such Affiliate Transaction involves an aggregate consideration in excess of \$15.0 million, the terms of such transaction have been approved by a majority of the disinterested members of the Board of Directors of the Borrower (and such majority determines that such Affiliate Transaction satisfies the criteria in clause (i) above).

(b) The provisions of Section 7.04(a) shall not apply to:

(i) any (1) Restricted Payment permitted to be made pursuant to Section 7.07 hereof and (2) Permitted Investment in any Person that is an Affiliate of the Borrower solely as a result of the ownership of Investments in such Person by the Borrower or any Subsidiary;

(ii) any issuance of securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment agreements and other compensation arrangements, options to purchase Capital Stock of the Borrower pursuant to restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits plans, pension plans or similar plans or agreements or arrangements approved by the Board of Directors of the Borrower or the compensation committee thereof;

(iii) loans or advances to employees, officers or directors of the Borrower or any Subsidiary or Parent (or any other direct or indirect parent of the Borrower) in the ordinary course of business, in an aggregate amount outstanding at any time not in excess of \$2.0 million (without giving effect to the forgiveness of any such loan);

(iv) any transaction between or among the Borrower and any Subsidiary or between or among Subsidiaries, and any Guarantees issued by the Borrower or a Subsidiary for the benefit of the Borrower or a Subsidiary;

(v) the payment of reasonable and customary compensation (including fees, benefits, severance, change of control payments and incentive arrangements) to, and employee benefit arrangements, including, without limitation, split-dollar insurance policies, and indemnity or similar arrangements provided on behalf of, directors, officers, employees and agents of the Borrower or any of its Subsidiaries, or Parent (or any other direct or indirect parent of the Borrower), whether by charter, bylaw, statutory or contractual provisions;

(vi) the existence of, and the performance of obligations of the Borrower or any of its Subsidiaries under the terms of any agreement to which the Borrower or any of its Subsidiaries is a party as of or on the Closing Date, as these agreements may be amended, modified, supplemented, extended or renewed from time to time; *provided, however*, that any future amendment, modification, supplement, extension or renewal entered into after the Closing Date shall be permitted to the extent that its terms, taken as a whole, are not more disadvantageous to the Lenders in any material respect, as determined in good faith by the Borrower, than the terms of the agreements in effect on the Closing Date;

(vii) any agreement between any Person and an Affiliate of such Person existing at the time such Person is acquired by or merged with or into or consolidated with the Borrower or a Subsidiary; *provided* that such agreement was not entered into in contemplation of such acquisition, merger or consolidation, or any amendment thereto (so long as any such amendment is not disadvantageous in any material respect to the Lenders, as determined in good faith by the Borrower, when taken as a whole as compared to the applicable agreement as in effect on the date of such acquisition or merger);

(viii) insurance transactions, intercompany pooling and other reinsurance transactions entered into in the ordinary course of business;

(ix) any purchases by the Borrower's Affiliates of Indebtedness of the Borrower or any of its Subsidiaries (other than Revolving Loans or Revolving Commitments) the majority of which Indebtedness is placed with Persons who are not Affiliates and payments of principal and interest on such Indebtedness;

(x) arrangements for indemnification payments for directors and officers of the Borrower and its Subsidiaries or Parent (or any other direct or indirect parent of the Borrower);

(xi) any issuance or sale of Capital Stock (other than Disqualified Stock) to Affiliates of the Borrower and the granting of registration and other customary rights in connection therewith or any contribution to the Capital Stock of the Borrower or any Subsidiary that is otherwise not prohibited hereunder;

(xii) payments by the Borrower or any of its Subsidiaries to any Affiliate for any financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with acquisitions or divestitures, which payments are on arms'-length terms and are approved by a majority of the disinterested members of the Board of Directors of the Borrower in good faith;

(xiii) any transaction pursuant to which any Permitted Holder provides the Borrower and/or its Subsidiaries, at cost, with services, including services to be purchased from third-party providers, such as legal and accounting, tax, consulting, financial advisory, corporate governance, insurance coverage and other services which transaction is approved by a majority of the members of the Board of Directors or a committee thereof in good faith;

(xiv) transactions in which the Borrower or any Subsidiary, as the case may be, delivers to the Administrative Agent a letter from an Independent Financial Advisor stating that such transaction is fair to the Borrower or such Subsidiary from a financial point of view or stating that the terms are not materially less favorable taken as a whole than those that might reasonably have been obtained by the Borrower or such Subsidiary in a comparable transaction at such time on an arms' length basis from a Person that is not an Affiliate;

(xv) transactions with customers, clients, suppliers, joint ventures, joint venture partners or purchasers or sellers of goods and services and Investments permitted by clause (q) of the definition of "Permitted Investment", in each case in the ordinary course of business (as determined by the Borrower in good faith) and on terms no less favorable than that available from non-affiliates (as determined by the Borrower in good faith) and that is otherwise not prohibited hereunder;

(xvi) any transaction with an Affiliate where the only consideration paid by the Borrower or any Subsidiary is Capital Stock of the Borrower (other than Disqualified Stock) that is otherwise not prohibited hereunder;

(xvii) the payment of all fees and expenses in connection with the Revolving Loans;

(xviii) any merger, consolidation or reorganization of the Borrower or any Subsidiary (otherwise permitted by this Agreement) with an Affiliate of the Borrower solely for the purpose of (A) forming or collapsing a holding company structure or (B) reincorporating the Borrower or any Subsidiary in a new jurisdiction;

(xix) transactions between the Borrower or any of its Subsidiaries and any Person that is an Affiliate solely because one or more of its directors is also a director of the Borrower or any direct or indirect parent of the Borrower; *provided* that such director abstains from voting as a director of the Borrower or such direct or indirect parent, as the case may be, on any matter involving such other Person;

(xx) any transaction entered into by an Insurance Subsidiary for which approval has been received from the applicable Department; *provided* that any direct involvement of the Borrower or any of its Subsidiaries (other than such Insurance Subsidiary) in such transaction is on terms that are not materially less favorable taken as a whole than those that might reasonably have been obtained

by the Borrower or such Subsidiary in a comparable transaction at such time on an arms' length basis from a Person that is not an Affiliate, as determined by the Borrower in good faith; and

(xxi) the entry by the Borrower or any of its Subsidiaries into a tax sharing agreement providing for payments consistent with Section 7.07(b)(xvii)(2).

Section . *Change in Business.*

The Borrower shall not, and shall not suffer or permit any of its Subsidiaries to, engage in any business other than the insurance and reinsurance and annuity business and providing other financial services and businesses related, incidental or complementary thereto as reasonably determined by the board of directors of such Person.

Section . *Fundamental Changes.*

The Borrower shall not, and shall not suffer or permit any of its Subsidiaries (other than Immaterial Subsidiaries) to, enter into any merger, consolidation, amalgamation, or sell all or substantially all of the assets of the Borrower and its Subsidiaries taken as a whole, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), except,

(a) in a disposition permitted by Section 7.03 or an Investment permitted by Section 7.07;

(b) any two of its Subsidiaries that are not Credit Parties may merge, consolidate or amalgamate;

(c) any of its Subsidiaries that is not a Credit Party may liquidate, wind up or dissolve so long as the assets of such Subsidiary are distributed to the Borrower or any of its Subsidiaries;

(d) any Subsidiary Guarantor may liquidate, wind up or dissolve so long (i) as the assets of such Subsidiary are distributed to the Borrower or a Subsidiary Guarantor and (ii) such dissolution is not prohibited by the FGL Indenture;

(e) any Subsidiary of any Credit Party may merge, amalgamate or consolidate with a Credit Party in a transaction in which the surviving Person is the Borrower or a Subsidiary Guarantor;