

(f) the Borrower or any Subsidiary may merge, amalgamate or consolidate with any other Person so long as (A) the surviving corporation is the Borrower or, if the Borrower is not a party thereto, such Subsidiary, or the surviving Person becomes a Subsidiary, (B) no Default is in existence or would occur after giving effect to such merger, amalgamation or consolidation, and (C) after giving effect to such merger, consolidation or acquisition, the Borrower shall be in compliance on a pro forma basis with the financial covenants set forth in Sections 7.09 and 7.10 for the most recently ended Fiscal Quarter; and

(g) any Subsidiary, other than a Subsidiary Guarantor or FGL Insurance, may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution would not reasonably be expected to result in a Material Adverse Effect.

Section . *Restricted Payments.*

(a) Unless the Debt to Total Capitalization Ratio of the Parent as of the last day of the Parent's most recently ended fiscal quarter for which internal financial statements are available that immediately precedes the date of any Restricted Payment, calculated immediately after giving effect to such Restricted Payment and any related transactions on a pro forma basis, is equal to or less than 17.5%, the Borrower shall not, and shall not permit any of its Subsidiaries, directly or indirectly, to:

(i) declare or pay any dividend or make any distribution (whether made in cash, securities or other property) on or in respect of its Capital Stock (including any payment in connection with any merger or consolidation involving the Borrower or any of its Subsidiaries) other than:

(1) dividends or distributions payable solely in Capital Stock of the Borrower (other than Disqualified Stock) or in options, warrants or other rights to purchase such Capital Stock of the Borrower; and

(2) dividends or distributions by a Subsidiary payable to the Borrower or another Subsidiary (and if such Subsidiary is not a Wholly Owned Subsidiary, to its other holders of any series or class of Capital Stock on a pro rata basis in respect of such series or class or on

a basis that results in the receipt by the Borrower or a Subsidiary of dividends or distributions of a greater value than it would receive on a pro rata basis);

(ii) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Borrower held by Persons other than the Borrower or a Subsidiary (other than in exchange for Capital Stock of the Borrower (other than Disqualified Stock));

(iii) make any principal payment on, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value (whether in cash, securities or other property, and including optional prepayments and open market purchases), prior to any scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Existing Debt, Material Indebtedness or Subordinated Obligations other than (x) the purchase, repurchase, redemption, defeasance or other acquisition of such Existing Debt, Material Indebtedness or Subordinated Obligations in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of purchase, repurchase, redemption, defeasance or acquisition or (y) principal payments of the Existing Debt or Material Indebtedness if, immediately after giving pro forma effect to such principal payment, the Borrower would be in compliance with the financial covenants set forth in Sections 7.09 and 7.10 for the most recently ended Fiscal Quarter; or

(iv) make any Restricted Investment;

(all such payments and other actions referred to in clauses (i) through (iv) (other than any exception thereto) shall be referred to as a "**Restricted Payment**"), unless, at the time of and after giving effect to such Restricted Payment:

(A) no Default shall have occurred and be continuing (or would result therefrom);

(B) immediately after giving effect to such transaction on a pro forma basis, (1) 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 (2) the Aggregate RBC Ratio exceeds 250%;

(C) the aggregate amount of such Restricted Payment and all other Restricted Payments declared or made subsequent to the Reference Date (excluding Restricted Payments made pursuant to clauses (i), (ii), (iii), (v), (vi),

(vii), (ix), (xi), (xiii), (xiv), (xv), (xvi) and (xvii) of Section 7.07(b)) would not exceed the sum of, without duplication:

(1) 50% of the Consolidated Net Income of the Borrower during the period (taken as one accounting period) beginning with the first day of the fiscal quarter in which the Reference Date occurs to the end of the Borrower's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, in the case such Consolidated Net Income for such period is a deficit, minus 100% of such deficit); plus

(2) 100% of the aggregate Net Cash Proceeds and the Fair Market Value of marketable securities or other property received by the Borrower or a Subsidiary from the issue or sale of its Capital Stock (other than Disqualified Stock) or other capital contributions subsequent to the Reference Date, other than Net Cash Proceeds received from an issuance or sale of such Capital Stock to a Subsidiary of the Borrower or to an employee stock ownership plan, option plan or similar trust to the extent such sale to an employee stock ownership plan, option plan or similar trust is financed by loans from or guaranteed by the Borrower or any Subsidiary unless such loans have been repaid with cash on or prior to the date of determination; plus

(3) the amount by which Indebtedness of the Borrower and its Subsidiaries is reduced on the Borrower's consolidated balance sheet upon the conversion or exchange subsequent to the Reference Date of any Indebtedness of the Borrower or its Subsidiaries for Capital Stock (other than Disqualified Stock) of the Borrower (less the amount of any cash, or the Fair Market Value of any other property, distributed by the Borrower upon such conversion or exchange); plus

(4) 100% of the Net Cash Proceeds and the Fair Market Value of property other than cash and marketable securities from the sale or other disposition (other than to the Borrower or a Subsidiary) of Restricted Investments made after the Reference Date and redemptions and repurchases of such Restricted Investments from the Borrower or its Subsidiaries and repayment of Restricted Investments in the form of loans or advances from the Borrower and its Subsidiaries and releases of guarantees that constitute Restricted Investments by the Borrower and its Subsidiaries (other than in each case to the extent the Restricted Investment was made pursuant to Section 7.07(b)(xi)).

(b) The provisions of Section 7.07(a) hereof shall not prohibit:

(i) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Capital Stock, Disqualified Stock or Subordinated Obligations or any Restricted Investment made in exchange for, or out of the proceeds of a contribution to the common equity capital of the Borrower or the substantially concurrent sale of, Capital Stock of the Borrower (other than (1) Disqualified Stock and (2) Capital Stock issued or sold to a Subsidiary of the Borrower or an employee stock ownership plan, option plan or similar trust to the extent such sale to an employee stock ownership plan, option plan or similar trust is financed by loans from or guaranteed by the Borrower or any Subsidiary unless such loans have been repaid with cash on or prior to the date of determination); *provided, however*, that the Net Cash Proceeds from such contribution or sale of Capital Stock shall be excluded from Section 7.07(a)(C)(2);

(ii) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Obligations made in exchange for, or out of the proceeds of the substantially concurrent Incurrence of Refinancing Indebtedness permitted pursuant to Section 7.01;

(iii) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Disqualified Stock of the Borrower or a Subsidiary made in exchange for or out of the proceeds of the substantially concurrent sale of Disqualified Stock of the Borrower or such Subsidiary, as the case may be, so long as such Disqualified Stock is permitted to be Incurred pursuant to Section 7.01;

(iv) dividends paid or redemptions made within 60 days after the date of declaration or the giving of the redemption notice if at such date of declaration or notice such dividend or redemption would have complied with this provision;

(v) the purchase, repurchase, redemption or other acquisition (including by cancellation of indebtedness), cancellation or retirement for value of or payment in respect of (or payments to Parent or any other direct or indirect parent of the Borrower to fund any such purchase, repurchase, redemption or other acquisition, cancellation or retirement for value) Capital Stock, or options, warrants, equity appreciation rights or other rights to purchase or acquire Capital Stock, of Parent (or any other direct or indirect parent of the Borrower) or the Borrower held by any existing or former employees, management or directors of or consultants to Parent, the Borrower or any Subsidiary of the Borrower or their assigns, estates or heirs, in each case in

connection with the repurchase or payment provisions under employee stock option or stock purchase agreements or other compensatory agreements approved by the Board of Directors of Parent or the Borrower as applicable, or the compensation committee thereof; *provided* that such purchases, repurchases, redemptions, acquisitions, cancellations or retirements pursuant to this clause (v) will not exceed \$3.0 million in the aggregate during any calendar year (with any unused amounts in a given calendar year being available in succeeding calendar years so long as the amount does not exceed \$6.0 million in any

given calendar year); *provided, further*, that the amount in any calendar year (with any unused amounts in a given calendar year being available in succeeding calendar years) may be increased by an amount not to exceed:

(1) the Net Cash Proceeds from the sale of Capital Stock (other than Disqualified Stock) of the Borrower to, or capital contributions by, existing or former employees or members of management of the Borrower or any of its Subsidiaries that occurs after the Reference Date, to the extent the Net Cash Proceeds from the sale of such Capital Stock or capital contributions have not otherwise been applied to the payment of Restricted Payments (*provided* that the Net Cash Proceeds from such sales or contributions shall be excluded from Section 7.07(a)(C)(2)); plus

(2) the cash proceeds of key man life insurance policies received by the Borrower or its Subsidiaries after the Reference Date relating to the Borrower's or such Subsidiaries' key persons who are so insured; less

(3) the amount of any Restricted Payments previously made with the Net Cash Proceeds described in the clauses (1) and (2) of this clause (v);

provided that (A) cancellation of Indebtedness owing to the Borrower or any Subsidiary from any existing or former employees, management, directors or consultants of the Borrower, any Subsidiary, Parent or any other direct or indirect parent of the Borrower in connection with a repurchase of Capital Stock of the Borrower, Parent or any other direct or indirect parent of the Borrower and (B) payments in cash in connection with the settlement of stock options and restricted stock units outstanding and in accordance with terms thereof as of the date of this Agreement under the Fidelity & Guaranty Life Holdings, Inc. Stock Incentive Plan of Borrower to existing or former employees, management, directors or consultants of the Borrower, any Subsidiary or Parent, in each case, will not be deemed to constitute a Restricted Payment for purposes of this Section 7.07 or any other provision of this Agreement;

(vi) (1) the accrual, declaration and payment of dividends to holders of any class or series of Disqualified Stock of the Borrower or any Subsidiary or Preferred Stock of any Subsidiary issued in accordance with the terms of this Agreement to the extent such dividends are included in the definition of "Fixed Charges" and payment of any redemption price or liquidation value of any such Disqualified Stock or Preferred Stock when due at final maturity in accordance with its terms and (2) the declaration and payment of dividends to a direct or indirect parent company of the Borrower, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Preferred Stock (other than Disqualified Stock) of such parent company issued after the Reference Date; *provided* that (A) the aggregate amount of dividends paid pursuant to this clause (2) shall not exceed the aggregate amount of cash actually contributed to the common equity capital of Borrower from the sale of such Preferred Stock and (B) the amount of cash used to make any payments pursuant to this clause (2) shall be excluded from calculations pursuant to Section 7.07(a)(C)(2) and shall not be used for the purpose of any other Restricted Payment;

(vii) repurchases or other acquisitions of Capital Stock deemed to occur (1) upon the exercise of stock options, warrants, restricted stock units or other rights to purchase Capital Stock or other convertible securities if such Capital Stock represents a portion of the exercise price thereof or conversion price thereof or (2) in connection with withholdings or similar taxes payable by any future, present or former employee, director or officer;

(viii) [Reserved];

(ix) cash payments in lieu of the issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Capital Stock of the Borrower or other exchanges of securities of the Borrower or a Subsidiary in exchange for Capital Stock of the Borrower;

- (x) [Reserved];
- (xi) other Restricted Payments not to exceed \$30.0 million in the aggregate in any one calendar year;
- (xii) the purchase of fractional shares of Capital Stock of the Borrower arising out of stock dividends, splits or combinations or mergers, consolidations or other acquisitions;
- (xiii) in connection with any acquisition by the Borrower or any of its Subsidiaries, the receipt or acceptance of the return to the Borrower or any of its Subsidiaries of Capital Stock of the Borrower constituting a portion of the purchase price consideration in settlement of indemnification claims or as a result of a purchase price adjustment (including earn outs or similar obligations);
- (xiv) the distribution of rights pursuant to any shareholder rights plan or the redemption of such for nominal consideration in accordance with the terms of any shareholder rights plan;
- (xv) payments or distributions to stockholders pursuant to appraisal rights required under applicable law in connection with any merger, consolidation or other acquisition by the Borrower or any Subsidiary;
- (xvi) [Reserved];
- (xvii) payments made to Parent (1) (A) to allow Parent (or any other direct or indirect parent of the Borrower) to pay administrative expenses and corporate overhead, franchise fees, public company costs (including SEC and auditing fees) and customary director fees; (B) to allow Parent (or any other direct or indirect parent of the Borrower) to pay premiums and deductibles in respect of directors and officers insurance policies and umbrella excess insurance policies obtained from third-party insurers and indemnities for the benefit of its directors, officers and employees, and (C) to allow Parent (or any other direct or indirect parent of the Borrower) to pay reasonable fees and expenses incurred in connection with any unsuccessful debt or equity offering or any unsuccessful acquisition or strategic transaction by such direct or indirect parent company of the Borrower and (2) to allow Parent (or any other direct or indirect parent of the Borrower) to pay (A) any taxes measured by income incurred by Parent (or such direct or indirect parent of the Borrower), but only to the extent such taxes are attributable to the Borrower and its Subsidiaries in an amount not to exceed the amount of such taxes that would be payable by the Borrower and its Subsidiaries on a stand-alone basis if the Borrower had filed a consolidated return on behalf of an affiliated group (as defined in Section 1504 of the Code or any analogous provision of state, local or foreign law) including its Subsidiaries of which it were the common parent and (B) franchise and excise taxes, fees and other similar taxes and expenses required to maintain its existence; *provided* that any payments pursuant to this clause (2) in any period not otherwise deducted in calculating Consolidated Net Income shall be deducted in calculating Consolidated Net Income for such period (and shall be deemed to be a provision for taxes for purposes of calculating Consolidated EBITDA for such period); and
- (xviii) the payment by the Borrower of, or loans, advances, dividends or distributions by the Borrower to any direct or indirect parent of the Borrower to pay, dividends on the common stock or equity of the Borrower or any such direct or indirect parent following a public offering of such common stock or equity after the Reference Date in an amount not to exceed in any Fiscal Year 6% of the net cash proceeds received by the Borrower (whether directly, or indirectly through a contribution to common equity capital by any direct or indirect parent of the Borrower) in or from such public offering;

provided, however, that at the time of and after giving effect to any Restricted Payment permitted under clauses (v) and (xviii), no Default shall have occurred and be continuing or would occur as a consequence thereof.

- (c) The amount of all Restricted Payments (other than cash) shall be the Fair Market Value on the date of such Restricted Payment of the assets or securities proposed to be paid, transferred or issued by the Borrower or such Subsidiary, as the case may be, pursuant to such Restricted Payment.

The Fair Market Value of any cash Restricted Payment shall be its face amount and any non-cash Restricted Payment shall be determined conclusively in good faith by the Borrower.

For purposes of determining compliance with this Section 7.07, in the event that a proposed Restricted Payment (or portion thereof) meets the criteria of more than one of the categories of Restricted Payments described in clauses (i) through (xviii) of Section 7.07(b), or is entitled to be made pursuant to Section 7.07(a), the Borrower shall be entitled to divide and classify such Restricted Payment (or portion thereof) on the date of its payment in any manner that complies with this Section 7.07.

If the Borrower or any Subsidiary makes a Restricted Investment or a Permitted Investment and the Person in which such Investment was made subsequently becomes a Subsidiary, to the extent such Investment resulted in a reduction of the amounts calculated under Section 7.07(a) or any other provision of this Section 7.07 or the definition of “Permitted Investment” (which was not subsequently reversed), then such amount shall be increased by the amount of such reduction to the extent of the lesser of (x) the amount of such Investment and (y) the Fair Market Value of such Investment at the time such Person becomes a Subsidiary.

Section . *Modifications of Certain Agreements.*

(a) The Borrower shall not amend, waive or otherwise modify (i) the Existing Debt and the documents relating thereto (excluding pursuant to a refinancing thereof, in whole or in part, permitted by Section 7.01(a)(xi)) which increases the rate or shortens the time of payment of interest or premium payable, whether at maturity, at a date fixed for prepayment or by acceleration or otherwise on the Existing Debt, or shortens the fixed maturity of the Existing Debt to a date prior to the Commitment Termination Date or (ii) the documents or instruments governing or evidencing any other Indebtedness or Capital Stock in a manner that is not permitted by Section 7.01.

(b) The Borrower shall not, nor shall it permit any of its Subsidiaries to, amend its certificate of incorporation or by laws or certificate or partnership or partnership agreement, as the case may be, which amendment would reasonably be expected to have a Material Adverse Effect.

Section . *Parent Net Worth.*

The Borrower shall not permit the Total Shareholders' Equity of Parent and its consolidated Subsidiaries at the end of any Fiscal Quarter to be less than the sum of \$910,000,000 plus 50% of the Consolidated Net Income of Parent and its consolidated Subsidiaries calculated in accordance with GAAP on a consolidated basis since the Closing Date plus 50% of all equity issuance of the Parent since the Closing Date.

Section . *Parent Debt to Total Capitalization Ratio.*

The Borrower shall not permit the Debt to Total Capitalization Ratio of Parent as at the end of any Fiscal Quarter to be more than 0.35 to 1.00 for Parent and its consolidated Subsidiaries.

Section . *Restrictive Agreements.*

The Borrower shall not, nor shall it permit any of its Subsidiaries to, directly or indirectly, enter into or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition on (a) the ability of the Borrower or any of its Subsidiaries to create or permit to exist any Lien on any of its property to secure the Obligations or (b) the ability of any of their Subsidiaries to pay dividends or other distributions with respect to any shares of its Capital Stock or to make, repay or prepay loans or advances to the Credit Parties or any other Subsidiary of the Credit Parties or (c) the ability of any of their Subsidiaries to Dispose of assets to the Credit Parties or any other Subsidiary of the Credit Parties; *provided* that the foregoing shall not prohibit prohibitions, restrictions or conditions existing under or by reason of (i) any encumbrance, condition or restriction pursuant to an agreement in effect at or entered into on the Closing Date, including, without limitation, this Agreement and the other Loan Documents and the Existing Debt in effect on such date; (ii) any encumbrance, condition or restriction with respect to a Person or assets pursuant to an agreement in effect on or before the date on which such Person became a Subsidiary or was acquired

by, merged into or consolidated with the Borrower or a Subsidiary (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds or credit support utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Subsidiary or was acquired by, merged into or consolidated with the Borrower or in contemplation of the transaction) or such assets were acquired by the Borrower or any Subsidiary; *provided* that any such encumbrance or restriction shall not extend to any Person or the assets or property of the Borrower or any other Subsidiary other than the Person and its Subsidiaries or the assets and property so acquired and that, in the case of Indebtedness, was permitted to be Incurred pursuant to this Agreement; (iii) any encumbrance, condition or restriction pursuant to an agreement effecting a refinancing of Indebtedness Incurred pursuant

to an agreement referred to in clause (i) or (ii) of this Section 7.11 or this clause (iii) or contained in any amendment, restatement, modification, renewal, supplement, refunding, replacement or Refinancing of an agreement referred to in clause (i) or (ii) of this Section 7.11 or this clause (iii); *provided, however*, that the encumbrances and restrictions with respect to such Subsidiary contained in any such agreement are no less favorable (as determined in good faith by the Borrower) in any material respect, taken as a whole, to the Lenders than the encumbrances and restrictions contained in such agreements referred to in clause (i) or (ii) of this Section 7.11 on the Closing Date or the date such Subsidiary became a Subsidiary or was merged into or consolidated with a Subsidiary, whichever is applicable; (iv) encumbrances, conditions or restrictions arising in connection with Liens permitted to be Incurred under the provisions of Section 7.02 hereof that apply only to the assets subject to such Liens; (v) purchase money obligations for property acquired and Capitalized Lease Liabilities, in each case, that impose restrictions of the nature described in clause (a) or (c) above on the property so acquired; (vi) contracts for the sale of assets, including customary restrictions with respect to a Subsidiary of the Borrower pursuant to an agreement that has been entered into for the sale or disposition of all or a portion of the Capital Stock or assets of such Subsidiary; (vii) restrictions on cash or other deposits or net worth imposed by customers or lessors or required by insurance, surety or bonding companies under contracts entered into in the ordinary course of business; (viii) any customary provisions in leases, subleases or licenses and other agreements entered into by the Borrower or any Subsidiary in the ordinary course of business; (ix) encumbrances, conditions or restrictions arising or existing by reason of applicable law or any applicable rule, regulation, order, permit or grant, including for the avoidance of doubt, any encumbrance or restriction on any Insurance Subsidiary by any Governmental Authority having the power to regulate such Insurance Subsidiary; (x) encumbrances, conditions or restrictions contained in or arising under indentures or debt instruments or other debt arrangements Incurred or Preferred Stock issued by the Borrower or any Subsidiary subsequent to the Closing Date pursuant to Section 7.01 hereof that are not more restrictive, taken as a whole (as determined in good faith by the Borrower), than those applicable to the Borrower in this Agreement on the Closing Date; (xi) encumbrances, conditions or restrictions contained in or arising under any Reinsurance Agreement or Statutory Reserve Financing or agreement entered into by an Insurance Subsidiary or Special Purpose Subsidiary; *provided* that such encumbrances and restrictions contained in any agreement or instrument will not materially adversely affect the Borrower's ability to make anticipated principal or interest payments on the Revolving Loans or are otherwise customary for financings or arrangements of that type (in each case, as determined in good faith by the Borrower); (xii) restrictions or conditions contained in any trading, netting, operating, construction, service, supply, purchase or other agreement to which the Borrower or any of its Subsidiaries is a party and entered into in the ordinary course of business; *provided* that such agreement prohibits the encumbrance of solely the property or assets of the Borrower or such Subsidiary that are the subject of such agreement, the payment rights arising thereunder or the proceeds thereof and does not extend to any other asset or property of the Borrower or such Subsidiary or the assets or property of any other Subsidiary; and (xiii) customary provisions in joint venture agreements and other similar agreements.

Section . *Changes in Accounting Policies.*

The Borrower shall not, nor shall it permit any of its Subsidiaries to, make any change to its accounting policies or reporting practices, except as required or permitted by GAAP or SAP.

ARTICLE 15

ARTICLE 16

Events of Default

Section . *Events of Default.*

Each of the following shall constitute an “**Event of Default**”:

(a) *Non-Payment.* The Borrower fails to pay (i) when required to be paid herein, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise, any amount of principal of any Revolving

Loans, or (ii) within five (5) Business Days after the same becomes due, any interest, fee or any other amount payable hereunder or under any other Loan Document; or

(b) *Representation or Warranty.* Any representation or warranty by any Credit Party made or deemed made herein or in any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, or contained in any certificate or document furnished at any time pursuant to this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, is incorrect in any material respect on or as of the date made or deemed made; or

(c) *Specific Defaults.* Any Credit Party fails to perform or observe any term, covenant or agreement contained in any of Section 6.03(a), Section 6.04(a) (with respect to the maintenance of existence of the Borrower, Parent or FGL Insurance), or Article 7; or

(d) *Other Defaults.* Any Credit Party fails to perform or observe any other term or covenant contained in this Agreement or any other Loan Document on its part to be performed, and such default shall continue unremedied for a period of thirty (30) days after the date upon which written notice thereof is given to the Borrower by the Administrative Agent or the Required Lenders; or

(e) *Cross-Default.* (i) any Credit Party or any of their Subsidiaries (other than any Immaterial Subsidiary) (1) fails to make any payment in respect of any Material Indebtedness (other than in respect of Swap Contracts), when due (whether by scheduled maturity, required prepayment, acceleration, or otherwise) beyond the applicable grace or cure period thereunder or (2) fails to perform or observe any other condition or covenant, or any other event shall occur or condition exist, under any agreement or instrument relating to any such Material Indebtedness (other than in respect of Swap Contracts) beyond the applicable grace or cure period thereunder if the effect of such failure, event or condition is (x) to cause, or (y) to permit the holder or holders of such Material Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, such Material Indebtedness to be declared to be due and payable prior to its stated maturity; *provided* that, any event described in clause (i)(2)(y) shall constitute an Event of Default only after any such applicable grace or cure period has expired and any required notice has been given and only if such failure has not been cured or waived or (ii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract) resulting from (x) any Event of Default (as defined in such Swap Contract) under such Swap Contract as to which a Credit Party or any Subsidiary is the Defaulting Party (as defined in such Swap Contract) or (y) any Termination Event (as so defined) as to which any Credit Party or any of their Subsidiaries is an Affected Party (as so defined), and, in either event, the Swap Termination Value owed by a Credit Party or such Subsidiary as a result thereof is greater than \$25,000,000 (in the aggregate for all such Swap Contracts); *provided* that, any event described in clause (ii) shall constitute an Event of Default only after the Credit Party or any Subsidiary fails to pay the Swap Termination Value to such Affected Party on the Early Termination Date; or

(f) *Insolvency; Voluntary Proceedings.* Any Credit Party or any Subsidiary of a Credit Party (other than any Immaterial Subsidiary) (i) generally fails to pay, or admits in writing its inability to pay, its debts as they become due, subject to applicable grace periods, if any, whether at stated maturity or otherwise; (ii) commences any Insolvency Proceeding with respect to itself; (iii) applies for or consents to the

appointment of a receiver, trustee, custodian, conservator, liquidator, mortgagee in possession or other similar Person for itself or for a substantial part of its assets; or (iv) takes any corporate action to effectuate or authorize any of the foregoing; or

(g) *Involuntary Proceedings.* (i) An involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (x) liquidation, reorganization or other relief in respect of any Credit Party or any of its Subsidiaries (other than any Immaterial Subsidiary) or its debts, or of a substantial part of its assets, under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (y) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Credit Party or any of its Subsidiaries (other than any Immaterial Subsidiary) or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered or (ii) any Credit Party or any Subsidiary of a Credit Party (other than any Immaterial Subsidiary) files an answer admitting the material allegations of a petition filed against it in any such proceeding; or

(h) *ERISA.* With respect to any Single Employer Pension Plan or Multiemployer Plan, any ERISA Event has occurred that could reasonably be expected to result in the incurrence of liability by any Credit Party or any of its Subsidiaries, where in any event, individually or in the aggregate, such liability could reasonably be expected to have a Material Adverse Effect; or

(i) *Material Judgments.* One or more judgments or decrees shall be entered against any Credit Party or any of their Subsidiaries (other than any Immaterial Subsidiary) involving in the aggregate a liability (after giving effect to any insurance or indemnity) of \$25,000,000 or more, and such judgments or decrees shall not have been vacated,

discharged, stayed or bonded pending appeal within sixty (60) days from the entry thereof, or any action shall be taken by a judgment creditor to attach or levy upon any asset of any Credit Party or any of their Subsidiaries to enforce any such judgment or decree; or

(j) *Change of Control.* There occurs any Change of Control or the Borrower ceases to beneficially own and control 100% on a fully diluted basis of the outstanding shares of Voting Stock of FGL Insurance; or

(k) *Invalidity of Loan Documents.* Any material provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all Obligations, ceases to be in full force and effect or binding on the applicable Credit Party party thereto; or any Credit Party contests in writing the validity or enforceability of any provision of any Loan Document; or any Credit Party denies in writing that it has any further liability or obligation under any provision of any Loan Document, or purports in writing to revoke, terminate or rescind any provision of any Loan Document.

Section . *Remedies.*

If any Event of Default shall have occurred and be continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders,

(a) declare the obligation of each Lender to make extensions of the Revolving Loans to be terminated;

(b) declare the unpaid principal amount of all outstanding Revolving Loans, all interest accrued and unpaid thereon and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, whereupon such outstanding principal amount of the Revolving Loans, all interest accrued and unpaid thereon and all other amounts owing or payable hereunder or under any other Loan Document shall become immediately due and payable, without presentment, demand, protest or other notice of any kind (except as expressly provided in Section 8.01 above), all of which are hereby expressly waived by the Borrower; and

(c) exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents or applicable law;

provided that upon the occurrence of any event specified in Section 8.01(f) or Section 8.01(g) (upon the expiration of the 60-day period mentioned therein, if applicable), the obligation of each Lender to make Revolving Loans shall automatically terminate and the unpaid principal amount of all outstanding Revolving Loans and all interest and other amounts as aforesaid shall automatically become due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower.

Section . *Rights Not Exclusive.*

The rights provided for in this Agreement and the other Loan Documents are cumulative and are not exclusive of any other rights, powers, privileges or remedies provided by law or in equity, or under any other instrument, document or agreement now existing or hereafter arising.

ARTICLE 17

ARTICLE 18

The Administrative Agent

Section . *Appointment and Authority.*

Each of the Lenders hereby irrevocably appoints Royal Bank of Canada to act on its behalf as the Administrative Agent hereunder and the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent and the Lenders, and neither the Borrower nor any other Credit Party shall have rights as a third party beneficiary of any of such provisions (other than Section 9.06).

Section . *Rights as a Lender.*

The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept

deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower, any Credit Party or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

Section . *Exculpatory Provisions.*

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent:

- (a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;
- (b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that it is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); *provided* that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law; and
- (c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, or shall be liable for the failure to disclose, any information relating to the Borrower, Parent or

any of their Affiliates that is communicated to or obtained by the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 8.02 and 10.01) or (ii) in the absence of the Administrative Agent's own bad faith, gross negligence or willful misconduct. The Administrative Agent shall not be deemed to have knowledge of any Default unless and until notice describing such Default is given to it by the Borrower or a Lender.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article 4 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to it.

Section . *Reliance by Administrative Agent.*

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Revolving Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Revolving Loan. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section . *Delegation of Duties.*

The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent selected by the Administrative Agent with reasonable care and to the Related Parties of the Administrative Agent, and shall apply to their respective activities in connection with the syndication of the Facility as well as activities as Administrative Agent.

Section . *Resignation of Administrative Agent.*

The Administrative Agent may resign, upon thirty (30) days' prior notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, with the consent of the Borrower (such consent not to be unreasonably withheld, conditioned or delayed), to appoint a successor, which shall be a bank with an office in the United States or an Affiliate of any such bank with an office in the United States and having a combined capital and surplus of at least \$100,000,000. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its

resignation, then the retiring Administrative Agent may on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above; *provided* that if the Administrative Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (a) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders under any of the Loan Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (b) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Administrative Agent, with the consent of the Borrower (such consent not to be unreasonably withheld, conditioned or delayed), as provided for above in this Section. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent, and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and Sections 10.04 and 10.05 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

Section . *Non-Reliance on Administrative Agent and Other Lenders.*

Each Lender acknowledges that it has, independently and without reliance upon any Agent-Related Person or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon any Agent-Related Person or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

Section . *No Other Duties; Other Agents; Etc.*