Fidelity & Guaranty Life
Form DEFM14C
August 14, 2017
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

SCHEDULE 14C INFORMATION

Information Statement Pursuant to Section 14(c) of the

Securities Exchange Act of 1934

Check the appropriate box:

Preliminary Information Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14c-5(d)(2))

Definitive Information Statement

FIDELITY & GUARANTY LIFE

(Name of Registrant as Specified in Its Charter)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed below per Exchange Act Rules 14c-5(g) and 0-11

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

Table of Contents

Fidelity & Guaranty Life

Two Ruan Center

601 Locust Street, 14th Floor

Des Moines, Iowa 50309

NOTICE OF WRITTEN CONSENT AND APPRAISAL RIGHTS

AND

INFORMATION STATEMENT

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO

SEND US A PROXY.

To our Stockholders:

This notice of written consent and appraisal rights and information statement is being furnished to the holders of common stock, par value $0.01 per share (Company Common Stock), of Fidelity & Guaranty Life (the Company) in connection with the Agreement and Plan of Merger, dated as of May 24, 2017 and amended as of June 30, 2017 (the Merger Agreement), a copy of which, and the amendment thereto, is attached as Annex A-1 and Annex A-2, respectively, to this information statement, by and among CF Corporation, a Cayman Islands exempted company (CF Corp), FGL US Holdings Inc., a Delaware corporation and a wholly owned indirect subsidiary of CF Corp (Parent), FGL Merger Sub Inc., a Delaware corporation and a wholly owned direct subsidiary of Parent (Merger Sub) and the Company. Upon the completion of the merger of Merger Sub with and into the Company (the Merger), each share of Company Common Stock, issued and outstanding immediately prior to the effective time of the Merger (the Effective Time) will be canceled and converted automatically into the right to receive $31.10 in cash, without interest and less any required withholding taxes (the Merger Consideration). However, the Merger Consideration will not be paid in respect of (a) any shares of Company Common Stock owned by the Company or by any subsidiary of the Company as treasury stock or by CF Corp, Parent, Merger Sub or any other subsidiary of CF Corp (which will be canceled and retired and cease to exist and no payment or distribution will be made thereto) and (b) those shares of Company Common Stock with respect to which appraisal rights under Delaware law are properly exercised and not withdrawn.

On May 24, 2017, the board of directors of the Company (the Board): (a) determined that the Merger Agreement, the Merger and the other transactions contemplated thereby, taken together, are at a price and on terms that are fair to, advisable and in the best interests of the Company and its stockholders; and (b) adopted resolutions approving the Merger Agreement, the Merger and the other transactions contemplated thereby, declaring its advisability and recommending its adoption by the Company stockholders.

The adoption of the Merger Agreement by the Company stockholders required the affirmative vote or written consent of stockholders holding in the aggregate a majority of the outstanding shares of Company Common Stock. On May 24, 2017, FS Holdco II Ltd. (FS Holdco), a wholly owned subsidiary of HRG Group, Inc. and direct holder of 47,000,000 shares of Company Common Stock representing approximately 80.4% of the outstanding shares of Company Common Stock, delivered a written consent adopting and approving in all respects the Merger Agreement and the transactions contemplated thereby, including the Merger (the Written Consent), which further provides that

the Written Consent shall be of no further force or effect following termination of the Merger Agreement in accordance with its terms. As a result, no further action by any stockholder of the Company is required under applicable law or the Merger Agreement (or otherwise) to adopt the Merger Agreement, and the Company will not be soliciting your vote to approve the adoption of the Merger Agreement and will not call a stockholders meeting for purposes of voting on the adoption of the Merger Agreement. **This notice and the accompanying information statement shall constitute notice to you from**

Table of Contents

the Company of the Written Consent contemplated by Section 228 of the General Corporation Law of the State of Delaware (the DGCL).

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO

SEND US A PROXY. NO ACTION IN CONNECTION WITH THIS INFORMATION

STATEMENT IS REQUIRED BY YOU.

Under Section 262 of the DGCL, if the Merger is completed, subject to compliance with the requirements of Section 262 of the DGCL, holders of shares of Company Common Stock, other than FS Holdco, will have the right to seek an appraisal for, and be paid the fair value of, their shares of Company Common Stock (as determined by the Court of Chancery of the State of Delaware) instead of receiving the Merger Consideration. To exercise your appraisal rights, you must submit a written demand for an appraisal no later than twenty (20) days after the mailing of this information statement, or September 5, 2017, and comply precisely with other procedures set forth in Section 262 of the DGCL, which are summarized in the accompanying information statement. The summary of Section 262 of the DGCL set forth in this information statement is qualified in its entirety by reference to the full text of Section 262 of the DGCL. You are encouraged to read the entirety of Section 262 of the DGCL, a copy of which is attached to the accompanying information statement as Annex D. **This notice and the accompanying information statement shall constitute notice to you from the Company of the availability of appraisal rights under Section 262 of the DGCL.**

We urge you to read the entire information statement carefully. Please do not send in your Company Common Stock certificates at this time. If the Merger is completed, you will receive instructions regarding the surrender of your Company Common Stock certificates and payment for your shares of Company Common Stock.

BY ORDER OF THE BOARD OF DIRECTORS,

Christopher J. Littlefield

President and Chief Executive Officer

Neither the U.S. Securities and Exchange Commission nor any state securities regulatory agency has approved or disapproved the Merger, passed upon the fairness of the Merger or passed upon the adequacy or accuracy of the disclosures in this notice or the accompanying information statement. Any representation to the contrary is a criminal offense.

This information statement is dated August 14, 2017 and is first being mailed to stockholders on or about August 16, 2017.

Table of Contents

TABLE OF CONTENTS

Table of Contents

Table of Contents

SUMMARY

This summary highlights selected information from this information statement and may not contain all of the information that is important to you. To understand the merger (the Merger) contemplated by the Agreement and Plan of Merger, dated as of May 24, 2017 and amended as of June 30, 2017 (the Merger Agreement), by and among CF Corporation (CF Corp), FGL US Holdings Inc. (Parent), FGL Merger Sub Inc. (Merger Sub) and Fidelity & Guaranty Life fully, and for a more complete description of the legal terms of the Merger, you should carefully read this entire information statement, the annexes attached to this information statement and the documents referred to or incorporated by reference in this information statement. Any document or agreement referred to in this information statement is qualified in its entirety by reference to the full text of such document or agreement. In this information statement, the terms Fidelity & Guaranty Life, Company, we, us and our refer to Fidelity & Guaranty Life. All references in this information statement to terms defined in the notice to which this information statement is attached have the meanings provided in that notice. All references to capitalized terms not defined herein or in the notice to which this information statement is attached have the meanings ascribed to them in the Merger Agreement, a copy of which is attached as Annex A-1 and Annex A-2 to this information statement.

The Parties to the Merger Agreement (page 15)

The Company. The Company, a Delaware corporation, helps middle-income Americans prepare and manage for retirement. Through its subsidiaries, the Company offers fixed annuity and life insurance products distributed by independent agents through an established network of independent marketing organizations. The Company s principal executive offices are located at Two Ruan Center 601 Locust Street, 14th Floor, Des Moines, Iowa and its telephone number is (800) 445-6758. The Company s website is *http://www.fglife.com*. The material located on such website is not a part of, or otherwise incorporated into, this information statement. Additional information about the Company is included in documents incorporated by reference into this information statement and our filings with the U.S. Securities and Exchange Commission (the SEC), copies of which may be obtained without charge by following the instructions in the section entitled Where You Can Find More Information beginning on page 87.

CF Corp. CF Corp is a Cayman Islands exempted company and special purpose acquisition company organized for the purpose of making an acquisition of one or more businesses. CF Corp has raised $690 million dollars from blue chip long-term investors to be used to acquire an operating company. In addition, CF Corp has received an aggregate of approximately $1.9 billion in equity commitments and back up equity commitments to fund the purchase price for the Merger. CF Corp is listed on the Nasdaq exchange and is an SEC reporting company. CF Corp. s current shareholders are Mr. Chinh E. Chu, Mr. William P. Foley, II, CF Capital Growth, LLC (CF Capital), certain anchor investors (including BilCar, LLC (BilCar), CC Capital Management, LLC (CC Capital) and CFS Holdings (Cayman), L.P. (CFS Holdings)) who have agreed to purchase additional shares of CF Corp pursuant to forward purchase agreements with CF Corp in order to finance an acquisition by CF Corp, certain directors of CF Corp, and members of the public. CF Corp s principal executive offices are located at 1701 Village Center Circle, Las Vegas, Nevada 89134 and its telephone number is (702) 323-7331.

Parent. Parent is a Delaware corporation that is an indirect wholly owned subsidiary of CF Corp. Parent was formed on May 19, 2017 expressly for the Merger and conducts no other business. After the Closing, Parent will be the immediate parent company of the Company. Parent s principal executive offices are located at 1701 Village Center Circle, Las Vegas, Nevada 89134 and its telephone number is (702) 323-7331.

Merger Sub. Merger Sub is a Delaware corporation that is a wholly owned subsidiary of Parent. Merger Sub was formed on May 19, 2017 expressly for the Merger and conducts no other business. At the Closing, Merger Sub will be merged with and into the Company, with the Company surviving. Merger Sub s principal executive offices are located

at 1701 Village Center Circle, Las Vegas, Nevada 89134 and its telephone number is (702) 323-7331.

Table of Contents

The Merger (page 17)

On May 24, 2017, the Company entered into the Merger Agreement with CF Corp, Parent and Merger Sub. Upon the terms and subject to the conditions provided in the Merger Agreement, and in accordance with Delaware law, at the effective time of the Merger (the Effective Time), Merger Sub will merge with and into the Company, with the Company continuing as the surviving corporation. As a result, the Company will become a direct, wholly owned subsidiary of Parent and an indirect, wholly owned subsidiary of CF Corp following the Effective Time. Because the Merger Consideration will be paid in cash, you will receive no equity interest in CF Corp, and after the Effective Time you will have no equity interest in the Company.

Consideration to be Received in the Merger (page 53)

Upon consummation of the Merger, each share of common stock of the Company, par value $0.01 per share (Company Common Stock), issued and outstanding immediately prior to the consummation of the Merger, other than appraisal shares, shares held in treasury and shares owned by CF Corp, Parent or Merger Sub, will automatically be converted into the right to receive $31.10 in cash, without interest and less any required withholding taxes, upon surrender of each respective share certificate and automatically in the case of Book-Entry shares.

We encourage you to read the Merger Agreement, which is attached as Annex A-1 and Annex A-2 to this information statement, as it is the legal document that governs the Merger.

Reasons for the Merger (page 25)

After consideration of various factors as discussed in the section entitled The Merger Reasons for the Merger beginning on page 25, the board of directors of the Company (the Board), after consultation with its legal advisor and financial advisors, determined that the Merger Agreement and the transactions contemplated thereby, including the Merger, taken together, were at a price and on terms that were fair to, advisable and in the best interests of the Company and its stockholders and adopted and approved the Merger Agreement, the Merger and the other transactions contemplated thereby.

Required Stockholder Approval for the Merger

The adoption of the Merger Agreement by our stockholders required the affirmative vote or written consent of stockholders of the Company holding in the aggregate at least a majority of the outstanding shares of Company Common Stock. On May 24, 2017, following the execution of the Merger Agreement, FS Holdco II Ltd. (FS Holdco), a wholly owned subsidiary of HRG Group, Inc. (HRG), which holds 80.4% of the Company s outstanding shares of Company Common Stock, delivered a written consent adopting and approving in all respects the Merger Agreement and the transactions contemplated thereby, including the Merger (the Written Consent), which further provides that the Written Consent will be of no further force or effect following termination of the Merger Agreement in accordance with its terms. No further action by any other Company stockholder is required under applicable law or the Merger Agreement (or otherwise) in connection with the adoption of the Merger Agreement. As a result, the Company is not soliciting your vote for the adoption of the Merger Agreement and will not call a stockholders meeting for purposes of voting on the adoption of the Merger Agreement.

When actions are taken by written consent of less than all of the stockholders entitled to vote on a matter, Delaware law requires notice of the action to those stockholders who did not consent in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting. This information statement and the notice attached hereto constitute notice to you of action by written consent as required by Delaware law.

Table of Contents

Opinion of Credit Suisse (page 27 and Annex B)

The Company retained Credit Suisse Securities (USA) LLC (Credit Suisse) to act as its financial advisor in connection with the Merger. In connection with Credit Suisse s engagement, the Board requested that Credit Suisse evaluate the fairness to the holders of Company Common Stock (other than FS Holdco, HRG, any other affiliate of HRG that may hold shares of Company Common Stock, and CF Corp and its affiliates, which we refer to collectively as the excluded persons), from a financial point of view, of the Merger Consideration to be received by such stockholders pursuant to the terms of the Merger Agreement. On May 23, 2017, at a meeting of the Board held to evaluate the Merger, Credit Suisse rendered to the Board an oral opinion, confirmed by delivery of a written opinion dated May 23, 2017, to the effect that, as of that date and based on and subject to the assumptions, procedures, factors, qualifications and limitations set forth in Credit Suisse s written opinion, the Merger Consideration to be received by the holders of Company Common Stock (other than the excluded persons) in the Merger pursuant to the terms of the Merger Agreement was fair, from a financial point of view, to such stockholders.

The full text of Credit Suisse s written opinion, dated May 23, 2017, to the Board, which sets forth, among other things, the assumptions, procedures, factors, qualifications and limitations on the review undertaken by Credit Suisse in connection with such opinion, is attached to this information statement as Annex B. The description of Credit Suisse s opinion set forth in this information statement is qualified in its entirety by reference to the full text of Credit Suisse s opinion. Credit Suisse s opinion was provided to the Board for its information in connection with its evaluation of the fairness, from a financial point of view, to the holders of Company Common Stock (other than the excluded persons) of the Merger Consideration to be received by such stockholders in the Merger pursuant to the terms of the Merger Agreement and did not address any other aspect of the Merger, including the merits of the Merger as compared to alternative transactions or strategies that may be available to the Company or the underlying decision of the Company to proceed with the Merger. Credit Suisse s opinion does not constitute advice or a recommendation to any stockholder as to how such stockholder should vote or act on any matter relating to the Merger or otherwise.

Opinion of Rothschild (page 33 and Annex C)

The Company retained Rothschild Inc. (Rothschild) to act as its financial advisor in connection with the Merger. In connection with Rothschild s engagement, the Board requested that Rothschild evaluate the fairness to the holders of Company Common Stock (other than FS Holdco and CF Corp (and its Merger equity funding sources) and their respective affiliates (collectively, the Excluded Persons)), from a financial point of view, of the Merger Consideration to be received by such stockholders pursuant to the terms of the Merger Agreement. On May 23, 2017, at a meeting of the Board held to evaluate the Merger, Rothschild rendered to the Board an oral opinion, confirmed by delivery of a written opinion dated May 23, 2017, to the effect that, as of that date and based on and subject to the assumptions, procedures, factors, qualifications and limitations set forth in Rothschild s written opinion, the Merger Consideration to be received by the holders of Company Common Stock (other than the Excluded Persons) in the Merger pursuant to the terms of the Merger Agreement was fair, from a financial point of view, to such stockholders.

The full text of Rothschild s written opinion, dated May 23, 2017, to the Board, which sets forth, among other things, the assumptions, procedures, factors, qualifications and limitations on the review undertaken by Rothschild in connection with such opinion, is attached to this information statement as Annex C. The description of Rothschild s opinion set forth in this information statement is qualified in its entirety by reference to the full text of Rothschild s opinion. Rothschild s opinion was provided to the Board for its information in connection with its evaluation of the Merger Consideration from a financial point of view to holders of Company Common Stock (other than the Excluded Persons) and did not address any other aspect of the Merger, including the relative merits of the Merger as compared to any alternative transaction, including any

alternative transaction that the Board has considered and elected

Table of Contents

not to pursue. Rothschild s opinion does not constitute a recommendation to the Board as to whether to approve the Merger or a recommendation as to whether or not any holder of Company Common Stock should vote or otherwise act with respect to the Merger or any other matter.

The Merger Agreement (page 53 and Annex A-1 and Annex A-2)

Conditions to Consummation of the Merger (page 74)

The obligations of the parties to consummate the Merger are subject to the satisfaction or waiver on or prior to the date of closing of the following conditions:

- this information statement will have been cleared by the SEC and will have been sent to stockholders of the Company at least twenty (20) days prior to the Closing Date;

- the required vote of CF Corp will have been obtained;

- the absence of any applicable law or any order, writ, judgment, injunction, decree, stipulation, determination or award (whether temporary, preliminary or permanent) enacted, issued or enforced by any court or governmental authority and that prevents or prohibits consummation of the Merger; and

- approvals from the Iowa Insurance Division, the New York State Department of Financial Services and the Vermont Department of Financial Regulation will have been obtained and will remain in full force and effect, and the applicable waiting periods, together with any extensions, under the Hart-Scott-Rodino Act will have expired or been terminated.

The obligations of CF Corp, Parent and Merger Sub to effect the Merger are also subject to satisfaction or waiver on or prior to the closing of the Merger of the following additional conditions:

- the Company s representation and warranty that, since September 30, 2016, no Company Material Adverse Effect (as defined in the section entitled The Merger Agreement Representations and Warranties beginning on page 55 and in the Merger Agreement) has occurred is true and correct as of the date of the Merger Agreement and at and as of the Closing Date;

- other than the representations and warranties mentioned in the bullet directly above, all of the Company s other representations and warranties are true and correct (without giving effect to any materiality or Company Material Adverse Effect qualifiers) at and as of the date of the Merger Agreement and at and as of the Closing Date (except to the extent expressly made as of an earlier date, in which case as of such earlier date) except where such failure to be true and correct would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect;

the Company having performed or complied in all material respects with all agreements and covenants required to be performed or complied with by it under the Merger Agreement on or prior to the Effective Time; and

the Company having delivered to CF Corp a certificate, signed by an officer of the Company, to the effect that each of the conditions specified above has been satisfied.

The obligations of the Company to effect the Merger are also subject to satisfaction or waiver on or prior to the closing of the Merger of, among other things, the following additional conditions:

CF Corp, Parent and Merger Sub s representation and warranty that, during the period from December 31, 2016 through the date of the Merger Agreement, no CF Corp Material Adverse Effect (as defined in the section entitled The Merger Agreement Representations and Warranties beginning on page 55 and in the Merger Agreement) has occurred is true and correct as of the date of the Merger Agreement and at and as of the Closing Date;

other than the representations and warranties mentioned in the bullet directly above, all of CF Corp, Parent and Merger Sub s other representations and warranties are true and correct (without giving

Table of Contents

effect to any materiality or CF Corp Material Adverse Effect qualifiers) at and as of the date of the Merger Agreement and at and as of the Closing Date (except to the extent expressly made as of an earlier date, in which case as of such earlier date) except where such failure to be true and correct would not, individually or in the aggregate, reasonably be expected to have a CF Corp Material Adverse Effect;

CF Corp, Parent and Merger Sub having performed or complied in all material respects with all agreements and covenants required to be performed or complied with by them under the Merger Agreement on or prior to the Effective Time; and

CF Corp having delivered to the Company a certificate, signed by an officer of CF Corp, to the effect that each of the conditions specified above has been satisfied.

Takeover Proposals (page 63)

The Merger Agreement provides that (i) the Company and its directors and officers will not, (ii) the Company s subsidiaries and its subsidiaries directors and officers will not and (iii) the Company will use reasonable best efforts to ensure that its and its subsidiaries other representatives will not, directly or indirectly:

solicit, initiate or knowingly encourage any inquiries regarding or the making of any proposal that constitutes or is reasonably likely to lead to a Takeover Proposal (as defined in the section entitled The Merger Agreement Takeover Proposals beginning on page 63 and in the Merger Agreement);

enter into, continue or otherwise participate in any discussions or negotiations regarding, or furnish to any person any confidential information with respect to, any Takeover Proposal;

enter into any agreement or agreement in principle requiring, directly or indirectly, the Company to abandon, terminate or fail to consummate the transactions contemplated by the Merger Agreement; or

publicly propose or agree to do any of the foregoing.

Notwithstanding the foregoing, prior to CF Corp s receipt of the Written Consent, in response to a *bona fide* Takeover Proposal, if the Board determines that such Takeover Proposal constitutes or is reasonably expected to lead to a superior proposal and that the failure to take such action would be inconsistent with its fiduciary duties under applicable law, the Company may furnish information to participate in discussions and negotiations with the party making such Takeover Proposal.

If the Board determines at any time prior to CF Corp s receipt of the Written Consent, after consultation with its financial advisors and outside counsel, that the failure to take such action would be inconsistent with its fiduciary duties under applicable law, the Board may cause or permit the Company to terminate the Merger Agreement in order to enter into a definitive agreement regarding a superior proposal, subject to certain notice provisions and CF Corp s right to renegotiate the terms of the Merger Agreement such that the Takeover Proposal would no longer constitute a superior proposal and subject to the Company s substantially concurrent payment to CF Corp of the Company Termination Fee described below.

As a result of the execution and delivery of the Written Consent on May 24, 2017, the requisite stockholder approval has been obtained and, as of such date, the provisions discussed above that permit the Board to change its recommendation or to terminate the Merger Agreement (including to terminate the Merger Agreement to accept a superior proposal) are no longer applicable.

A more detailed description of the foregoing circumstances and other circumstances under which the Company or CF Corp may terminate the Merger Agreement is provided in the section entitled The Merger Agreement Takeover Proposals beginning on page 63.

Table of Contents

Termination of the Merger Agreement (page 75)

The Merger Agreement may be terminated at any time prior to the consummation of the Merger by the mutual written consent of the Company and CF Corp, provided that such termination will have been approved by their respective boards of directors.

In addition, the Merger Agreement may be terminated by either CF Corp or the Company if:

- any governmental authority has issued a final and nonappealable order or there exists any law, in each case, permanently preventing or prohibiting the Merger;
- the Merger is not consummated prior to January 24, 2018; but if the only conditions not satisfied as of January 24, 2018, are that the Requisite Regulatory Approvals have not been obtained, CF Corp or the Company may unilaterally extend the outside termination date by up to two (2) months (the Outside Termination Date); provided that the right to terminate the Merger Agreement will not be available to any party whose failure to fulfill any obligation under the Merger Agreement has been the cause of, or results in, the failure of the Merger to occur on or before such date;
- the Company Required Vote is not obtained at the Company Stockholders Meeting. This provision is no longer applicable following Parent s receipt of the Written Consent on May 24, 2017 (as described in the section entitled The Merger Agreement Written Consent beginning on page 62); or
- the CF Corp Required Vote is not obtained at the CF Corp shareholders meeting. This provision is no longer applicable following the approval by CF Corp shareholders of the proposals relating to the Merger Agreement and the Merger on August 8, 2017 (as described in the section entitled The Merger Background of the Merger beginning on page 17).

The Merger Agreement also may be terminated by CF Corp if:

- the Written Consent has not been executed and delivered to Parent within 48 hours after the execution of the Merger Agreement. This provision is no longer applicable following Parent s receipt of the Written Consent on May 24, 2017 (as described in the section entitled The Merger Agreement Written Consent beginning on page 62);
- there has been a breach by the Company of (i) any representation, warranty, covenant or agreement contained in the Merger Agreement that would, individually or in the aggregate, result in a failure by the Company to satisfy the Company Stockholder Approval condition or No Order condition, respectively, if such failure was continuing on the Closing Date, and (ii) such breach has not been cured (or is not capable of being cured) before the Outside Termination Date; or

(i) the Board makes an Adverse Recommendation Change, (ii) the Board materially breaches the no solicitation provision or (iii) the Company enters into, or publicly announces its intention to enter into, any Takeover Proposal documentation with respect to a Superior Proposal. This provision is no longer applicable following Parent s receipt of the Written Consent on May 24, 2017 (as described in the section entitled The Merger Agreement Written Consent beginning on page 62).

The Merger Agreement also may be terminated by the Company if:

there has been a breach by CF Corp, Parent or Merger Sub of (i) any representation, warranty, covenant or agreement contained in the Merger Agreement that would, individually or in the aggregate, result in a failure of a condition to the consummation of the Merger, if such failure was continuing on the Closing Date, and (ii) such breach has not been cured (or is not capable of being cured) before the Outside Termination Date; or

if (i) the conditions of CF Corp, Parent and Merger Sub to effect the Merger are satisfied or waived and (ii) the Closing has not occurred on or prior to the second (2nd) business day after the satisfaction or waiver of those conditions.

Table of Contents

Termination Fees and Expenses (page 76)

The Company will pay CF Corp the Company Termination Fee if the Merger Agreement is terminated:

- by CF Corp if the Written Consent has not been executed and delivered within 48 hours after the execution of the Merger Agreement. This provision is no longer applicable following CF Corp s receipt of the Written Consent on May 24, 2017 (as described in the section entitled The Merger Agreement Written Consent beginning on page 62);

- by CF Corp if, (i) the Board makes an Adverse Recommendation Change, (ii) the Board recommends to the Company stockholders that they approve or accept a Superior Proposal or (iii) the Board enters into or publicly announces its intention to enter into, any Takeover Documentation with respect to a Takeover Proposal. This provision is no longer applicable following Parent s receipt of the Written Consent on May 24, 2017 (as described in the section entitled The Merger Agreement Written Consent beginning on page 62);

- by CF Corp or the Company if, at the Company Stockholders Meeting, the Company Required Vote is not obtained. This provision is no longer applicable following Parent s receipt of the Written Consent on May 24, 2017 (as described in the section entitled The Merger Agreement Written Consent beginning on page 62); or

- by CF Corp if (i) there has been a breach by the Company of any representation, warranty, covenant or agreement contained in the Merger Agreement that would, individually or in the aggregate, result in a failure of a condition to the consummation of the Merger, if such failure was continuing on the Closing Date, and (ii) such breach has not been cured (or is not capable of being cured) before the Outside Termination Date;

and with respect to the immediately preceding bullet (i) at any time after the date of execution of the Merger Agreement and prior to such termination, a Takeover Proposal will have been publicly announced or publicly made known to the Board or the stockholders of the Company, and (ii) within twelve (12) months of such termination, the Company will have entered into a definitive agreement to consummate such Takeover Proposal and thereafter consummates such Takeover Proposal.

For a more detailed discussion of the Company Termination Fee, see the section entitled The Merger Termination Fee and Expenses beginning on page 76.

Interests of Our Directors and Executive Officers in the Merger (page 40)

You should be aware that the Company s directors and executive officers have interests in the Merger that may be different from, or in addition to, the interests of the Company stockholders generally. These interests are described in more detail in the section entitled The Merger Interests of Our Directors and Executive Officers in the Merger beginning on page 40. The Board was aware of these interests and considered them, among other matters, in evaluating and approving the Merger Agreement. These interests may include the following, among others:

- the accelerated vesting, cancellation and cash-out of outstanding equity and equity-based awards;

the payment of enhanced severance benefits under existing employment agreements or the Company s severance plan upon a qualifying termination of employment occurring during a specified period before or following the completion of the Merger;

the payment of cash transaction bonuses upon the completion of the Merger;

the payment of cash retention awards upon the first anniversary of the completion of the Merger or an earlier qualifying termination of employment;

Table of Contents

the accelerated vesting of cash-based incentive awards on a qualifying termination of employment;

the entitlement to receive certain other cash bonuses; and

continued indemnification and directors and officers liability insurance to be provided by the surviving corporation.

Treatment of Equity and Equity-Based Awards (page 65)

Accelerated Vesting, Cancellation and Cash-Out of Equity and Equity-Based Awards Granted by the Company

The Merger Agreement provides that at the Effective Time:

Each option to purchase shares of Company Common Stock (a Company Stock Option) that is outstanding and unexercised immediately prior to the Effective Time (whether vested or unvested) will fully vest and be canceled in exchange for an amount in cash equal to the product of (i) the total number of shares of Company Common Stock underlying such Company Stock Option multiplied by (ii) the excess, if any, of $31.10 over the exercise price per share of such Company Stock Option, without interest and less applicable taxes.

Each Company Performance RSU that is outstanding immediately prior to the Effective Time (whether vested or unvested) will fully vest and be canceled in exchange for an amount in cash equal to the product of (i) the number of shares of Company Common Stock subject to such Company Performance RSU multiplied by (ii) $31.10, without interest and less applicable taxes; provided, that for purposes of clause (i), the number of shares of Company Common Stock subject to such Company Performance RSU immediately prior to the Effective Time will be deemed to be (x) the actual number of shares of Company Common Stock earned with respect to any full plan year of employment completed by the holder of such Company Performance RSU in the applicable performance period, as determined by the Board or a committee thereof, plus (y) the target number of shares of Company Common Stock subject to any incomplete and remaining plan year in the applicable performance period.

Each time-based restricted stock award of the Company (a Company Restricted Stock Right) that is outstanding immediately prior to the Effective Time (whether vested or unvested) will fully vest and be canceled in exchange for an amount in cash equal to the product of (i) the number of shares of Company Common Stock underlying such Company Restricted Stock Right multiplied by (ii) $31.10, without interest and less applicable taxes.

Accelerated Vesting, Cancellation and Cash-Out of Equity and Equity-Based Awards Granted by Fidelity & Guaranty Life Holdings, Inc.

The Merger Agreement provides that at the Effective Time:

Each option to purchase shares of Fidelity & Guaranty Life Holdings, Inc. (FGLH) common stock (a Subsidiary Stock Option) that is outstanding and unexercised immediately prior to the Effective Time (whether vested or unvested) will fully vest and be canceled in exchange for an amount in cash equal to the product of (i) the total number of FGLH shares underlying such Subsidiary Stock Option multiplied by (ii) the excess, if any, of $176.32 over the exercise price per share of such Subsidiary Stock Option, without interest and less applicable taxes.

Each time-based restricted stock unit award relating to FGLH common stock (a Subsidiary RSU) that is outstanding immediately prior to the Effective Time (whether vested or unvested) will fully vest and be canceled in exchange for an amount in cash equal to the product of (i) the number of FGLH shares underlying such Subsidiary RSU multiplied by (ii) $176.32, without interest and less applicable taxes.

Each dividend equivalent award relating to FGLH common stock (a Subsidiary Dividend Equivalent) that is outstanding immediately prior to the Effective Time (whether vested or unvested) will fully vest and be canceled in exchange for an amount in cash equal to the applicable amount accrued with respect to such Subsidiary Dividend Equivalent, without interest and less applicable taxes.

Table of Contents

U.S. Federal Income Tax Consequences of the Merger (page 50)

The exchange of shares of Company Common Stock for cash pursuant to the Merger will be a taxable transaction for U.S. federal income tax purposes. A U.S. Holder (as defined below) of Company Common Stock generally will recognize gain or loss equal to the difference between (i) the amount of cash received and (ii) such U.S. Holder s adjusted tax basis in its shares of common stock. See the section entitled U.S. Federal Income Tax Consequences of the Merger beginning on page 50 for further details. You should consult your own tax advisor about the particular tax consequences of exchanging your shares of Company Common Stock for cash pursuant to the Merger.

Regulatory Approvals (page 51)

The insurance laws and regulations of the states of Iowa, New York and Vermont, where the insurance company subsidiaries of the Company are domiciled, require that, prior to the acquisition of control of an insurance company domiciled in those jurisdictions, the acquiring company must obtain the approval of the insurance regulators of those jurisdictions.

While we believe that the Company and CF Corp will receive the requisite approvals and clearances for the Merger, the Company and CF Corp may not obtain the regulatory approvals necessary to consummate the merger. Should the Iowa Insurance Division, the New York State Department of Financial Services, the Vermont Department of Financial Regulation or any other governmental authority raise objections to the Merger, the Company and CF Corp have agreed to use reasonable best efforts to resolve such objections.

Exchange Procedures (page 55)

Shortly after the Effective Time, a Paying Agent will mail a letter of transmittal and instructions to you and the other Company stockholders. The letter of transmittal and instructions will tell you how to surrender your stock certificates in exchange for the Merger Consideration. Holders of uncertificated shares of Company Common Stock (*i.e.*, holders whose shares are held in book-entry form) will automatically receive the Merger Consideration, without interest and less any required withholding taxes, as promptly as practicable after the Effective Time without any further action required on the part of those holders.

Specific Performance (page 77)

The parties to the Merger Agreement are entitled to injunctive or other equitable relief to prevent breaches of the Merger Agreement and to enforce specifically the terms and provisions of the Merger Agreement in any state court in the state of Delaware or any federal court sitting in the state of Delaware.

Appraisal Rights (page 82 and Annex D)

Pursuant to Section 262 of the General Corporation Law of the State of Delaware (the DGCL), our stockholders (other than FS Holdco) have the right to dissent from the Merger and receive a cash payment for the judicially determined fair value of their shares of Company Common Stock. The judicially determined fair value under Section 262 could be greater than, equal to or less than the $31.10 per share that our stockholders are entitled to receive in the Merger. To qualify for these rights, you must make a written demand for appraisal on or prior to September 5, 2017, which is the date that is the 20th day following the mailing of this information statement, and otherwise comply precisely with the procedures set forth in Section 262 of the DGCL for exercising appraisal rights. If you validly exercise (and do not withdraw or fail to perfect) appraisal rights, the ultimate amount that you may be entitled to receive in an appraisal proceeding may be less than, equal to or more than the amount of Merger Consideration that you would have received

under the Merger Agreement. For a summary of these procedures, see the section entitled Appraisal Rights beginning on page 82. The foregoing and the summary of Section 262 of the DGCL set forth in this information statement is qualified in its entirety by

Table of Contents

reference to the full text of Section 262 of the DGCL. You are encouraged to read the entirety of Section 262 of the DGCL, a copy of which is attached to the accompanying information statement as Annex D.

Market Price of Our Stock (page 81)

Company Common Stock is listed on the New York Stock Exchange (the NYSE) under the trading symbol FGL . The closing sale price of Company Common Stock on the NYSE on May 23, 2017, which was the last trading day before we announced the Merger, was $28.70. On August 11, 2017, the last practicable trading day before the date of this information statement, the closing price of Company Common Stock on the NYSE was $31.15.

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE MERGER

The following questions and answers are intended to briefly address commonly asked questions as they pertain to the Merger Agreement and the Merger. These questions and answers may not address all questions that may be important to you as a Company stockholder. Please refer to the section entitled Summary beginning on page 1 and the more detailed information contained elsewhere in this information statement, the annexes to this information statement and the documents referred to or incorporated by reference in this information statement, each of which you should read carefully. You may obtain information incorporated by reference in this information statement without charge by following the instructions in the section entitled Where You Can Find More Information beginning on page 87.

Q: What is the proposed transaction?

A: The proposed transaction is the acquisition of the Company by CF Corp pursuant to the Merger Agreement. Once the closing conditions under the Merger Agreement have been satisfied or waived and subject to the other terms and conditions in the Merger Agreement, Merger Sub will merge with and into the Company. The Company will be the surviving corporation in the Merger and will become a wholly owned, indirect subsidiary of CF Corp.

Q: What will I receive in the Merger?

A: Upon completion of the Merger, you will receive $31.10 in cash, without interest and less any required withholding taxes, for each share of Company Common Stock that you own, unless you properly exercise, and do not withdraw or fail to perfect, appraisal rights under Section 262 of the DGCL. For example, if you own 100 shares of Company Common Stock, you will receive $3,110 in cash in exchange for your shares of Company Common Stock, less any required withholding taxes. You will not own shares in the surviving corporation.

Q: When do you expect the Merger to be completed?

A: We are working to complete the Merger as quickly as possible. We currently expect to complete the Merger promptly after all of the conditions to the Merger have been satisfied or waived and subject to the other terms and conditions in the Merger Agreement. Completion of the Merger is currently expected to occur in the fourth quarter of calendar year 2017, although the Company cannot assure completion by any particular date, if at all.

Q: What happens if the Merger is not completed?

A: If the Merger is not completed for any reason, stockholders will not receive any payment for their shares in connection with the Merger. Instead, the Company will remain a publicly traded company, and shares of Company Common Stock will continue to be quoted on the NYSE.

Q: Why am I not being asked to vote on the Merger?

A: Applicable Delaware law and the Merger Agreement require the adoption of the Merger Agreement by the holders in the aggregate of a majority of the outstanding shares of Company Common Stock in order to effect the Merger. The requisite stockholder approval was obtained following the execution of the Merger Agreement on May 24, 2017, when the Written Consent was delivered by FS Holdco, which is a wholly owned subsidiary of HRG, and which owned shares of Company Common Stock constituting approximately 80.4% of the issued and outstanding shares of Company Common Stock on that date. Therefore, your vote is not required and is not being sought. We are not asking you for a proxy, and you are requested not to send us a proxy.

Table of Contents

Q: Why did I receive this Information Statement?

A: Applicable laws and securities regulations require us to provide you with notice of the Written Consent, as well as other information regarding the Merger, even though your vote or consent is neither required nor requested to adopt or authorize the Merger Agreement or complete the Merger. This information statement also constitutes notice to you of the availability of appraisal rights under Section 262 of the DGCL, a copy of which is attached to this information statement as Annex D.

Q: Did the Board approve and recommend the Merger Agreement?

A: Yes. The Board:

(a) determined that the Merger Agreement and the transactions contemplated thereby, including the Merger, taken together, are at a price and on terms that are fair to, advisable and in the best interests of the Company and its stockholders and adopted and approved the Merger Agreement, the Merger and the other transactions contemplated thereby;

(b) approved the execution, delivery and performance of the Merger Agreement and the consummation of the transactions contemplated thereby, including the Merger, upon the terms and subject to the conditions set forth in the Merger Agreement; and

(c) resolved to recommend the adoption of the Merger Agreement and the approval of the transactions contemplated thereby, including the Merger, by the holders of Company Common Stock, upon the terms and subject to the conditions set forth in the Merger Agreement.

Q: What happens if I sell or otherwise transfer my shares before completion of the Merger?

A: If you sell or otherwise transfer your shares of Company Common Stock, you will have transferred to the person that acquires your shares of Company Common Stock the right to receive the Merger Consideration to be received in the Merger. To receive the Merger Consideration, you must hold your shares through completion of the Merger.

Q: Should I send in my Company Common Stock certificates now?

A: No. You will be sent a letter of transmittal with related instructions by a Paying Agent after completion of the Merger, describing how you may exchange your shares of Company Common Stock for the Merger Consideration. **Please do NOT return your Company Common Stock certificate(s) to the Company.**

Holders of uncertificated shares of Company Common Stock (*i.e.*, holders whose shares are held in book-entry form) will automatically receive the Merger Consideration, without interest and less any required withholding taxes, as promptly as practicable after the Effective Time without any further action required on the part of those holders.

Q: Is the Merger subject to the fulfillment of certain conditions?

A: Yes. Before the Merger can be completed, the Company, CF Corp, Parent and Merger Sub must fulfill or, if permissible, waive several closing conditions. If these conditions are not satisfied or waived, the Merger will not be completed. See the section entitled The Merger Agreement Conditions to Consummation of the Merger beginning on page 74.

Table of Contents

Q: Am I entitled to exercise appraisal rights instead of receiving the Merger Consideration for my shares?

A: Yes. As a holder of Company Common Stock, you are entitled to appraisal rights under Delaware law in connection with the Merger if you meet certain conditions, which conditions are described in this information statement in the section entitled Appraisal Rights beginning on page 82.

Q: What are the U.S. federal income tax consequences of exchanging my shares of Company Common Stock for cash pursuant to the Merger?

A: Your exchange of shares of Company Common Stock for cash pursuant to the Merger will be a taxable transaction for U.S. federal income tax purposes. In general, a U.S. Holder that exchanges shares of Company Common Stock for cash pursuant to the Merger will recognize gain or loss equal to the difference between (i) the amount of cash received and (ii) such U.S. Holder s adjusted tax basis in its shares of common stock exchanged therefor. You are urged to consult your own tax advisor regarding the tax consequences to you of exchanging your shares of Company Common Stock for cash pursuant to the Merger in light of your own particular circumstances. See the section entitled U.S. Federal Income Tax Consequences of the Merger beginning on page 50 for more information.

Q: Do any of the Company s directors or executive officers have interests in the Merger that may differ from those of Company stockholders generally?

A: You should be aware that the Company s directors and executive officers have interests in the Merger that may be different from, or in addition to, the interests of the Company stockholders generally. These interests are described in more detail in the section entitled The Merger Interests of Our Directors and Executive Officers in the Merger beginning on page 40. The Board was aware of these interests and considered them, among other matters, in evaluating and approving the Merger Agreement.

Q: Where can I find more information about the Company?

A: We file periodic reports and other information with the SEC. You may read and copy this information at the SEC s public reference facilities. Please call the SEC at (800) SEC-0330 for information about these facilities. This information is also available on the website maintained by the SEC at www.sec.gov. For a more detailed description of the available information, please refer to the section entitled Where You Can Find More Information beginning on page 87.

Q: Who can help answer my other questions?

A: If you have more questions about the Merger, please contact our Investor Relations Department at (515) 330-3307. If your broker holds your shares, you should call your broker for additional information.

13

Table of Contents

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995:

This information statement contains, and certain oral statements made by our representatives from time to time may contain, forward-looking statements relating to the Merger. All forward-looking statements address matters that involve risks and uncertainties, many of which are beyond the Company s and CF Corp s control. Such statements are subject to risks and uncertainties that could cause actual results, events and developments to differ materially from those set forth in, or implied by, such statements and, therefore, you should not place undue reliance on any such statements. These statements are based on the beliefs and assumptions of the Company s management and the management of the Company s subsidiaries. Generally, forward-looking statements include information concerning current expectations, other actions, events, results, strategies and expectations and are generally identifiable by use of the words believes, expects, intends, anticipates, plans, seeks, estimates, projects, may, will, cou or similar expressions. No forward-looking statement can be guaranteed. Factors that could cause actual results, events and developments to differ include, without limitation:

- the inability to complete the Merger due to the failure to satisfy the conditions to the Merger or to complete the Merger during any specific timeframe;
- the occurrence of any event, change or other circumstance that could give rise to the termination of the Merger Agreement, including a termination under circumstances that could require us to pay the Company Termination Fee to CF Corp;
- the amount of the costs, fees, expenses and charges related to the Merger;
- risks that the proposed transaction disrupts current plans and operations and potential difficulties in employee retention as a result of the Merger;
- the outcome of any legal proceedings that may be instituted against the Company or CF Corp and others following announcement of the Merger Agreement;
- risks related to diverting management s attention from our ongoing business operations; and
- other risks detailed in our filings with the SEC, including Item 1A. Risk Factors in our Annual Report on Form 10-K for our fiscal year ended September 30, 2016. See the section entitled Where You Can Find More Information beginning on page 87.

All forward-looking statements described herein are qualified by these cautionary statements and there can be no assurance that the actual results, events or developments referenced herein will occur or be realized. Neither the Company nor any of its affiliates undertakes any obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future results of operation.

14

Table of Contents

THE PARTIES TO THE MERGER AGREEMENT

The Company

Fidelity & Guaranty Life

Two Ruan Center

601 Locust Street, 14th Floor

Des Moines, Iowa 50309

Phone: (800) 445-6758

The Company, incorporated in the state of Delaware, is an insurance holding company that helps middle-income Americans prepare for retirement. Through its subsidiaries, the Company offers fixed annuity and life insurance products distributed by independent agents through an established network of independent marketing organizations. The Company is headquartered in Des Moines, Iowa and trades on the NYSE under the ticker symbol FGL . Additional information regarding the Company is contained in our filings with the SEC, copies of which may be obtained without charge by following the instructions in the section entitled Where You Can Find More Information beginning on page 87.

CF Corp

CF Corporation

1701 Village Center Circle

Las Vegas, Nevada 89134

(702) 323-7331

CF Corp is a Cayman Islands exempted company and special purpose acquisition company organized for the purpose of making an acquisition of one or more businesses. CF Corp has raised $690 million dollars from blue chip long-term investors to be used to acquire an operating company. In addition, CF Corp has received an aggregate of approximately $1.9 billion in equity commitments and back up equity commitments to fund the purchase price for the Merger. CF Corp is listed on the Nasdaq exchange and is an SEC reporting company. CF Corp. s current shareholders are Mr. Chinh E. Chu, Mr. William P. Foley, II, CF Capital, certain anchor investors (including BilCar, CC Capital and CFS Holdings) who have agreed to purchase additional shares of CF Corp pursuant to forward purchase agreements with CF Corp in order to finance an acquisition by CF Corp, certain directors of CF Corp, and members of the public.

At the Closing, CF Corp is expected to receive equity financing from the anchor investors that, together with cash already held by CF Corp in a trust account and other equity commitments, will be sufficient to pay the Merger Consideration and related expenses.

Parent

FGL US Holdings Inc.

1701 Village Center Circle

Las Vegas, Nevada 89134

(702) 323-7331

Parent is a Delaware corporation that is an indirect wholly owned subsidiary of CF Corp. Parent was formed on May 19, 2017 expressly for the Merger and conducts no other business. After the Closing, Parent will be the direct parent company of the Company.

Table of Contents

Merger Sub

FGL Merger Sub Inc.

1701 Village Center Circle

Las Vegas, Nevada 89134

(702) 323-7331

Merger Sub is a Delaware corporation that is a direct wholly owned subsidiary of Parent. Merger Sub was formed on May 19, 2017 expressly for the Merger and conducts no other business. At the Closing, Merger Sub will be merged with and into the Company, with the Company continuing as the surviving corporation.

Table of Contents

THE MERGER

Background of the Merger

On November 8, 2015, the Company entered into an Agreement and Plan of Merger (as amended, the Anbang Agreement), with Anbang Insurance Group Co., Ltd., AB Infinity Holding, Inc. and AB Merger Sub, Inc. (collectively, Anbang), pursuant to which Anbang agreed to acquire the Company in an all-cash merger for $26.80 per share.

On November 3, 2016, the Company and Anbang amended the Anbang Agreement to extend the termination date from November 7, 2016 to February 8, 2017, to provide time for Anbang to obtain regulatory approval for the transaction.

On February 9, 2017, the Company and Anbang amended the Anbang Agreement to further extend the termination date from February 8, 2017 to April 17, 2017, to provide additional time for Anbang to obtain regulatory approval for the transaction. The terms of the amendment also permitted the Company to solicit and respond to proposals for an alternative transaction and provide diligence materials to potential interested parties, but did not allow the Company to enter into a definitive agreement with any third party for so long as the Anbang Agreement remained in effect.

Over the next month, the Board continued to assess the status of the pending transaction with Anbang and instructed Credit Suisse and Jefferies LLC (Jefferies), the Company s financial advisors, to undertake a process to assist the Board in evaluating strategic alternatives in the event the transaction with Anbang was not consummated, including by contacting third parties through both an outreach process and responding to inbound inquiries. In each such alternative transaction (as well as in the pending Anbang transaction), the Board was of the view that, in addition to price, transaction certainty (including with respect to funding certainty and regulatory certainty) would be an important consideration. Parties that expressed an interest in pursuing a strategic transaction with the Company were asked to execute confidentiality and non-disclosure agreements. On March 14, 2017, Blackstone Tactical Opportunities Fund II L.P. (BTO) executed a confidentiality and non-disclosure agreement with the Company and by March 16, 2017, 19 other confidentiality and non-disclosure agreements had been distributed and 16 of these had been executed with interested parties. A virtual data room was prepared by the Company s management team and made available to parties that had executed a confidentiality and non-disclosure agreement.

On March 8, 2017, the Board held a meeting via teleconference. In attendance, in addition to the Board, were members of the Company s senior management and representatives of Credit Suisse, Jefferies and Skadden, Arps, Slate, Meagher & Flom LLP (Skadden), legal advisor to the Company. Prior to the meeting, a presentation prepared by Credit Suisse setting forth a summary of the solicitation process to that date was distributed to the Board. At the meeting, the Company s financial and legal advisors discussed with the Board the status of the solicitation process, and provided an update on the pending transaction with Anbang.

From March 15, 2017 to April 12, 2017, members of the Company s senior management and representatives of Credit Suisse, Jefferies and the Company s actuarial advisor participated in various in-person and telephonic diligence discussions with potential bidders covering a variety of diligence topics.

Between March 24, 2017 and April 5, 2017, at the direction of the Company, Credit Suisse and Jefferies distributed a process letter, draft merger agreement and draft disclosure schedules to potential bidders and requested that final binding offers be submitted to Credit Suisse and Jefferies by April 12, 2017.

Subject to the terms of the confidentiality and non-disclosure agreement between BTO and the Company, the Company consented to BTO s request to approach CF Corp regarding a potential transaction, and subject to FGL s further consent, on April 6, 2017, in order to facilitate CF Corp s due diligence review with respect to a

Table of Contents

potential business combination involving the Company, CF Corp entered into a joinder to the confidentiality and non-disclosure agreement between BTO and the Company and commenced due diligence efforts.

On April 12, 2017, Credit Suisse and Jefferies received five final bids (three strategic related bidders and two financial related sponsors) as follows: a joint CF Corp/BTO bid, proposing a price of $30.60 per share in cash; Bidder A, proposing a price of $30.50 per share in cash; Bidder B, proposing a price of $29.25 per share in cash; Bidder C, proposing a price of $27.50 per share in cash; and Bidder D, proposing a price of $27.25 per share in cash. Bidder E (an additional strategic related bidder) indicated that it would submit a bid early in the following week, but no bid was ultimately submitted. Prior to CF Corp s bid submission, the Company and its financial advisors believed that CF Corp would be acting as a potential financing source for a bid to be potentially submitted by BTO. However, when the final bids were submitted, CF Corp and BTO had reorganized the structure of their proposal so that CF Corp was also a bidding entity. Also on April 12, 2017, Bidder A, Bidder B, Bidder C and Bidder D each submitted a mark-up of the draft merger agreement. CF Corp requested exclusivity in its proposal letter, which was not granted, and on April 14, 2017, CF Corp also submitted a mark-up of the draft merger agreement.

From April 12, 2017 to May 12, 2017, members of the Company s senior management and representatives of Credit Suisse, Jefferies and Skadden held management presentations with each of CF Corp, Bidder B, Bidder E and certain other potentially interested parties. Topics covered in the management presentations included, among other things, industry overviews, growth strategies, commercial overviews, financial information and regulatory compliance information relating to the Company. Members of the Company s senior management and representatives of Credit Suisse, Jefferies and Skadden held management presentations with Bidder C and Bidder D prior to April 12, 2017.

On April 13, 2017, representatives of CF Corp called representatives of Credit Suisse to reiterate its request for exclusivity, which was not granted. Also on April 13, 2017, Skadden was provided with a memorandum from Credit Suisse addressed to the Board regarding Credit Suisse s relationship to CF Corp, which memorandum explained to the Board that Credit Suisse had been an underwriter in connection with CF Corp s initial public offering and certain private capital raising activities in May 2016 and stood to receive additional contingent consideration were CF Corp to be the ultimate acquirer of the Company due to arrangements that were put in place at the time of the offering, as described in the section entitled The Merger Opinion of Credit Suisse beginning on page 27. Credit Suisse explained that it was providing this information to the Board at that time as CF Corp was now a bidder in the process.

On April 14, 2017, the Board held a meeting via teleconference. In attendance, in addition to the Board, were members of the Company s senior management and representatives of Credit Suisse, Jefferies and Skadden. Prior to the meeting, a presentation prepared by Credit Suisse and Jefferies setting forth a summary of the current process and the written proposals that had been received and preliminary financial information and valuation analyses (which valuation methodologies and results were substantially similar to those included in the fairness opinion delivered by Credit Suisse, as described in the section entitled The Merger Opinion of Credit Suisse beginning on page 27), and a presentation prepared by Skadden setting forth a summary of certain legal considerations of the written proposals that had been received were distributed to the Board. At the meeting, the Board reviewed with the Company s financial and legal advisors the status of the strategic review process and the written proposals received from the bidders. The Board also reviewed the memorandum that Credit Suisse had provided to Skadden and discussed the Anbang Agreement, the status of Anbang s pending regulatory approvals, Anbang s ability to close the merger prior to the termination date and potential next steps.

From April 14, 2017 through April 24, 2017, Joseph S. Steinberg, Chairman of the Board, and representatives of Credit Suisse and Jefferies held a series of meetings with representatives of each of CF Corp, BTO, Bidder A, Bidder B and Bidder D regarding their respective bid submissions. During these discussions, CF Corp and each of the other bidders were told that they must improve their price and deal terms to increase deal certainty.

On April 17, 2017, the Board held a meeting via teleconference. In attendance, in addition to the Board, were members of the Company s senior management and representatives of Skadden. At the meeting, the Board

Table of Contents

reviewed with representatives of Skadden the status of the strategic review process, the Anbang Agreement, the status of Anbang s pending regulatory approvals, Anbang s inability to close the merger prior to the termination date and potential next steps. The Board then unanimously voted to terminate the Anbang Agreement. At this meeting the Board also agreed to continue negotiations with the bidders that had submitted bids, other than Bidder C and Bidder D.

Following this Board meeting, on April 17, 2017, the Company provided written notice to Anbang of its decision to terminate the Anbang Agreement, effective as of that date. Also on April 17, 2017, the Company filed a Form 8-K with the SEC disclosing the termination of the Anbang Agreement, which included a press release stating that the Board was continuing to evaluate strategic alternatives to maximize shareholder value, had received interest from a number of third parties and that, as a result of the termination of the Anbang Agreement, the Company had no remaining obligations and could enter into an alternative definitive transaction with other third parties.

Also on April 17, 2017, representatives of Credit Suisse and Jefferies provided feedback to the respective bidders on their bid submissions based on direction from the Board, and Bidder C and Bidder D were advised that the Board had determined that their offer prices were not sufficient to continue in the process.

In response, on April 18, 2017, Bidder D submitted a revised offer of $28.75 per share in cash. Based on direction from the Company, Credit Suisse and Jefferies informed Bidder D that the revised offer was not at a level at which the Company would actively engage in negotiations.

Between April 18, 2017 and April 20, 2017, representatives of the Company, Credit Suisse and Jefferies conducted meetings with the bidders and their respective advisors to further clarify bids and to provide feedback.

In addition, between April 20, 2017 and April 25, 2017, representatives of Credit Suisse and Jefferies held conference calls with members of CF Corp s senior management and principals from certain of its equity financing sources to discuss open transaction points.

On April 24, 2017, Credit Suisse provided Bidder B and CF Corp with revised drafts of their respective merger agreements. Also on April 24, 2017, representatives of Credit Suisse and Jefferies discussed with representatives of Bidder A and Bidder B their respective timing to submit a definitive proposal.

On April 25, 2017, the Board held a meeting via teleconference. In attendance, in addition to the Board, were members of the Company s senior management and representatives of Credit Suisse, Jefferies and Skadden. At the meeting, the Board reviewed with the Company s financial and legal advisors the status of the strategic review process and the bids from each of the remaining bidders. The Board also reviewed material relationships of the Company s financial advisors with the remaining bidders and HRG and its affiliates. Following the Board s review, the Board authorized Mr. Steinberg and Christopher J. Littlefield to engage an additional financial advisor on such terms as deemed appropriate.

On April 26, 2017, CF Corp provided a follow-up letter to the Company and an updated mark-up of the merger agreement and reiterated its request for exclusivity, which was not granted, and on April 27, 2017, representatives of Credit Suisse, members of CF Corp s senior management and certain of CF Corp s financing sources held a conference call to discuss these items.

On April 27, 2017, Bidder A was provided with a revised draft of the merger agreement.

On April 28, 2017, at the direction of members of the Board, representatives of Credit Suisse and Jefferies contacted Bidder D regarding re-entering the process, noting that it had to improve upon its prior bid of $28.75 per share. Also on April 28, 2017 representatives of the Company and certain equity partners of CF Corp discussed matters related to their equity commitments.

Table of Contents

On April 30, 2017, representatives of Skadden held an in-person meeting with representatives of Debevoise & Plimpton LLP (Debevoise) with respect to the draft of the merger agreement.

On May 1, 2017, the Board held a meeting via teleconference. In attendance, in addition to the Board, were members of the Company s senior management and representatives of Credit Suisse, Jefferies and Skadden. Representatives of Credit Suisse and Jefferies provided the Board with an update on the bid process, including the Company s strategy with respect to such process and the level of interest and due diligence conducted to date by the remaining bidders. Representatives of Skadden also provided the Board with an overview of the mark-ups to the merger agreements received from the remaining bidders as well as certain regulatory issues.

On May 2, 2017 and May 3, 2017, representatives of Skadden held conference calls with representatives of Law Firm B with respect to the current draft of the merger agreement submitted by Bidder B. In addition to issues regarding the draft merger agreement, representatives of Skadden indicated to representatives of Law Firm B that in order to remain competitive in the process, Bidder B needed to more fully develop its financing arrangements to enhance its standing from a closing certainty perspective.

Also on May 2, 2017, management meetings were held with representatives of CF Corp to discuss the Company s results for the quarterly period ended March 31, 2017. In addition, Mr. Steinberg met with representatives of Bidder A regarding its bid and reiterated that, in order to remain competitive in the process, Bidder A needed to more fully develop its financing arrangements and simplify its transaction structure to enhance its standing from a regulatory and closing certainty perspective.

On May 3, 2017, Credit Suisse provided Bidder D with a revised draft of the merger agreement and management meetings were held with representatives of Bidder B and its financing sources covering a number of topics.

On May 4, 2017 and May 5, 2017, representatives of Credit Suisse held conference calls with members of CF Corp s senior management to discuss CF Corp s bid.

On May 4, 2017, representatives of Credit Suisse and Jefferies were told by representatives of Bidder D that it would not continue in the process.

On May 5, 2017, CF Corp submitted revised transaction documents, including ancillary transaction documents. Also on May 5, 2017, the Company engaged Rothschild as an additional financial advisor for the purpose of rendering an opinion to the Board, and Law Firm A, legal counsel to Bidder A, provided Credit Suisse and Jefferies with a revised draft of the merger agreement.

On May 6, 2017, based on direction from the Company, representatives of Credit Suisse discussed the potential transaction and open items with representatives of Bidder B via teleconference and indicated that in order to remain competitive in the process, it needed to more fully develop its financing arrangements to enhance its standing from a closing certainty perspective.

On May 7, 2017, representatives of the Company, Credit Suisse, Jefferies, Skadden and HRG met with representatives of CF Corp, BTO and Debevoise at an in-person meeting to discuss open issues on the transaction documents. In addition, HRG proposed that, at the election of HRG, certain wholly owned subsidiaries of HRG and CF Corp would agree to make a 338(h)(10) tax election (i.e., an election that the tax law permits HRG, but not other Company stockholders, to make) with respect to the proposed transaction. As part of such proposal, HRG proposed that HRG would bear the cost of such election and that such election would not affect the value to be received by the other stockholders of the Company.

On May 8, 2017, representatives of Skadden held a conference call with representatives of Law Firm A with respect to the current draft of the merger agreement submitted by Bidder A. Among other things, representatives

Table of Contents

of Skadden raised with representatives of Law Firm A issues relating to Bidder A s proposal, including the complexity of its transaction structure (including proposed reinsurance, extraordinary dividends and other transaction terms), regulatory implications and the status of the financing of Bidder A s proposal. In addition, representatives of Skadden told representatives of Law Firm A that, in order to remain competitive in the process, Bidder A needed to more fully develop its financing arrangements and simplify its transaction structure to enhance its standing from a regulatory and closing certainty perspective. Also on May 8, 2017, representatives of Skadden, Debevoise and Winston & Strawn LLP, legal counsel to CF Corp, held a conference call to discuss CF Corp s shareholder approval process.

On May 10, 2017, Credit Suisse and Jefferies received a revised final offer, including updated ancillary transaction documents, from CF Corp proposing a lower price of $30.00 per share in cash. Also on May 10, 2017, Bidder A provided Credit Suisse and Jefferies with drafts of certain new ancillary transaction documents and Law Firm A provided responses to certain items discussed during the conference call held on May 8, 2017.

On May 11, 2017, Credit Suisse and Jefferies received a revised final offer, including updated ancillary transaction documents, from Bidder B, proposing a lower price of $28.00 per share in cash.

Between May 10, 2017 and May 12, 2017, representatives of Credit Suisse, Jefferies and Skadden held various clarification calls with the remaining bidders and their respective advisors on the bidders respective proposals and other ancillary transaction documents. During this period, CF Corp and each of the other bidders were informed that they must improve their price and deal terms to increase deal certainty. In particular, Bidder A and Bidder B were each informed again that they had not satisfactorily addressed the issues that had been raised repeatedly, and that their respective bids would not be competitive.

On May 12, 2017, representatives of CF Corp proposed to increase its purchase price for the Company to $31.10 per share in cash if no 338(h)(10) tax election was made with respect to the proposed transaction and a purchase price of $30.60 per share in cash if such election was made and if exclusivity was granted. Thereby, CF Corp s offer valued the cost of such election at approximately $30 million. CF Corp also requested exclusivity, which was not granted, and indicated that its offer was its highest and best offer for the Company. Also on May 12, 2017, representatives of Skadden and Debevoise held a conference call to discuss the transaction documents.

On May 13, 2017, representatives of HRG discussed the cost of the 338(h)(10) tax election with representatives of BTO and that, in any agreed transaction where the 338(h)(10) tax election was made, HRG would pay the cost so that the value to be received by the other stockholders of the Company would not be reduced. Also on May 13, 2017, Skadden provided Debevoise with revised drafts of the merger agreement and the other ancillary transaction documents. Such other ancillary transaction documents included a voting agreement from certain stockholders of CF Corp that the Company had requested in connection with the approval of the stockholders of CF Corp and that would be required in respect of the proposed transaction.

On May 14, 2017, representatives of Skadden held a conference call with representatives of Law Firm B with respect to the revised drafts of the transaction documents submitted by Bidder B. Among other things, representatives of Skadden discussed the status of the Bidder B financing and the potential that Bidder B might propose the issuance of equity of its company as part of the merger consideration in lieu of an all cash transaction. Representatives of Skadden indicated that in order to remain competitive in the process, Bidder B needed to fully develop its financing arrangements to enhance its standing from a closing certainty perspective. Representatives of Skadden and Law Firm B also discussed the partial equity consideration proposal to be offered by Bidder B. Also, on May 14, 2017, Debevoise sent a revised draft of the merger agreement and the other ancillary transaction documents to Skadden.

On May 15, 2017, the Board held a meeting via teleconference. In attendance, in addition to the Board, were members of the Company s senior management and representatives of Credit Suisse, Jefferies and Skadden. Prior to the meeting, a presentation prepared by Credit Suisse and Jefferies was distributed to the Board regarding (i) a

Table of Contents

summary of the process to date, including which participants remained in the process, (ii) the bids received from CF Corp, Bidder A and Bidder B, (iii) an overview of key terms of the different proposals, including the transaction structures and (iv) preliminary financial information and valuation analyses (which valuation methodologies and results were substantially similar to those included in the fairness opinion delivered by Credit Suisse, as described in the section entitled The Merger Opinion of Credit Suisse beginning on page 27). A representative of Skadden reviewed with the Board its fiduciary duties under Delaware law and the mark-ups of the transaction documents received from CF Corp, Bidder A and Bidder B based on presentation materials prepared by Skadden and distributed to the Board in advance of the meeting, noting that the CF Corp transaction documents had been substantially agreed upon among the parties. Credit Suisse and Jefferies reviewed with the Board the materials prepared by them, including the preliminary financial information and analyses regarding the Company and a potential transaction at various per share prices. The Board then discussed in detail the potential transactions with each of CF Corp, Bidder A and Bidder B, including with respect to both price and transaction certainty.

At the meeting, the Board was also provided with an update regarding the material relationships of the Company s financial advisors with the remaining bidders and HRG and its affiliates (including that Jefferies is a wholly owned subsidiary of Leucadia National Corporation, which owns approximately twenty-three percent (23%) of HRG). In addition, the Board was advised that HRG and CF Corp had agreed that, at the election of FS Holdco, FS Holdco and Parent would make a 338(h)(10) tax election with respect to the Merger and that HRG had agreed to bear the cost of such election and would be required to pay CF Corp $30 million if the election was made (such that the election would not affect the value to be received by the other stockholders of the Company). As a result, CF Corp would pay $31.10 per share even if FS Holdco exercised its option for FS Holdco and Parent to make a 338(h)(10) tax election. The Board also discussed a concurrent transaction between HRG and a consortium including CF Corp and its financing sources involving the sale of HRG s two reinsurance subsidiaries. Credit Suisse then reviewed with the Board a proposed timeline for the next steps of the process. After additional discussion, the Board instructed Credit Suisse, Jefferies and Skadden to continue negotiations with each of CF Corp, Bidder A and Bidder B.

Also on May 15, 2017, representatives of the Company and Skadden held an in-person meeting with representatives of CF Corp, BTO and Debevoise to discuss the transaction documents.

Between May 15, 2017 and May 24, 2017, Skadden and Debevoise each circulated several mark-ups of the draft merger agreement and mark-ups of the other ancillary transaction documents and communicated regarding certain outstanding issues. In addition, CF Corp and HRG reached agreement on the terms of a letter agreement in connection with the 338(h)(10) tax election under which, at the election of FS Holdco, FS Holdco and Parent would make such an election with respect to the Merger, in which case FS Holdco would be required to pay Parent $30 million, plus additional specified amounts determined by reference to the Company s incremental current tax costs attributable to the election, if any, and Parent would be required to pay FS Holdco additional specified amounts determined by reference to the Company s incremental current tax savings attributable to the election, if any (and such election would not affect the value to be received by the other Company stockholders). On May 15, 2017 and May 17, 2017, representatives of the Company, CF Corp and BTO met to discuss open business and legal issues.

As previously discussed among the Board, on May 19, 2017, representatives of the Company, Skadden, HRG, CF Corp and Debevoise held an in-person meeting with officials at the Iowa Insurance Division. The meeting featured a presentation on CF Corp, the general terms of the proposed transaction, CF Corp s plans for the Company and a listing of other regulatory approvals needed for the proposed transaction. Also, as previously discussed among the Board, on May 19, 2017, representatives of the Company, Skadden, HRG, CF Corp and Debevoise held a telephonic meeting with officials at the New York State Department of Financial Services via teleconference. The meeting featured a presentation on CF Corp, the general terms of the transaction, CF Corp s plans for the Company and a listing of other regulatory approvals needed for the proposed transaction.

On May 20, 2017, the Board held a meeting via teleconference. In attendance, in addition to the Board, were members of the Company s senior management and representatives of Credit Suisse, Jefferies, Rothschild and

Table of Contents

Skadden. Prior to the meeting, presentations prepared by Credit Suisse, Jefferies and Rothschild were distributed to the Board in advance of the meeting regarding, among other things, a summary of the process to date, including which participants had withdrawn from the process and the bids received to date. In addition, given the advanced state of negotiations with CF Corp and the fact that at such time its proposal represented the highest price that the Company would receive for the shares of Company Common Stock, at the direction of the Company the Board was also provided with materials prepared by Credit Suisse, Jefferies, Rothschild and Skadden regarding an overview of key terms of CF Corp s proposal and preliminary financial information and valuation analyses regarding CF Corp s proposal (which valuation methodologies and results were substantially similar to those included in the fairness opinions delivered by Credit Suisse and Rothschild, respectively, as described in the section entitled The Merger Opinion of Credit Suisse beginning on page 27 and the section entitled The Merger Opinion of Rothschild beginning on page 33, respectively). At the meeting, a representative of Skadden again reviewed with the Board its fiduciary duties under Delaware law and also discussed the mark-ups of the transaction documents received from CF Corp based on presentation materials prepared by Skadden and distributed to the Board in advance of the meeting, noting that the CF Corp transaction documents had been substantially agreed upon among the parties. Representatives of Credit Suisse, Jefferies and Rothschild reviewed with the Board the respective materials prepared by them. The Board was also provided with an update regarding the material relationships of the Company s financial advisors with CF Corp and HRG and its affiliates. After these presentations, the independent directors held a discussion.

On May 22, 2017, the representatives of the Company met via teleconference with representatives of CF Corp and BTO for further discussions regarding, among other things, CF Corp s final sources of funding and mechanics for the funding of the transaction, as well as a debt commitment letter of CF Corp, which was being obtained by CF Corp at the request of the Company to provide financing in the event that it would be required in connection with the possible refinancing of the Company s existing credit agreement and/or its outstanding senior notes.

Also on May 22, 2017, Bidder A submitted a revised offer of $31.50 per share in cash and requested a meeting with the Company s representatives to further discuss the offer. Bidder A indicated that it expected the required financing for such a proposal to be fully committed by June 6, 2017.

On May 22, 2017 and May 23, 2017, representatives of Credit Suisse held a conference call with Bidder A s financial and legal advisors to discuss Bidder A s bid in further detail and on May 23, 2017, representatives of Credit Suisse had a call with Bidder B s financial advisor, where such advisor provided a status update on financing. Based on direction from the Company, Credit Suisse informed Bidder A and Bidder B that, notwithstanding repeated requests over an extended period of time, they had not provided sufficient assurances regarding their respective ability to finance their bid or close their respective transactions, and that unless they could provide additional certainty regarding their financing and ability to close a transaction immediately, their respective bids would not be competitive.

Also on May 23, 2017, the Board held a meeting via teleconference. In attendance, in addition to the Board, were members of the Company s senior management and representatives of Credit Suisse, Jefferies, Rothschild and Skadden. Prior to the meeting, materials prepared by Skadden and each financial advisor were distributed to the Board. The Board was provided with updates on CF Corp s proposal and Bidder A s proposal. Representatives of Skadden again reviewed with the Board its fiduciary duties under Delaware law and the material terms of the merger agreement that had been substantially negotiated with CF Corp. Representatives of Credit Suisse, Jefferies and Rothschild reviewed and discussed with the Board financial information and valuation analyses with respect to the proposal from CF Corp (which valuation methodologies and results were substantially similar to those included in the fairness opinions delivered by Credit Suisse and Rothschild, respectively, as described in the section entitled The Merger Opinion of Credit Suisse beginning on page 27 and the section entitled The Merger Opinion of Rothschild beginning on page 33, respectively) and representatives of Credit Suisse and Jefferies also reviewed and discussed with the Board financial information and analyses with respect to the proposal from Bidder A. The Board then

discussed in detail the potential transactions with each of CF Corp and Bidder A, including with respect to both price and transaction certainty. In light of (i) the relative complexity of Bidder A s transaction structure, including the regulatory implications and their effect on closing certainty, (ii) the significant number of financing sources (including from several non-U.S. investors) in the proposal from Bidder A, the lack of any definitive documentation related to such commitments and that Bidder A had indicated that it still needed at least another two weeks to firm up its financing and

Table of Contents

(iii) CF Corp being significantly further along in the process, including having finalized negotiations of a merger agreement (with materially more favorable terms than the current draft from Bidder A), definitive equity commitment letters and other documents in respect of the funding of the full amount of the cash merger consideration (including certain equity commitment arrangements to backstop aspects of CF Corp s funding) and having completed its due diligence, the Board determined that pursuing the proposed merger with CF Corp represented a greater likelihood of maximizing shareholder value than continuing discussions regarding the recently updated proposal from Bidder A (which continued to have significant financing uncertainty).

Also at the meeting, the Board discussed how CF Corp had been consistently asking for exclusivity, which had not been granted, but that there was significant risk that CF Corp would withdraw or lower its bid if the Company asked CF Corp to stand by for two weeks while Bidder A attempted to finalize its bid (despite having already had several weeks since its initial bid in mid-April to do so). The Board was provided with an overview of the meetings with the Iowa Insurance Division and the New York State Department of Financial Services and the Board was also advised that HRG and a consortium including CF Corp and its financing sources had reached agreement in respect of a concurrent transaction between the parties involving the sale of HRG s two reinsurance subsidiaries for $65 million, as described in the section entitled The Merger Interests of Our Directors and Executive Officers in the Merger FSR Transaction beginning on page 41. In addition, the Board further discussed the agreement that, at the election of FS Holdco, FS Holdco and Parent would make a 338(h)(10) tax election with respect to the Merger, in which case FS Holdco would be required to pay Parent $30 million, plus additional specified amounts determined by reference to the Company s incremental current tax costs attributable to the election, if any, and Parent would be required to pay FS Holdco additional specified amounts determined by reference to the Company s incremental current tax savings attributable to the election, if any (and such election would not affect the value to be received by the other stockholders of the Company).

At that point in the meeting, at the request of the Board, Credit Suisse rendered to the Board an oral opinion, confirmed by delivery of a written opinion dated May 23, 2017 to the effect that, as of that date and based on and subject to the assumptions, procedures, factors, qualifications and limitations set forth in Credit Suisse s written opinion, the consideration to be received by the holders of Company Common Stock (other than the excluded persons) in the Merger pursuant to the terms of the Merger Agreement was fair, from a financial point of view, to such stockholders, as described in the section entitled The Merger Opinion of Credit Suisse beginning on page 27. Next, at the request of the Board, Rothschild rendered to the Board an oral opinion, confirmed by delivery of a written opinion dated May 23, 2017 to the effect that, as of that date and based on and subject to the assumptions, procedures, factors, qualifications and limitations set forth in Rothschild s written opinion, the consideration to be received by the holders of Company Common Stock (other than the Excluded Persons) in the Merger pursuant to the terms of the Merger Agreement was fair, from a financial point of view, to such stockholders, as described in the section entitled The Merger Opinion of Rothschild beginning on page 33.

Following extensive additional discussion, the Board then, among other things, unanimously approved, and declared advisable, the Merger Agreement and the consummation of the transactions contemplated thereby, including the Merger, and determined that the terms of the Merger Agreement, the Merger and the other transactions contemplated thereby, taken together, were at a price and on terms that were fair to, advisable and in the best interests of the Company and its stockholders.

On May 24, 2017, the Company and CF Corp executed the Merger Agreement, and shortly thereafter FS Holdco delivered the Written Consent. On that same day, the Company and CF Corp issued a joint press release announcing the transaction and the Company filed a Current Report on Form 8-K with the SEC disclosing the execution of the Merger Agreement and attaching a copy of the definitive Merger Agreement and related voting agreement (the Voting Agreement) as exhibits.

On June 30, 2017, the Company and CF Corp executed an amendment to the Merger Agreement.

On August 8, 2017, CF Corp held an extraordinary general meeting in lieu of an annual general meeting of shareholders. At this general meeting, CF Corp s shareholders approved, among other items, all of the proposals relating to the Merger Agreement and the Merger.

Table of Contents

Pursuant to discussions that occurred following the execution of the Merger Agreement between CF Corp, Christopher J. Littlefield, Eric L. Marhoun and Dennis R. Vigneau, each a current member of the Company s management team, Messrs. Littlefield, Marhoun and Vigneau are expected to join CF Corp as executive officers, as described in the section entitled The Merger Interests of Our Directors and Executive Officers in the Merger Management of CF Corp and the Company Following the Merger beginning on page 40.

Reasons for the Merger

In the course of the Board making the determinations described above in the section entitled The Merger Background of the Merger beginning on page 17, the Board consulted with management of the Company, as well as the Company s legal and financial advisors, and considered the following potentially positive factors, which are not intended to be exhaustive and are not presented in any relative order of importance:

- the fact that the Board sought offers to purchase from a broad group of potential bidders, including financial sponsors and strategic bidders, 17 of whom entered into confidentiality agreements with the Company and received information related to the Company, and the fact that the price of $31.10 plus other transaction terms relating to regulatory certainty and funding certainty proposed by CF Corp reflected extensive negotiations between the parties and their respective advisors, and such price and terms when taken together and compared to alternative proposals from other parties was viewed as the best available transaction to the Company and its stockholders;

- the fact that the Merger Consideration of $31.10 per share to be received by the Company stockholders in the Merger represents a significant premium over the market prices at which shares of Company Common Stock traded prior to HRG s announcement that it would explore strategic alternatives for the Company, including the fact that the Merger Consideration of $31.10 represented a premium of approximately 8.4% over the closing price of shares of Company Common Stock on May 23, 2017, the last trading day before the announcement of the execution of the Merger Agreement.

- the fact that the Merger Consideration is all cash, which provides liquidity and certainty of value to the Company stockholders;

- the Company s current and historical financial condition, results of operations, competitive position, strategic options and prospects, as well as the Company s future financial plan and prospects;

- the prospective risks to the Company as an independent public company, including the risks and uncertainties identified in the Company s Form 10-K for the fiscal year ended September 30, 2016;

- the support of FS Holdco for the Merger, which controlled approximately 80.4% of the aggregate outstanding shares of Company Common Stock as of the date of the Written Consent and will be receiving the same form and amount of Merger Consideration for its shares of Company Common Stock as all other stockholders;

the financial analyses presented by Credit Suisse, including Credit Suisse s opinion to the effect that, as of May 23, 2017, and based on and subject to the assumptions, procedures, factors, qualifications and limitations set forth in Credit Suisse s written opinion, dated the same date, the consideration to be received by the holders of Company Common Stock (other than the excluded persons) in the Merger pursuant to the terms of the Merger Agreement was fair, from a financial point of view, to such stockholders (see the section entitled The Merger Opinion of Credit Suisse beginning on page 27);

the financial analyses presented by Rothschild, including Rothschild s opinion to the effect that, as of May 23, 2017, and based on and subject to the assumptions, procedures, factors, qualifications and limitations set forth in Rothschild s written opinion, dated the same date, the consideration to be received by the holders of Company Common Stock (other than the Excluded Persons) in the Merger pursuant to the terms of the Merger Agreement was fair, from a financial point of view, to such stockholders (see the section entitled The Merger Opinion of Rothschild beginning on page 33);

Table of Contents

the terms of the Merger Agreement and the related agreements, including:

- the limited number and nature of the conditions to CF Corp s obligation to consummate the Merger;
- the Merger not being subject to a financing condition; and
- the ability of the Company to seek specific performance in the event that CF Corp, Parent or Merger Sub breaches the Merger Agreement;

the fact that the Merger Agreement contains customary terms and was the product of arm s-length negotiations;

the fact that the Company conducted regulatory due diligence in connection with the regulatory approvals that would be required for the Merger, including that representatives of the Company and CF Corp met with officials at both of the Iowa Insurance Division and the New York State Department of Financial Services prior to the public announcement of the Merger; and

the availability of appraisal rights to our stockholders who properly exercise their statutory rights under Section 262 of the DGCL (see the section entitled Appraisal Rights beginning on page 82 and Annex D).

The Board also considered and balanced against the potentially positive factors a number of potentially negative factors concerning the Merger, including the following factors:

the fact that Bidder A submitted a revised offer of $31.50 per share in cash to the Company on May 22, 2017, which as described above in the section entitled The Merger Background of the Merger beginning on page 17, the Board also determined had certain regulatory certainty issues, funding certainty issues and timing impediments;

the risk that the Merger might not be completed;

the fact that the Merger Consideration consists of cash and will therefore be taxable to the Company stockholders for U.S. federal income tax purposes;

the restrictions on the Company s ability to solicit or engage in discussions or negotiations with a third party regarding a Takeover Proposal;

the fact that, while the Merger is expected to be completed, there are no assurances that all conditions to the parties obligations to complete the Merger will be satisfied or waived, and as a result, it is possible that the Merger may not be completed, as described in the section entitled The Merger Agreement Conditions to Consummation of the Merger beginning on page 74;

the possibility of disruption to the Company s business that could result from the announcement of the Merger and the resulting distraction of management s attention from day-to-day operations of the business and its ability to attract and retain key employees during the pendency of the Merger;

the fact that the Company has incurred and will incur substantial expenses related to the transactions contemplated by the Merger Agreement, regardless of whether the Merger is consummated; and

the fact that the Merger Agreement prohibits the Company from taking a number of actions relating to the conduct of its business prior to the closing without the prior written consent of CF Corp, which may delay or prevent the Company from undertaking business opportunities that may arise during the pendency of the Merger, whether or not the Merger is completed.

During its consideration of the transaction with CF Corp, the Board was also aware of and considered that the Company s directors and executive officers may have interests in the Merger that differ from, or are in addition to, their interests as stockholders of the Company generally, as described in the section entitled The Merger Interests of Our Directors and Executive Officers in the Merger beginning on page 40.

Table of Contents

After taking into account all of the factors set forth above, as well as others, the Board determined that the potentially positive factors outweighed the potentially negative factors. The foregoing discussion of the factors considered by the Board is not intended to be exhaustive, but summarizes the material information and factors considered by the Board in its consideration of the Merger. The Board reached the decision to recommend, adopt and approve the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement, in light of the factors described above and other factors the Board felt were appropriate. In view of the variety of factors and the quality and amount of information considered, the Board did not find it practicable to and did not quantify or otherwise assign relative weights to the specific factors considered in reaching its determination and individual members of the Board may have given different weights to different factors. The Board conducted an overall analysis of the factors described above, including thorough discussions with, and questioning of, management of the Company, Credit Suisse, Rothschild, Jefferies and Skadden, as financial and legal advisors respectively, and considered the factors overall to be favorable to, and to support, its determinations. It should be noted that this explanation of the reasoning of the Board and certain information presented in this section is forward-looking in nature and should be read in light of the factors set forth in the section entitled Cautionary Statement Regarding Forward-Looking Statements beginning on page 14.

Opinion of Credit Suisse

The Company retained Credit Suisse to act as its financial advisor in connection with the Merger. In connection with Credit Suisse s engagement, the Board requested that Credit Suisse evaluate the fairness to the holders of Company Common Stock (other than the excluded persons), from a financial point of view, of the Merger Consideration to be received by such stockholders pursuant to the terms of the Merger Agreement. On May 23, 2017, at a meeting of the Board held to evaluate the Merger, Credit Suisse rendered to the Board an oral opinion, confirmed by delivery of a written opinion dated May 23, 2017, to the effect that, as of that date and based on and subject to the assumptions, procedures, factors, qualifications and limitations set forth in Credit Suisse s written opinion, the Merger Consideration to be received by the holders of Company Common Stock (other than the excluded persons) in the Merger pursuant to the terms of the Merger Agreement was fair, from a financial point of view, to such stockholders.

The full text of Credit Suisse s written opinion, dated May 23, 2017, to the Board, which sets forth, among other things, the assumptions, procedures, factors, qualifications and limitations on the review undertaken by Credit Suisse in connection with such opinion, is attached to this information statement as Annex B. The description of Credit Suisse s opinion set forth in this information statement is qualified in its entirety by reference to the full text of Credit Suisse s opinion. Credit Suisse s opinion was provided to the Board for its information in connection with its evaluation of the fairness, from a financial point of view, to the holders of Company Common Stock (other than the excluded persons) of the Merger Consideration to be received by such stockholders in the Merger pursuant to the terms of the Merger Agreement and did not address any other aspect of the Merger, including the merits of the Merger as compared to alternative transactions or strategies that may be available to the Company or the underlying decision of the Company to proceed with the Merger. Credit Suisse s opinion does not constitute advice or a recommendation to any stockholder as to how such stockholder should vote or act on any matter relating to the Merger or otherwise.

In arriving at its opinion, Credit Suisse reviewed the execution version of the Merger Agreement dated May 24, 2017 and certain publicly available business and financial information relating to the Company. Credit Suisse also reviewed certain other information relating to the Company, including (i) financial projections prepared and provided to Credit Suisse by the management of the Company with respect to the future financial performance of the Company (the Management Projections , see the section entitled The Merger Certain Company Forecasts beginning on page 39) and (ii) the actuarial appraisals prepared by a third party firm retained by the Company (the Third Party Appraisals), and met with the management of the Company to discuss the business and prospects of the Company. Credit Suisse also considered certain financial and stock market data of the Company, and compared that data with similar data for other

publicly held companies in

Table of Contents

businesses it deemed similar to those of the Company, and Credit Suisse considered, to the extent publicly available, the financial terms of certain other business combinations and other transactions that have recently been effected or announced. Credit Suisse also considered such other information, financial studies, analyses and investigations and financial, economic and market criteria which it deemed relevant.

In connection with its review, Credit Suisse did not independently verify any of the foregoing information, and Credit Suisse assumed and relied upon such information being complete and accurate in all material respects. With respect to the Management Projections, the management of the Company advised Credit Suisse, and Credit Suisse assumed, that such projections were reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of the Company as to the future financial performance of the Company. Credit Suisse also assumed, with the Company s consent, that, in the course of obtaining any regulatory or third party consents, approvals or agreements in connection with the Merger, no delay, limitation, restriction or condition would be imposed that would have an adverse effect on the Company and that the Merger would be consummated in accordance with the terms of the Merger Agreement without waiver, modification or amendment of any material term, condition or agreement thereof. In addition, Credit Suisse was not requested to make, and did not make, an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of the Company, nor was Credit Suisse furnished with any such evaluations or appraisals other than the Third Party Appraisals. With respect to the Third Party Appraisals, Credit Suisse is not an actuary and, accordingly, Credit Suisse s services did not include any actuarial determinations or evaluations by Credit Suisse or an attempt by Credit Suisse to evaluate actuarial assumptions. Credit Suisse expressed no opinion as to any matters relating to the reserves of the Company, including, without limitation, the adequacy of such reserves, and Credit Suisse assumed, with the Company s consent and without independent verification, that such reserves were appropriate. With respect to the future statutory profits from new and in-force business of the Company, Credit Suisse also assumed, with the Company s consent and without independent verification, that such actuarial evaluations were appropriate.

Credit Suisse s opinion addressed only the fairness, from a financial point of view, to the holders of Company Common Stock (other than the excluded persons) of the Merger Consideration and did not address any other aspect or implication of the Merger or any other agreement, arrangement or understanding entered into in connection with the Merger or otherwise, including, without limitation, the fairness of the amount or nature of, or any other aspect relating to, any compensation to any officers, directors or employees of any party to the Merger, or class of such persons, relative to the Merger Consideration or otherwise. Without limiting the foregoing, Credit Suisse s opinion did not address the fairness of the amount or the nature of, or any other aspect relating to, the consideration to be received by FS Holdco or any of its affiliates in the Merger. HRG or its affiliates may receive certain tax benefits resulting from a tax election that may be made at the election of FS Holdco following the closing of the Merger, and Credit Suisse s opinion did not address the value of those tax benefits relative to the Merger Consideration. Furthermore, no opinion, counsel or interpretation by or of Credit Suisse was intended regarding matters that require legal, regulatory, accounting, tax, executive compensation or other similar professional advice and, for the purposes of its opinion, Credit Suisse assumed that such opinions, counsel, interpretations or advice had been or would be obtained from the appropriate professional sources. The issuance of Credit Suisse s opinion was approved by Credit Suisse s authorized internal committee.

In a separate transaction entered into concurrently with the execution of the Merger Agreement, HRG or one of its affiliates entered into an agreement to sell another business to CF Corp. Credit Suisse s financial advisory services were provided solely to the Company in connection with the Merger and Credit Suisse s opinion expressed no view or opinion on such other transaction or any aspect thereof.

Credit Suisse s opinion was necessarily based upon information made available to it as of the date of its opinion and financial, economic, market and other conditions as they existed and could be evaluated on that date. Credit Suisse s

opinion did not address the merits of the Merger as compared to alternative transactions or strategies that may be available to the Company, nor did it address the underlying decision of the Company to proceed with the Merger.

Table of Contents

In preparing its opinion to the Board, Credit Suisse performed a variety of financial and comparative analyses, including those described below. The summary of Credit Suisse s analyses described below is not a complete description of the analyses underlying Credit Suisse s opinion. The preparation of a fairness opinion is a complex process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, neither Credit Suisse s fairness opinion nor the analyses underlying its opinion is readily susceptible to partial analysis or summary description. Credit Suisse arrived at its opinion based on the results of all analyses undertaken by it and assessed as a whole and did not draw, in isolation, conclusions from or with regard to any one factor or method of analysis. Accordingly, Credit Suisse believes that its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying its analyses and opinion.

In its analyses, Credit Suisse considered industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the Company s control. No company, business or transaction used for comparative purposes in Credit Suisse s analyses is identical to the Company or the Merger, and an evaluation of the results of those analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the public trading or other values of the companies, business segments or transactions analyzed. The estimates contained in Credit Suisse s analyses and the ranges of valuations resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by the analyses. In addition, analyses relating to the value of businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold or acquired. Accordingly, the estimates used in, and the results derived from, Credit Suisse s analyses are inherently subject to substantial uncertainty.

Credit Suisse was not requested to, and it did not, recommend the specific consideration payable in the Merger, which consideration was determined through negotiations between the Company and CF Corp, and the decision to enter into the Merger Agreement was solely that of the Board. Credit Suisse s opinion and financial analyses were only one of many factors considered by the Board in its evaluation of the Merger and should not be viewed as determinative of the views of the Board or management with respect to the Merger and related transactions or the consideration.

The following is a summary of the material financial analyses reviewed with the Board on May 23, 2017 in connection with Credit Suisse s opinion.

Selected Public Companies Analysis

Credit Suisse reviewed financial and stock market information of the Company and the following 12 selected publicly traded companies (the selected companies), which Credit Suisse in its professional judgment considered generally relevant for comparative purposes as publicly traded U.S. annuity and life insurers:

MetLife, Inc.

Prudential Financial, Inc.

Ameriprise Financial, Inc.

Principal Financial Group, Inc.

Lincoln National Corporation

Unum Group

Athene Holding Ltd.

Table of Contents

Torchmark Corporation

Voya Financial, Inc.

Primerica, Inc.

CNO Financial Group, Inc.

American Equity Investment Life Holding Company

Credit Suisse reviewed, among other things, per share stock prices as multiples of book value (excluding accumulated other comprehensive income (AOCI)) per share and calendar year 2017 estimated earnings per share (EPS). The overall low to high book value (excluding AOCI) per share multiples observed for the selected companies were 0.63x to 3.30x (with a mean of 1.56x and a median of 1.28x). Credit Suisse noted that book value (excluding AOCI) per share multiple observed for the Company was 1.05x. Credit Suisse then applied a selected range of book value (excluding AOCI) per share multiples of 0.90x to 1.35x derived by Credit Suisse from the selected companies to corresponding book value (excluding AOCI) data of the Company as of March 31, 2017.

The overall low to high calendar year 2017 estimated EPS multiples observed for the selected companies were 8.9x to 15.9x (with a mean of 11.5x and a median of 11.0x). Credit Suisse noted that calendar year 2017 estimated EPS multiples observed for the Company was 10.8x based upon the Management Projections and 10.7x based upon on research analysts publicly available estimates. Credit Suisse then applied a selected range of EPS multiples of 9.5x to 11.5x derived by Credit Suisse from the selected companies to corresponding data of the Company for calendar year 2017 adjusted operating income derived from the Management Projections

Financial data of the selected companies were based on publicly available research analysts consensus estimates, public filings and other publicly available information. Financial data of the Company was based on publicly available research analysts estimates, public filings and the Management Projections. See the section entitled The Merger Certain Company Forecasts beginning on page 39. The foregoing analyses indicated an approximate implied value per share reference range for the Company of $24.69 to $36.97, as compared to the consideration of $31.10 per the Company Common Stock.

Selected Precedent Transactions Analysis

Credit Suisse reviewed and considered publicly available financial information of the following six selected transactions, which Credit Suisse in its professional judgment considered generally relevant for comparative purposes involving U.S. annuity and life insurance companies:

Date Announced	Target	Acquiror
8/11/15	Symetra Financial Corporation	Sumitomo Life Insurance Company
06/03/14	Protective Life Corporation	The Dai-ichi Life Insurance Company, Limited

12/21/12	Aviva USA Corporation	Athene Holding Ltd.
07/13/12	Presidential Life Corporation	Athene Holding Ltd.
10/07/11	EquiTrust Life Insurance Company	Guggenheim Partners, LLC
08/06/10	Old Mutual U.S. Life Holdings, Inc.	Harbinger Group, Inc.

The overall low to high book value per share multiples observed for the target companies in the selected transactions were 0.27x to 1.74x (with a mean of 0.90x and a median of 0.77x). Credit Suisse then applied a selected range of book value per share multiples of 0.90x to 1.50x derived by Credit Suisse from the target companies in the selected transactions to corresponding book value (excluding AOCI) data of the Company as of March 31, 2017.

Table of Contents

The overall low to high last twelve months (LTM) EPS multiples observed for the target companies in the selected transactions were 7.9x to 19.1x (with a mean of 12.7x and a median of 11.7x). Credit Suisse then applied a selected range of LTM EPS multiples of 12.0x to 14.0x derived by Credit Suisse from the target companies in the selected transactions to the LTM adjusted operating earnings of the Company as of March 31, 2017.

Financial data of the selected transactions, and the target companies therein, were based on public filings and other publicly available information. Financial data of the Company was based on public filings. The foregoing analyses indicated an approximate implied value per share reference range for the Company of $24.69 to $41.06, as compared to the consideration of $31.10 per the Company Common Stock.

Dividend Discount Analysis

Credit Suisse calculated the estimated present value of distributable cash flow that the Company was forecasted to generate over the forecast period reflected in the Management Projections (with the forecasts for the fiscal year ending September 30, 2017 based upon the last six months of that fiscal year). Credit Suisse calculated terminal value ranges for the Company by applying (i) a range of terminal value multiples of 0.90x to 1.35x to the Company s estimated book value (excluding AOCI) as of September 30, 2021 and (ii) a range of terminal value multiples of 9.5x to 11.5x to the Company s estimated fiscal year 2021 adjusted operating earnings, each as reflected in the Management Projections. The forecast period for distributable cash flows that was utilized was dependent on the terminal value methodology and was (i) fiscal years ended September 30, 2017 through September 30, 2021, when the terminal value was based on the Company s book value (excluding AOCI) as of September 30, 2021 and (ii) fiscal years ended September 30, 2017 through September 30, 2020, when the terminal value was based on 2021 adjusted operating earnings from the Management Projections. The distributable cash flows and terminal values were then discounted to present values using discount rates ranging from 8.50% to 11.00%. The foregoing analysis indicated an approximate implied value per share reference range for the Company of $22.80 to $37.26, as compared to the consideration of $31.10 per share of Company Common Stock.

Other Factors

Credit Suisse also noted for the Board certain additional factors that were not considered in its financial analyses with respect to its opinion but that were referenced for informational purposes.

Specifically, Credit Suisse reviewed the closing trading price of Company Common Stock on May 22, 2017 and April 6, 2015[(1)] of $28.70 and $20.79, respectively. Credit Suisse also reviewed with the Board the 52-week[(2)] trading low and high range of Company Common Stock of $19.93 to $26.59 and the 52-week[(2)] volume-weighted average share price of Company Common Stock of $22.47. Finally, Credit Suisse reviewed the range of next twelve months target prices based on research analysts publicly available estimates, both as of May 22, 2017 of $26.00 to $31.00, and as of April 6, 2015 of $24.00 to $26.00.

(1) Last unaffected price prior to HRG s announcement that it was exploring strategic alternatives for the Company.

(2) As of April 6, 2015, the last unaffected price prior to HRG s announcement that it was exploring strategic alternatives for the Company.

Miscellaneous

The Company selected Credit Suisse to act as its financial advisor in connection with the Merger based on Credit Suisse s qualifications, experience, reputation and familiarity with the Company and its business. Credit Suisse is an internationally recognized investment banking firm and is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, leveraged buyouts, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes.

Table of Contents

The Company and Credit Suisse previously entered into an engagement letter in connection with the Company s proposed acquisition by Anbang Insurance Group Co., Ltd. and its affiliates in November 2015, which transaction was terminated in April 2017 (the Proposed Anbang Transaction). The engagement letter was subsequently amended in connection with the Merger. Pursuant to the terms of the engagement letter, as amended, Credit Suisse will receive certain fees for its services, currently expected to be $12.6 million in aggregate. These fees consist of (i) a transaction fee of $12.1 million, which is contingent upon the completion of the Merger, (ii) an opinion fee of $1 million, which became payable upon Credit Suisse s rendering of its opinion in connection with the Proposed Anbang Transaction, which has been paid by the Company and is fully creditable against the transaction fee and (iii) a second opinion fee of $1 million, which became payable upon Credit Suisse s rendering of its opinion in connection with the Merger, and of which 50% is creditable against the transaction fee. In addition, the Company has agreed to reimburse Credit Suisse for expenses incurred in connection with its engagement and to indemnify Credit Suisse and certain of its related parties for certain liabilities and other items arising out of or related to its engagement.

Credit Suisse and its affiliates have in the past provided, and in the future may provide, investment banking and other financial advice and services to the Company and its affiliates, for which Credit Suisse and its affiliates have received, and would expect to receive, compensation, including, among others, having acted as a financial advisor to the Company in connection with the Proposed Anbang Transaction. Credit Suisse and its affiliates in the past have provided, and in the future may provide, services to HRG and certain of its affiliates unrelated to the Merger, for which services Credit Suisse and its affiliates have received, and would expect to receive, compensation, including, among others, having acted as: a bookrunner in connection with HRG s 7.875% senior secured notes due 2019 in May 2015 and in April 2015; a bookrunner in connection with HRG s 7.750% senior unsecured notes due 2022 in May 2015; a bookrunner in connection with HRG s subsidiary Spectrum Brands, Inc. s (Spectrum) 4.00% senior unsecured euro denominated notes due 2026 in September 2016; a joint lead arranger in connection with Spectrum s syndicate loan in June 2015; an arranger in connection with Spectrum s term loans and revolving credit facility in June 2015; a bookrunner in connection with Spectrum s 5.750% senior notes due 2025 in May 2015; a bookrunner in connection with Spectrum s common stock offering in May 2015; an arranger in connection with Spectrum s bridge loan in May 2015; and an advisor in connection with Spectrum s acquisition of Armored Auto Group in May 2015. Credit Suisse and its affiliates in the past have provided and in the future may provide financial advice and services to CF Corp and certain investment partners of CF Corp, including The Blackstone Group L.P. (Blackstone), Fidelity National Financial, Inc. (FNF) and CC Capital, and their respective affiliates unrelated to the proposed Merger, for which Credit Suisse and its affiliates have received, and would expect to receive, compensation, including, among other things, having acted as: an arranger of acquisition financing and financial advisor in connection with Blackstone s acquisition of Aon Plc s technology-enabled benefits and human resources platform in May 2017; an administrative agent in connection with Gates Global Inc. s, a portfolio company of Blackstone, first lien term loan and senior unsecured notes in April 2017; a financial advisor in connection with the sale of AlliedBarton Security Services, a previous portfolio company of Blackstone, to Wendel SE in February 2017; a joint bookrunner in connection with a common stock offering of Invitation Homes Inc., a portfolio company of Blackstone, in February 2017; an administrative agent in connection with Blackstone s and Arclight Capital Partners LLC s acquisition of power plants from American Electric Power Co. in January 2017; a participant in Blackstone s margin loan on the shares of one of its publicly traded affiliates in December 2016; an administrative agent in connection with JDA Software Group, Inc. s, a portfolio company of Blackstone, bridge loan in October 2016; a bookrunner in connection with Vivint, Inc. s 7.875% senior secured notes due 2022 in May 2016; an administrative agent in connection with Performance Food Group Co. s (Performance Food), a portfolio company of Blackstone, 5.500% senior notes due 2024 in May 2016; a lead arranger in connection with Performance Food s follow-on equity offering in May 2016; a bookrunner in connection with PBF Energy Inc. s, a portfolio company of Blackstone, follow-on equity offering in October 2015; a lead underwriter in connection with Performance Food s common stock offering in September 2015; a lead bookrunner in connection with DJO Finance LLC s, a portfolio company of Blackstone, 8.125% second lien notes due 2021 in April 2015; and an agent or arranger in connection with other financing activities to other portfolio companies of

Blackstone. Additionally, Credit Suisse has acted as an underwriter in connection with the initial public offering and certain private capital raising

Table of Contents

activities of CF Corp in May 2016, for which Credit Suisse has received approximately $2.6 million in compensation. In connection therewith, and upon consummation of the Merger, Credit Suisse expects to receive an additional $8.9 million in deferred compensation.

Credit Suisse is a full-service securities firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, Credit Suisse and its affiliates may acquire, hold or sell, for Credit Suisse s and its affiliates own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations) of the Company, CF Corp and any other company that may be involved in the Merger, as well as provide investment banking and other financial services to such companies.

Opinion of Rothschild

The Company retained Rothschild to act as its financial advisor in connection with the Merger. In connection with Rothschild s engagement, the Board requested that Rothschild evaluate the fairness to the holders of Company Common Stock (other than the Excluded Persons), from a financial point of view, of the Merger Consideration to be received by such stockholders pursuant to the terms of the Merger Agreement. On May 23, 2017, at a meeting of the Board held to evaluate the Merger, Rothschild rendered to the Board an oral opinion, confirmed by delivery of a written opinion dated May 23, 2017, to the effect that, as of that date and based on and subject to the assumptions, procedures, factors, qualifications and limitations set forth in Rothschild s written opinion, the Merger Consideration to be received by the holders of Company Common Stock (other than the Excluded Persons) in the Merger pursuant to the terms of the Merger Agreement was fair, from a financial point of view, to such stockholders.

The full text of Rothschild s written opinion, dated May 23, 2017, to the Board, which sets forth, among other things, the assumptions, procedures, factors, qualifications and limitations on the review undertaken by Rothschild in connection with such opinion, is attached to this information statement as Annex C. The description of Rothschild s opinion set forth in this information statement is qualified in its entirety by reference to the full text of Rothschild s opinion. Rothschild s opinion was provided to the Board for its information in connection with its evaluation of the Merger Consideration from a financial point of view to holders of Company Common Stock (other than the Excluded Persons) and did not address any other aspect of the Merger, including the relative merits of the Merger as compared to any alternative transaction, including any alternative transaction that the Board has considered and elected not to pursue. Rothschild s opinion does not constitute a recommendation to the Board as to whether to approve the Merger or a recommendation as to whether or not any holder of Company Common Stock should vote or otherwise act with respect to the Merger or any other matter.

In arriving at its opinion, Rothschild, among other things:

- reviewed a draft of the Merger Agreement dated May 23, 2017;
- reviewed certain publicly available business and financial information that Rothschild deemed to be generally relevant concerning the Company and the industry in which it operates, including certain publicly available research analyst reports and the reported price and historical trading activity for the Company Common Stock;

compared the proposed financial terms of the Merger with the publicly available financial terms of certain transactions involving companies Rothschild deemed generally relevant and the consideration received in such transactions;

compared the financial and operating performance of the Company with publicly available information concerning certain other public companies Rothschild deemed generally relevant, including data related to public market trading levels and implied trading multiples;

reviewed certain internal financial and operating information with respect to the business, operations and prospects of the Company, including certain financial forecasts relating to the Company prepared by the management of the Company (the Forecasts);

Table of Contents

reviewed the Third Party Appraisal; and

performed such other financial studies and analyses and considered such other information as Rothschild deemed appropriate for the purposes of the opinion.

In addition, Rothschild held discussions with certain members of the management of the Company regarding the Merger, the past and current business operations and financial condition and prospects of the Company, the Forecasts and certain other matters Rothschild believed necessary or appropriate to its inquiry.

In arriving at Rothschild s opinion, Rothschild, with the Board s consent, relied upon and assumed, without independent verification, the accuracy and completeness of all information that was publicly available or was furnished or made available to Rothschild by the Company and its associates, affiliates and advisors, or otherwise reviewed by or for Rothschild, and Rothschild did not assume any responsibility or liability therefor. Rothschild did not conduct any valuation or appraisal of any assets or liabilities of the Company (including, without limitation, real property owned by the Company or to which the Company holds a leasehold interest), nor were any such valuations or appraisals provided to Rothschild other than the Third Party Appraisal, and Rothschild did not express any opinion as to the value of such assets or liabilities. With respect to the Third Party Appraisal, Rothschild is not an actuary and, accordingly, Rothschild s services did not include any actuarial determinations or evaluations by Rothschild or any attempt by Rothschild to evaluate any actuarial assumptions. Rothschild did not express an opinion as to any matters relating to the reserves of the Company, including, without limitation, the adequacy of such reserves, and Rothschild assumed, with the Board s consent and without independent verification, that such reserves are appropriate. Rothschild did not evaluate the solvency or fair value of the Company or CF Corporation under any state, federal or other laws relating to bankruptcy, insolvency or similar matters. In addition, Rothschild did not assume any obligation to conduct any physical inspection of the properties or the facilities of the Company or CF Corporation. At the direction of the management of the Company, Rothschild used and relied upon the Forecasts for purposes of Rothschild s opinion. In relying on the Forecasts, Rothschild assumed, at the direction of the Company, that the Forecasts were reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by the Company s management as to the expected future results of operations and financial condition of the Company. Without limitation of the foregoing, with respect to the future statutory profits from new and in-force business of the Company included in the Forecasts, Rothschild also assumed, with the Board s consent and without independent verification, that such actuarial evaluations are appropriate. Rothschild did not express a view as to the reasonableness of the Forecasts and the assumptions on which they are based.

For purposes of rendering its opinion, Rothschild assumed that the transactions contemplated by the Merger Agreement would be consummated as contemplated in the Merger Agreement without any waiver or amendment of any terms or conditions, including, among other things, that the parties would comply with all material terms of the Merger Agreement and that in connection with the receipt of all necessary governmental, regulatory or other approvals and consents required for the Merger, no material delays, limitations, conditions or restrictions would be imposed. Rothschild also assumed that no material change in the assets, financial condition, results of operations, business or prospects of the Company had occurred since the date of the most recent financial statements and other information, financial or otherwise, relating to the Company made available to Rothschild, and that there was no information or any facts that would make any of the information reviewed by Rothschild incomplete or misleading. Rothschild did not express any opinion as to any tax or other consequences that may result from the Merger, nor does Rothschild s opinion address any legal, tax, regulatory or accounting matters. Rothschild relied as to all legal, tax and regulatory matters relevant to rendering Rothschild s opinion upon the assessments made by the Company and its other advisors with respect to such issues. In arriving at Rothschild s opinion, Rothschild did not take into account any litigation, regulatory or other proceeding that is pending or may be brought against the Company or any of its affiliates. In addition, Rothschild relied upon and assumed, without independent verification, that the final form of the

Merger Agreement would not differ in any material respect from the draft of the Merger Agreement reviewed by Rothschild.

Table of Contents

Rothschild s opinion was necessarily based on securities markets, economic, monetary, financial and other general business and financial conditions as they existed and could be evaluated on, and the information made available to Rothschild as of, the date of the opinion and the conditions and prospects, financial and otherwise, of the Company as they were reflected in the information provided to Rothschild and as they were represented to Rothschild in discussions with management of the Company. Rothschild did not express any opinion as to the price at which the Company Common Stock will trade at any future time. Rothschild s opinion is limited to the fairness, from a financial point of view, to the holders of the Company Common Stock of the Merger Consideration payable to such holders in the Merger pursuant to the Merger Agreement and Rothschild did not express any opinion as to any underlying decisions which the Company made or may have made to engage in the Merger and not in any alternative transaction. Rothschild was not requested to solicit, and did not solicit, interest from other parties with respect to a transaction with the Company. Rothschild was not asked to, nor did Rothschild, offer any opinion as to the terms, other than the Merger Consideration to the extent expressly set forth in the opinion, of the Merger, the Merger Agreement or any other agreement entered into in connection with the Merger.

Rothschild s opinion was given and speaks only as of its date. Subsequent developments may affect Rothschild s opinion and the assumptions used in preparing it, and Rothschild does not have any obligation to update, revise, or reaffirm its opinion. Rothschild s opinion was approved by the Global Financial Advisory Commitment Committee of Rothschild.

The opinion was provided for the benefit of the Board in connection with and for the purpose of its evaluation of the Merger. The opinion does not constitute a recommendation to the Board as to whether to approve the Merger. In addition, the Board did not ask Rothschild to address, and the opinion does not address, (i) the fairness to, or any other consideration of, the holders of any class of securities (other than holders of Company Common Stock and then only to the extent expressly set forth in the opinion) or creditors or other constituencies of the Company or (ii) the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of CF Corporation, the Company, or any class of such persons, whether relative to the Merger Consideration pursuant to the Merger Agreement or otherwise.

The following represents a summary of the material financial analyses performed by Rothschild, each of which is a standard valuation methodology customarily undertaken in transactions of this type, in connection with providing its opinion, dated May 23, 2017, to the Board. The summary of these analyses is not a comprehensive description of all analyses and factors considered by Rothschild. The preparation of a fairness opinion is a complex analytical process that involves various determinations as to the most appropriate and relevant methods of financial analysis and the application of these methods to the particular circumstances and, therefore, a fairness opinion is not readily susceptible to summary description. Some of the summaries of financial analyses performed by Rothschild include information presented in tabular format. In order to fully understand the financial analyses performed by Rothschild, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data set forth in the tables without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the financial analyses performed by Rothschild.

Selected Public Companies Analysis

Rothschild reviewed financial and stock market information of the Company and the following nine selected publicly traded companies (the Selected Companies), which Rothschild in its professional judgment considered generally relevant for comparative purposes as publicly traded U.S. annuity and life insurance companies:

Metlife, Inc.

Prudential Financial, Inc.

Ameriprise Financial, Inc.

Table of Contents

Principal Financial Group, Inc.

Lincoln National Corporation

Athene Holding Ltd.

Voya Financial, Inc.

CNO Financial Group, Inc.

American Equity Investment Life Holding Company

Rothschild reviewed, among other things, the latest per share stock prices as multiples of book value (excluding AOCI) per share and calendar year 2017 estimated EPS.

The overall low to high book value (excluding AOCI) per share multiples observed for the Selected Companies were 0.62x to 3.17x, with a mean of 1.36x and a median of 1.12x. Rothschild noted that book value (excluding AOCI) per share multiple observed for the Company was 1.05x based on Company filings. Rothschild applied a selected range of book value (excluding AOCI) per share multiples of 0.6x to 1.1x derived by Rothschild from the Selected Companies to corresponding book value (excluding AOCI) data of the Company as of March 31, 2017. The foregoing analysis indicated an approximate implied value per share reference range for the Company of $16.50 to $30.25, as compared to the Merger Consideration of $31.10 per share of Company Common Stock.

The overall low to high calendar year 2017 estimated EPS multiples observed for the Selected Companies were 8.9x to 13.5x, with a mean of 10.7x and a median of 9.9x. Rothschild noted that calendar year 2017 estimated EPS multiples observed for the Company was 10.7x based on broker consensus per FactSet. Rothschild applied a selected range of EPS multiples of 9.0x to 10.0x derived by Rothschild from the Selected Companies to corresponding data of the Company for calendar year 2017 EPS derived from the Forecasts. The foregoing analysis indicated an approximate implied value per share reference range for the Company of $24.00 to $26.75, as compared to the Merger Consideration of $31.10 per share of Company Common Stock.

As part of its selected company analysis, Rothschild also performed a regression analysis to evaluate the relationship between trading price to book value multiples and forecasted returns on equity, based on consensus estimates for the Selected Companies. Specifically, this analysis evaluated the ratio of (i) each selected company s price to its most recently reported adjusted book value per share (excluding AOCI), which is referred to below as the P/BV Ratio, to (ii) each selected company s estimated return on equity for calendar year 2017.

In this regression analysis, the coefficient of determination, or R^2, which indicates the proportion of the variance of the dependent variable (the P/BV Ratio) that is explained by the independent variable (the estimated return on equity), was approximately 96%.

Using this regression analysis and the Company s estimated return on equity for calendar year 2017, based on (i) consensus equity research estimates as of May 22, 2017, of 9.5%, and (ii) Forecasts, of 9.8%, Rothschild calculated an illustrative trading multiple for the Company, which was applied to the Company s latest book value per share

(excluding AOCI) as of March 31, 2017 of $27.41. The foregoing analysis indicated an approximate implied value per share reference range for the Company of $27.25 to $28.25, as compared to the Merger Consideration of $31.10 per share of Company Common Stock.

No company utilized in the comparable companies analysis is identical to the Company. In evaluating the Selected Companies, Rothschild made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of the Company, such as the impact of competition on the businesses of the Company and the industry generally, industry growth and the absence of any adverse material change in the financial condition and prospects of the Company or the industry or in the financial markets in general. Mathematical analysis (such as determining the mean or median) is not in itself a meaningful method of using selected company data.

Table of Contents

Financial data of the Selected Companies were based on publicly available research analysts consensus estimates, public filings and other publicly available information. Financial data of the Company was based on publicly available research analysts estimates, public filings and the Forecasts.

Selected Precedent Transactions Analysis

Rothschild reviewed and considered publicly available financial information of the following ten selected transactions, which Rothschild in its professional judgment considered generally relevant for comparative purposes involving U.S. annuity and life insurance companies:

Date Announced	Target	Acquiror
Sep-15	The Phoenix Companies, Inc.	Nassau Reinsurance Group Holdings, L.P.
Aug-15	Symetra Financial Corporation	Sumitomo Life Insurance Company
Jun-14	Protective Life Corporation	The Dai-ichi Life Insurance Company, Limited
Dec-12	Aviva USA Corporation	Athene Holding Ltd.
Dec-12	Sun Life Financial Inc. (US annuity bus.)	Delaware Life Holdings
Jul-12	Presidential Life Corporation	Athene Holding Ltd.
Oct-11	EquiTrust Life Insurance Co.	Guggenheim Partners
Oct-10	Liberty Life Insurance Company	Athene Holding Ltd.
Sep-10	United Investors Life Insurance Company	Protective Life Corporation
Aug-10	Old Mutual U.S. Life Holdings, Inc.	Harbinger Group, Inc.

The overall low to high Company stock price per the book value (excluding AOCI) per share multiples observed for the target companies in the selected transactions were 0.25x to 1.76x, with a mean of 0.93x and a median of 0.77x. Rothschild applied a selected range of the Company stock price per the book value per share multiples of approximately 0.7x to 1.2x derived by Rothschild from the target companies per share consideration paid in the selected transactions to corresponding book value (excluding AOCI) data of the Company as of March 31, 2017. The foregoing analysis indicated an approximate implied value per share reference range for the Company of $19.25 to $32.00, as compared to the Merger Consideration of $31.10 per share of Company Common Stock.

The overall low to high Company stock price per the LTM EPS multiples observed for the target companies in the selected transactions were 3.3x to 21.5x, with a mean of 12.4x and a median of 11.7x. Rothschild applied a selected range of the Company stock price per the LTM EPS multiples of approximately 9.3x to 15.6x derived by Rothschild from the target companies per share consideration paid in the in the selected transactions to the LTM adjusted operating earnings of the Company as of March 31, 2017. The foregoing analysis indicated an approximate implied value per share reference range for the Company of $26.00 to $43.50, as compared to the Merger Consideration of $31.10 per share of Company Common Stock.

Financial data of the selected transactions, and the target companies therein, were based on public filings and other publicly available information. Financial data of the Company was based on public filings.

Dividend Discount Analysis

Rothschild performed a dividend discount analysis, which calculates an implied value per share by discounting to the present the value of future distributable cash flow, as derived from the Forecasts, and adding thereto a terminal value for the Company calculated using a range of terminal book value multiples from 1.00x to 1.50x, based on an assumed discount rate ranging from 9.0% to 11.0%. The foregoing analysis indicated an approximate implied value per share reference range for the Company of $21.50 to $34.00, as compared to the

Table of Contents

consideration of $31.10 per share of Company Common Stock. On May 27, Rothschild advised the Company board that Rothschild s dividend discount analysis included an input error and that the corrected value per share reference range for the Company was $25.50 to $34.00, based on a range of terminal book value multiples from 1.00x to 1.25x. Rothschild advised the board that the correction did not affect Rothschild s fairness opinion.

Other Factors

Rothschild also noted for the Board certain additional factors that were not considered in its financial analyses with respect to its opinion, but that were referred to for informational purposes.

Specifically, Rothschild reviewed with the Board the 52-week period ended May 22, 2017 trading low and high range of Company Common Stock of approximately $21.10 to $29.10. Rothschild also reviewed the closing trading price of Company Common Stock as of April 6, 2015 (the last unaffected price prior to HRG s announcement that it was exploring strategic alternatives for the Company) of $20.79.

Rothschild also reviewed the generally available public market trading price targets for Company Common Stock prepared and published by research analysts as of April 6, 2015 and as of May 22, 2017, respectively. Rothschild noted that, with respect to April 6, 2015, analysts price targets ranged from approximately $23.00 to $26.00. With respect to May 22, 2017, Rothschild noted that analysts price targets ranged from approximately $26.00 to $31.00.

Miscellaneous

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth herein, without considering the analyses or the summary as a whole, could create an incomplete view of the processes underlying Rothschild s opinion. In arriving at its fairness determination, Rothschild considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis considered. Rather, Rothschild made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses. No company or transaction used in the analyses described herein as a comparison is directly comparable to the Company or the Merger.

Rothschild prepared the analyses described herein for purposes of providing its opinion to the Board as to the fairness, from a financial point of view, as of the date of such opinion, of the Merger Consideration of $31.10 per share of Company Common Stock. These analyses do not purport to be appraisals or necessarily reflect the prices at which businesses or securities actually may be sold. Rothschild s analyses were based in part upon the Forecasts and other third party research analyst estimates, which are not necessarily indicative of actual future results, and which may be significantly more or less favorable than suggested by Rothschild s analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties to the Merger Agreement or their respective advisors, none of the Company, CF Corporation, Rothschild or any other person assumes responsibility if future results are materially different from those forecasted by the Company management or third parties.

As described above, the opinion of Rothschild to the Board was one of many factors taken into consideration by the Board in making its determination to approve the Merger. Rothschild was not asked to, and did not, recommend the specific consideration to the Company stockholders provided for in the Merger Agreement, which consideration was determined through arms-length negotiations between the Company and CF Corporation. Rothschild did not recommend any specific amount of consideration to the Company stockholders or the Board or that any specific amount of consideration constituted the only appropriate consideration for the Merger.

Rothschild is acting as financial advisor to the Company in connection with the Merger and received an initial retainer fee of $1 million and an additional fee of $1 million upon delivery of its opinion. In addition, the

Table of Contents

Company agreed to reimburse Rothschild s expenses and indemnify Rothschild against certain liabilities that may arise out of its engagement. Rothschild or its affiliates may, in the ordinary course of their business from time to time, in the future provide financial services to the Company, CF Corporation and/or their respective affiliates and may receive fees for the rendering of such services.

Rothschild and its affiliates are engaged in a wide range of financial advisory and investment banking activities. Rothschild or its affiliates are providing and in the past two years provided, and they may continue to provide, financial advisory services to Fortress Investment Group, LLC or its affiliates (Fortress), an investor in HRG, and Rothschild and its affiliates were, and may be, paid customary fees for such services. Specifically, Rothschild and its affiliates provided financial advisory services to Fortress in connection with certain strategic advisory services, including in connection with restructuring matters, equity advisory matters and debt advisory matters. During the two year period ended May 31, 2017, Rothschild and its affiliates have received compensation for financial advisory services provided directly to Fortress of approximately $7 million (converted to U.S. dollars from foreign currency, where applicable). Rothschild or its affiliates are providing and in the past two years provided, and they may continue to provide, financial advisory services to Blackstone or its affiliates, and Rothschild and its affiliates were, and may be, paid customary fees for such services. Specifically, Rothschild and its affiliates provided financial advisory services to Blackstone in connection with certain strategic advisory services, including in connection with the acquisition of businesses or assets and an initial public offering. During the two year period ended May 31, 2017, Rothschild and its affiliates have received compensation for financial advisory services provided directly to Blackstone of approximately $27 million (converted to U.S. dollars from foreign currency, where applicable).

In the ordinary course of their asset management, merchant banking and other business activities, Rothschild s affiliates may trade in the securities of the Company, CF Corporation and any of their respective affiliates, for their own accounts or for the accounts of their affiliates and customers, and may at any time hold a long or short position in such securities.

Certain Company Forecasts

The Company does not, as a matter of general practice, develop or publicly disclose long-term forecasts or internal projections of its future performance, revenues, earnings, financial condition or other results due to, among other reasons, the uncertainty of the underlying assumptions and estimates. However, certain financial forecasts were prepared by the Company s management and made available to the Board, Credit Suisse and Rothschild in connection with the Board s exploration of strategic alternatives. Certain of these financial projections were also provided to CF Corp and its financial advisor.

The financial projections reflect numerous estimates and assumptions with respect to industry performance, general business, economic, regulatory, market and financial conditions and other future events, as well as matters specific to the Company s business, all of which are difficult to predict and many of which are beyond the Company s control. As a result, there can be no assurance that the projected results will be realized or that actual results will not be significantly higher or lower than projected. Since the projections cover multiple years, such information by its nature becomes less reliable with each successive year. These financial projections are subjective in many respects and thus are susceptible to multiple interpretations and periodic revisions based on actual experience and business developments. As such, these financial projections constitute forward-looking information and are subject to risks and uncertainties, including the various risks set forth in the Company s Form 10-K for the year ended September 30, 2016.

The financial projections were prepared solely for internal use and not with a view toward public disclosure or toward complying with generally accepted accounting principles (GAAP), the published guidelines of the SEC regarding projections or the guidelines established by the American Institute of Certified Public Accountants for preparation and

presentation of prospective financial information. The financial projections included below were prepared by the Company s management. Neither the Company s independent registered

Table of Contents

public accounting firm, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the financial projections included below, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and they assume no responsibility for, and disclaim any association with, the financial projections. Furthermore, the financial projections do not take into account any circumstances or events occurring after the date they were prepared. Nonetheless, a summary of the projections is provided in this information statement only because the projections were made available to CF Corp and its financial advisor and also to the Board, Credit Suisse, Rothschild and the Board s other advisors. The financial forecasts are not fact and should not be relied upon as being necessarily indicative of future results, and readers of this information statement are cautioned not to place undue reliance on this information.

Year	2017	2018	2019
Adjusted Operating EPS[1]	$ 2.59	$ 2.90	$ 3.24
Adjusted Operating ROE, excluding AOCI[2]	9.8%	10.1%	10.4%
Book Value/Share, excluding AOCI[3]	$ 27.46	$ 29.82	$ 32.51

(1) Adjusted Operating EPS is calculated as adjusted operating income (AOI) divided by weighted average diluted shares. AOI is a non-GAAP economic measure we use to evaluate financial performance each period. AOI is calculated by adjusting net income to eliminate (i) the impact of net investment gains including other-than-temporary impairment losses recognized in operations, but excluding gains and losses on derivatives hedging our indexed annuity policies, (ii) the effect of changes in the interest rates used to discount the FIA embedded derivative liability, (iii) the effect of changes in fair value of reinsurance related embedded derivatives, and (iv) the effect of class action litigation reserves. All adjustments to AOI are net of the corresponding value of business acquired (VOBA), deferred acquisition cost (DAC) and income tax impact (using an effective tax rate of 35%) related to these adjustments as appropriate. While these adjustments are an integral part of the overall performance of the Company, market conditions impacting these items can overshadow the underlying performance of the business. Accordingly, we believe using a measure which excludes their impact is effective in analyzing the trends of our operations. Our non-GAAP measures may not be comparable to similarly titled measures of other organizations because other organizations may not calculate such non-GAAP measures in the same manner as we do.

(2) Adjusted Operating ROE, excluding AOCI is a non-GAAP measure. It is calculated by dividing AOI by total average equity excluding AOCI. Average equity excluding AOCI for the twelve months rolling, is the average of 5 points throughout the period.

(3) Book value per share excluding AOCI is calculated as total stockholders equity excluding AOCI divided by the total number of shares of common stock outstanding.

Interests of Our Directors and Executive Officers in the Merger

The Company s directors and executive officers have interests in the Merger that may be different from, or in addition to, the interests of the Company stockholders generally. The Board was aware of these interests and considered them, among other matters, in approving the Merger Agreement. These interests are described below.

For purposes of each of the Company and FGLH plans and agreements described below, the completion of the Merger will constitute a change in control , change of control or term of similar meaning with respect to the Company or FGLH, as applicable

Management of CF Corp and the Company Following the Merger

Following the closing of the Merger, the current directors of the Company are expected to resign and the Company will continue to be led by certain members of its current management team. Christopher J. Littlefield, Eric L. Marhoun and Dennis R. Vigneau, each a current member of the Company s management team, are expected to join CF Corp as (i) President and Chief Executive Officer, (ii) General Counsel and Secretary and (iii) Chief Financial Officer, respectively.

Table of Contents

FSR Transaction

HRG owns (i) Front Street Re (Cayman) Ltd., an exempted company incorporated in the Cayman Islands with limited liability, and (ii) Front Street Re Ltd., an exempted company incorporated in Bermuda with limited liability (collectively, FSR), which provide life and annuity reinsurance services, such as reinsurance on asset intensive, long duration life and annuity liabilities. On May 24, 2017, CF Corp, Parent, HRG and certain HRG subsidiaries entered into a Share Purchase Agreement, pursuant to which, subject to the terms and conditions set forth therein, Parent agreed to purchase all of the issued and outstanding shares of FSR for $65 million in cash, less certain transaction expenses and dividends and other value transfers from December 31, 2016 through the closing of the transaction (the FSR Transaction). The closing of the FSR Transaction is conditioned on the closing of the Merger (but the closing of the Merger is not conditioned on the closing of the FSR Transaction). The purchase price for FSR represents approximately 3.5% of the equity purchase price for the Company.

Treatment of Equity and Equity-Based Awards

Accelerated Vesting, Cancellation and Cash-Out of Equity and Equity-Based Awards Granted by the Company

The Merger Agreement provides that at the Effective Time:

Each Company Stock Option that is outstanding and unexercised immediately prior to the Effective Time (whether vested or unvested) will fully vest and be canceled in exchange for an amount in cash equal to the product of (i) the total number of shares of Company Common Stock underlying such Company Stock Option multiplied by (ii) the excess, if any, of $31.10 over the exercise price per share of such Company Stock Option, without interest and less applicable taxes.

Each Company Performance RSU that is outstanding immediately prior to the Effective Time (whether vested or unvested) will fully vest and be canceled in exchange for an amount in cash equal to the product of (i) the number of shares of Company Common Stock subject to such Company Performance RSU multiplied by (ii) $31.10, without interest and less applicable taxes; provided, that for purposes of clause (i), the number of shares of Company Common Stock subject to such Company Performance RSU immediately prior to the Effective Time will be deemed to be (x) the actual number of shares of Company Common Stock earned with respect to any full plan year of employment completed by the holder of such Company Performance RSU in the applicable performance period, as determined by the Board or a committee thereof, plus (y) the target number of shares of Company Common Stock subject to any incomplete and remaining plan year in the applicable performance period.

Each Company Restricted Stock Right that is outstanding immediately prior to the Effective Time (whether vested or unvested) will fully vest and be canceled in exchange for an amount in cash equal to the product of (i) the number of shares of Company Common Stock underlying such Company Restricted Stock Right multiplied by (ii) $31.10, without interest and less applicable taxes.

Accelerated Vesting, Cancellation and Cash-Out of Equity and Equity-Based Awards Granted by FGLH

The Merger Agreement provides that at the Effective Time:

Each Subsidiary Stock Option that is outstanding and unexercised immediately prior to the Effective Time (whether vested or unvested) will fully vest and be canceled in exchange for an amount in cash equal to the product of (i) the total number of FGLH shares underlying such Subsidiary Stock Option multiplied by (ii) the excess, if any, of $176.32 over the exercise price per share of such Subsidiary Stock Option, without interest and less applicable taxes.

Each Subsidiary RSU that is outstanding immediately prior to the Effective Time (whether vested or unvested) will fully vest and be canceled in exchange for an amount in cash equal to the product of (i) the number of FGLH shares underlying such Subsidiary RSU multiplied by (ii) $176.32, without interest and less applicable taxes.

Table of Contents

Each Subsidiary Dividend Equivalent that is outstanding immediately prior to the Effective Time (whether vested or unvested) will fully vest and be canceled in exchange for an amount in cash equal to the applicable amount accrued with respect to such Subsidiary Dividend Equivalent, without interest and less applicable taxes.

Quantification of Outstanding Equity and Equity-Based Awards

The table below sets forth the estimated amounts that each director and executive officer of the Company would be eligible to receive (without subtraction of applicable withholding taxes) in connection with the Merger with regard to each outstanding and unvested Company Stock Option, Company Performance RSU, Company Restricted Stock Right and Subsidiary Stock Option held by the director or executive officer. Depending on when the Merger is completed, certain outstanding awards shown in the table below may become vested in accordance with their terms prior to the completion of the Merger or, in the case of Company Stock Options and Subsidiary Stock Options, may be exercised by the director or executive officer prior to the completion of the Merger. As of the date of the Merger Agreement, there were no outstanding Subsidiary RSUs or Subsidiary Dividend Equivalents held by any director or executive officer, and each outstanding Subsidiary Stock Option held by such individuals was fully vested.

Further information regarding the named executive officers may be found in the section entitled The Merger Interests of Our Directors and Executive Officers in the Merger Quantification of Potential Payments to Named Executive Officers in Connection with the Merger beginning on page 48.

Name	Company Stock Options		Company Performance RSUs		Company Restricted Stock Rights		
	Shares (#)	Value ($)	Shares (#)	Value ($)	Shares (#)	Value ($)	Total Value ($)
Named Executive Officers							
Mr. Littlefield	136,867	885,984	75,630	2,352,093	59,154	1,839,689	5,077,766
Mr. Krishnan	1,716	10,691	58,824	1,829,426	1,994	62,013	1,902,130
Mr. Marhoun	1,716	10,691	42,018	1,306,760	1,994	62,013	1,379,464
Mr. Vigneau	1,569	9,775	58,824	1,829,426	1,823	56,695	1,895,897
Mr. O Shaughnessy	1,275	7,943	42,018	1,306,760	1,481	46,059	1,360,762
Other Executive Officers[1]							
Ms. Boehm	980	6,105	42,018	1,306,760	1,139	35,423	1,348,288
Mr. Currier	0	0	42,018	1,306,760	0	0	1,306,760
Mr. Fleming	1,176	7,326	42,018	1,306,760	1,367	42,514	1,356,600
Mr. Phelps, II	1,275	7,943	42,018	1,306,760	1,481	46,059	1,360,762
Mr. Wiltse							
Ms. Young	1,176	7,326	42,018	1,306,760	1,367	42,514	1,356,600
Non-Employee Directors[2]							
Mr. Bawden	735	4,579			854	26,559	31,138
Mr. Benson	735	4,579			854	26,559	31,138
Mr. Melchionni	735	4,579			854	26,559	31,138
Mr. McKnight							
Mr. Steinberg							
Mr. Tweedie	735	4,579			854	26,559	31,138

(1) On September 20, 2016, Paul Tyler resigned his position as an executive officer of the Company. Following the date of his termination of employment, Mr. Tyler does not hold any Company or FGLH equity awards.

(2) Kevin Gregson and Thomas Williams resigned their positions as non-employee directors of the Company on October 10, 2016 and December 21, 2016, respectively. Following the dates of their respective resignations, neither Mr. Gregson nor Mr. Williams hold any unvested Company or FGLH equity awards. On April 14, 2017, Mr. Asali resigned from his position as a non-employee director of the Company. Following the date of his resignation, Mr. Asali does not hold any unvested Company or FGLH equity awards.

Table of Contents

Payments to Executives upon Termination Following Change in Control

Executive Officer Severance

Each of the Company s current executive officers is eligible to receive severance payments and benefits upon a qualifying termination of employment that occurs during a specified period before or after the completion of the Merger in accordance with the terms of either the executive officer s employment agreement or the Company s 2015 Severance Plan (the Severance Plan), as applicable. The receipt of such severance payments and benefits is conditioned upon the executive officer s execution of a separation agreement and general release of claims in favor of the Company.

Mr. Christopher J. Littlefield

Mr. Littlefield is eligible to receive severance payments and benefits under the terms of his employment agreement with Fidelity & Guaranty Life Business Services, Inc., a wholly owned subsidiary of the Company. Mr. Littlefield s employment agreement provides that if, within six (6) months prior to or eighteen (18) months following a change in control (the definition of which includes the Merger), Mr. Littlefield s employment is terminated without cause or he resigns with good reason, then he will be eligible to receive:

1. an amount equal to the sum of two (2) times his annual base salary and two (2) times his target annual cash bonus, payable over twelve months following the date of termination; and

2. a pro-rated portion of his target annual cash bonus for the year of termination, based on the number of days elapsed in the performance period prior to the date of termination and payable in a lump sum by January 31 of the year following the year of termination.

Mr. Littlefield s employment agreement further provides that if payments made to him, whether under his employment agreement or otherwise, would be subject to the excise tax imposed on parachute payments in accordance with Section 280G of the Internal Revenue Code of 1986, as amended (the Code), then those payments will be reduced to the extent necessary such that no portion of the payments is subject to the excise tax, but only if the net amount of such payments, as so reduced, is greater than or equal to the net amount of such payments without such reduction.

Mr. Littlefield s employment agreement generally defines good reason as (i) a material diminution in title, responsibilities or authorities; (ii) an assignment of duties that are materially inconsistent with his duties as the President and Chief Executive Officer of the Company; (iii) any change in the reporting structure such that he no longer reports to the Company s Board; (iv) a relocation of his principal office, or principal place of employment, to a location that is outside the Des Moines, Iowa area; (v) a breach by the Company of any material terms of the employment agreement; (vi) the Company s non-renewal of the employment agreement; or (vii) the failure of the Company to obtain the assumption (in writing or by operation of law) of its obligations under the employment agreement by any successor to all or substantially all of its business or assets upon consummation of any merger, consolidation, sale, liquidation, dissolution or similar transaction.

Mr. Littlefield s employment agreement generally defines cause as (i) his conviction of, indictment for, or entering a plea of nolo contendere to, any felony or any other act involving fraud, theft, misappropriation, dishonesty, or embezzlement; (ii) his commission of intentional and willful acts of misconduct that materially impair the goodwill or business of the Company or causing material damage to its or their property, goodwill, or business; (iii) his willful

refusal to, or willful failure to, perform in any material respect the duties under the employment agreement; or (iv) his being barred or prohibited from serving in the insurance industry or serving as an officer of the Company.

Other Executive Officers

The current executive officers of the Company, other than Mr. Littlefield who is party to the employment agreement described above, are eligible to receive severance payments and benefits under the terms of the

Table of Contents

Severance Plan. The Severance Plan provides that if, within twelve (12) months following a change in control (the definition of which includes the Merger), either (i) the executive officer s employment is terminated without cause or (ii) the executive officer terminates employment as a result of the failure of the Company to offer the executive officer comparable employment after the elimination of the executive officer s position, then the executive officer will generally be eligible to receive:

1. a lump sum payment equal to the sum of (x) 52 weeks of the executive officer s base salary, (y) the executive officer s target annual cash bonus and (z) a pro-rated portion of the executive officer s target annual cash bonus for the year of termination, based on the number of days elapsed in the performance period prior to the date of termination, generally payable in a lump sum within approximately four weeks after the executive officer returns a release of claims to the Company; and

2. subsidized health and medical insurance coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) for 52 weeks following the date of termination.

The Severance Plan further provides that if payments made to an executive officer, whether under the Severance Plan or otherwise, would be subject to the excise tax imposed on parachute payments in accordance with Section 280G of the Code, then those payments will be reduced to the extent necessary such that no portion of the payments is subject to the excise tax, but only if the net amount of such payments, as so reduced, is greater than or equal to the net amount of such payments without such reduction.

For purposes of the Severance Plan, cause generally means: (i) breach of the executive officer s obligations under his or her employment agreement; (ii) failure to perform duties in a manner satisfactory to the Company, subject to the obligation of the Company to provide the executive officer with prior notice providing reasonable detail of the bases for the unsatisfactory performance and an opportunity to correct the performance deficiencies; (iii) engaging in acts of dishonesty or moral turpitude, or any unlawful conduct; or (iv) engaging in conduct that is likely to affect adversely the business and or reputation of the Company.

For purposes of the Severance Plan, comparable employment generally means: (i) a reduction in base salary by at least fifteen percent (15%); (ii) a reduction in target annual bonus by at least fifteen percent (15%); and (iii) a relocation of primary worksite by at least fifty (50) miles.

Executive Officer Transaction Bonuses

Each of the Company s current executive officers other than Mr. Wiltse is party to a transaction bonus award agreement with the Company, dated April 7, 2017. The transaction bonus award agreements provide that if the executive officer remains employed through the completion of the Merger, then the executive officer will receive a lump sum cash transaction bonus payable within thirty (30) days following the completion of the Merger. The retention bonus will not be paid to an executive officer if the officer s employment terminates for any reason prior to the completion of the Merger.

Table of Contents

The amount of each transaction bonus is set forth in the following table:

Name	Transaction Bonus ($)
Named Executive Officers	
Mr. Littlefield	800,000
Mr. Krishnan	100,000
Mr. Marhoun	110,000
Mr. Vigneau	300,000
Mr. O Shaughnessy	165,000
Other Executive Officers	
Ms. Boehm	90,000
Mr. Currier	100,000
Mr. Fleming	45,000
Mr. Phelps, II	75,000
Ms. Young	75,000

Executive Officer Retention Payments

Each of the Company s current executive officers other than Mr. Littlefield is party to a retention award agreement with the Company, dated April 20, 2017. The retention award agreements provide that if the Merger occurs on or before December 31, 2017 and the executive officer remains employed through the first anniversary of the completion of the Merger, then the executive officer will receive a lump sum cash retention payment in an amount equal to a specified percentage of the executive officer s annual base salary as in effect on April 20, 2017. The retention bonus will also become payable to the executive officer upon a termination of the officer s employment by the Company without cause prior to the first anniversary of the completion of the Merger or if the officer s position is eliminated and the officer is not offered comparable employment before the first anniversary of the completion of the Merger.

The amount of each retention bonus is set forth in the following table:

Name	Retention Bonus ($)
Named Executive Officers	
Mr. Krishnan	350,000
Mr. Marhoun	350,000
Mr. Vigneau	440,000
Mr. O Shaughnessy	325,000
Other Executive Officers	
Ms. Boehm	275,000
Mr. Currier	300,000
Mr. Fleming	300,000
Mr. Phelps, II	325,000
Mr. Wiltse	187,500

Ms. Young	300,000

2017 Executive Officer Incentive Awards

Each of the Company s current executive officers other than Mr. Littlefield is party to an incentive award letter with the Company, dated February 1, 2017. The incentive award letters provide for the grant of a cash award in lieu of the December 2015 and December 2016 ordinary course discretionary long-term equity incentive awards that were not permitted to be made to the executive officers under the terms of the Proposed Anbang Transaction.

Table of Contents

These incentive awards will vest in equal installments on each of December 1, 2017, December 3, 2018 and December 2, 2019, subject to the executive officer s continued employment through the applicable vesting date. The incentive awards will also vest in full if the executive officer s employment is terminated by the Company without cause prior to December 2, 2019 or if the officer s position is eliminated and the officer is not offered comparable employment before the first anniversary of the completion of the Merger

The amount of each applicable incentive award and one-time bonus payment is set forth in the following table:

	Incentive Award ($)
Named Executive Officers	
Mr. Krishnan	291,667
Mr. Marhoun	291,667
Mr. Vigneau	366,667
Mr. O Shaughnessy	216,667
Other Executive Officers	
Ms. Boehm	183,333
Mr. Currier	161,667
Mr. Fleming	200,000
Mr. Phelps, II	216,667
Mr. Wiltse	62,500
Ms. Young	200,000

Special Bonus for Certain Executive Officers

Ms. Boehm and Mr. Fleming are each party to special bonus award agreements with the Company, dated February 1, 2017. The special bonus award agreements provide that if the executive officer remains employed through December 15, 2017, then the officer will receive a lump sum cash payment equal to $500,000. The special bonus payments will also become payable to the executive officer upon a termination of the officer s employment by the Company without cause prior to December 15, 2017 or if the officer s position is eliminated and the officer is not offered comparable employment before the first anniversary of the completion of the Merger.

Table of Contents

Quantification of Severance, Transaction, Retention, 2017 Executive Officer Incentive and Special Bonus Payments to Executive Officers

The following table summarizes the payments and benefits that each executive officer would be entitled to receive under the arrangements described in this Payments to Executives upon Termination Following Change in Control section, assuming that the completion of the Merger occurs on June 23 2017, and that each executive officer experiences a simultaneous qualifying termination of employment. The following table does not replicate information already disclosed in the table above under the heading Quantification of Outstanding Equity and Equity-Based Awards.

Name	Cash Severance ($)[1]	Non-Cash Severance Benefits ($)[2]	Transaction Bonus ($)[3]	Retention Payment ($)[4]	2017 Executive Officer Incentive Awards ($)[5]	Special Bonus ($)[5]	Total ($)
Named Executive Officers							
Mr. Littlefield	3,800,000		800,000				4,600,000
Mr. Krishnan	962,500	18,493	100,000	350,000	291,667		1,722,660
Mr. Marhoun	656,250	25,244	110,000	350,000	291,667		1,433,161
Mr. Vigneau	902,000	23,764	300,000	440,000	366,667		2,032,431
Mr. O Shaughnessy	552,500	28,366	165,000	325,000	216,667		1,287,533
Other Executive Officers							
Ms. Boehm	467,500	9,055	90,000	275,000	183,333	500,000	1,524,888
Mr. Currier	510,000	18,493	100,000	300,000	161,667		1,090,160
Mr. Fleming	510,000	28,366	45,000	300,000	200,000	500,000	1,583,366
Mr. Phelps, II	552,500	28,366	75,000	325,000	216,667		1,197,533
Mr. Wiltse	190,625	14,183		187,500	62,500		454,808
Ms. Young	510,000	28,366	75,000	300,000	200,000		1,113,366

(1) Represents the amount of cash severance payable to (i) Mr. Littlefield under the terms of his employment agreement with Fidelity & Guaranty Life Business Services, Inc. and (ii) all other executive officers under the terms of the Severance Plan, in each case as described in more detail under the section entitled Executive Officer Severance beginning on page 43.

(2) Represents the estimated value of subsidized COBRA coverage for each of the executive officers (other than Mr. Littlefield) for a period of 52 weeks following the date of such executive officer s qualifying termination, as described in more detail under the section entitled Executive Officer Severance beginning on page 43.

(3) Represents the amount of the retention award payable to the executive officer, as described in more detail above under the section entitled Executive Officer Transaction Bonuses beginning on page 44.

(4) Represents the amount of the transaction bonuses payable to the executive officer, as described in more detail above under the section entitled Executive Officer Retention Payments beginning on page 45.

(5) Represents the amount of the 2017 Incentive Awards payable to the executive officer, as described in more detail above under the section entitled 2017 Executive Officer Incentive Awards beginning on page 45.

(6) Represents the amount of the special bonuses payable to the executive officer, as described in more detail above under the section entitled Special Bonuses for Certain Executive Officers beginning on page 46.

47

Table of Contents

Quantification of Potential Payments to Named Executive Officers in Connection with the Merger

In accordance with Item 402(t) of Regulation S-K under the Securities Act, the table below sets forth the estimated amount of compensation that is based on or otherwise relates to the Merger that may become payable or realized by each of the Company s named executive officers, assuming that the completion of the Merger occurs on June 23, 2017, and that each executive officer experiences a simultaneous qualifying termination of employment.

The Company s named executive officers for purposes of the table below are (i) Mr. Littlefield, President and Chief Executive Officer; (ii) Mr. Krishnan, Executive Vice President and Chief Investment Officer; (iii) Mr. Marhoun, Executive Vice President, General Counsel and Secretary; (iv) Mr. Vigneau, Executive Vice President and Chief Financial Officer; and (v) Mr. O Shaughnessy, Senior Vice President, Business Development.

The amounts in the table below do not include amounts that were vested as of June 23, 2017, amounts that may be granted following the date of this information statement, or amounts under contracts, agreements, plans or arrangements to the extent they do not discriminate in scope, terms or operation in favor of executive officers and that are available generally to all of the salaried employees of the Company. In addition, the amounts indicated below are estimates of amounts that would be payable to the named executive officers and the estimates are based on multiple assumptions that may not prove correct, including assumptions described in this information statement. Accordingly, the actual amounts, if any, to be received by a named executive officer may differ in material respects from the amounts set forth below.

Golden Parachute Compensation

Name	Cash ($)[1]	Equity ($)[2]	Pension / NQDC ($)	Perquisites / Benefits ($)[3]	Tax Reimbursement ($)[4]	Total ($)[5]
Mr. Littlefield	4,600,000	5,077,766				9,677,766
Mr. Krishnan	1,704,167	1,902,130		18,493		3,624,790
Mr. Marhoun	1,407,917	1,379,464		25,244		2,812,625
Mr. Vigneau	2,008,667	1,895,897		23,764		3,928,327
Mr. O Shaughnessy	1,259,167	1,360,762		28,366		2,648,295

(1) *Cash*. Represents the value of the cash severance payments payable, for Mr. Littlefield, under his employment agreement and transaction bonus and, for Messrs. Krishnan, Marhoun, Vigneau and O Shaughnessy, under the Severance Plan and their respective transaction bonuses, retention awards and 2017 Executive Officer Incentive Awards. The amounts payable in respect of the transaction bonuses are single trigger in nature, which means that these amounts are payable to the named executive officers as of the completion of the Merger. The amounts payable in respect of the retention agreements, 2017 Executive Officer Incentive Awards are all double trigger in nature, which means that payment of these amounts is conditioned upon continued employment or a qualifying termination of employment on or after the completion of the Merger. Additional information regarding the Cash Severance, the individual components of which are quantified in the table below, may be found in the section entitled The Merger Interests of Our Directors and Executive Officers in the Merger Payments to Executives upon Termination Following Change in Control beginning on page 43.

48

Table of Contents

Officer	Salary ($)	Target Bonus ($)	Pro-Rata Bonus ($)	Transaction Bonus ($)	Retention Award ($)	2017 Executive Officer Incentive Awards ($)	Total ($)
Mr. Littlefield	1,600,000	1,600,000	600,000	800,000			4,600,000
Mr. Krishnan	350,000	350,000	262,500	100,000	350,000	291,667	1,704,167
Mr. Marhoun	350,000	175,000	131,250	110,000	350,000	291,667	1,407,917
Mr. Vigneau	440,000	264,000	198,000	300,000	440,000	366,667	2,008,667
Mr. O Shaughnessy	325,000	130,000	97,500	165,000	325,000	216,667	1,259,167

(2) *Equity*. Represents the aggregate payments to be made in respect of unvested Company Stock Options, Company Performance RSUs, Company Restricted Stock Rights, and Subsidiary Stock Options. None of our named executive officers hold outstanding Subsidiary RSUs or Subsidiary Dividend Equivalents. The amounts in this column are single trigger in nature, which means that they will be payable to the named executive officers as of the completion of the Merger. Additional information regarding the treatment of such awards may be found in the section entitled The Merger Interests of Our Directors and Executive Officers in the Merger Treatment of Outstanding Equity and Equity-Based Awards beginning on page 41.

(3) *Perquisites/Benefits*. Represents the estimated value of subsidized COBRA coverage for each of the named executive officers and his or her qualifying dependents for a period of 52 weeks following the date of such named executive officer s qualifying termination. The amounts in this column are double trigger in nature, which means that that payment of these amounts is conditioned upon a qualifying termination of employment on or after the completion of the Merger. Mr. Littlefield is not entitled to subsidized COBRA coverage under the terms of his employment agreement.

(4) *Tax Reimbursements*. None of the named executive officers is entitled to receive any tax reimbursements.

(5) *Section 280G of the Code*. The total amounts do not reflect any reductions to parachute payments as defined by Section 280G of the Code that may be economically beneficial to the named executive officers and the Company in order to avoid the excise tax imposed on individuals receiving excess parachute payments under Sections 280G and 4999 of the Code. A definitive analysis will depend on the actual date of the Effective Time, the date of termination (if any) of the named executive officer and certain other assumptions used in the calculation.

Directors and Officers Indemnification and Insurance

The Merger Agreement provides that, from and after the Effective Time, the surviving corporation will and Parent will cause the surviving corporation to indemnify and hold harmless to the fullest extent permitted by Delaware law or provided under the Company s certificate of incorporation and by-laws in effect on the date of the Merger Agreement and permitted by the DGCL all past and present directors and officers of the Company and its subsidiaries for acts or omissions occurring at or prior to the Effective Time.

In addition, for a period of six (6) years after the Effective Time, Parent and the surviving corporation will use reasonable best efforts to maintain directors and officers liability insurance covering acts or omissions occurring at or prior to the Effective Time with respect to those persons who are currently (and any additional individuals who prior to the effective time become) covered by the Company s directors and officers insurance policy with terms, conditions, retentions and levels of coverage at least as favorable as the coverage provided under the Company s current directors and officers insurance policy; provided, however, that in no event will Parent or the surviving corporation be required to expend in any one year an amount in excess of the Maximum Premium; and provided, further, that if the annual premiums for such insurance coverage exceed the Maximum Premium, Parent and the surviving corporation will only

be obligated to obtain a policy with the greatest coverage available at an annual premium not exceeding the Maximum Premium. In lieu of the foregoing insurance coverage, the Company (with Parent s consent, not to be unreasonably withheld, conditioned or

Table of Contents

delayed) or Parent may purchase, prior to the Effective Time, a six (6) year tail insurance policy that provides coverage identical in all material respects to the coverage described above, provided that the Company does not pay more than the Maximum Premium described above.

Appraisal Rights

Our stockholders have the right under Delaware law to dissent from the adoption of the Merger Agreement, to exercise appraisal rights and to receive payment in cash for the fair value of their shares of Company Common Stock determined in accordance with Delaware law. The fair value of shares of Company Common Stock, as determined in accordance with Delaware law, may be more or less than the Merger Consideration to be paid to non-dissenting stockholders in the Merger. To preserve their rights, stockholders who wish to exercise appraisal rights must follow specific procedures. Dissenting stockholders must precisely follow these specific procedures to exercise appraisal rights, or their appraisal rights may be lost. These procedures are described in this information statement, and the provisions of Delaware law that grant appraisal rights and govern such procedures are attached as Annex D. See the section entitled Appraisal Rights beginning on page 82.

Delisting and Deregistration of Company Common Stock

If the Merger is completed, the shares of Company Common Stock will be delisted from the NYSE and deregistered under the Securities Exchange Act of 1934, as amended (the Exchange Act), and we will no longer file periodic reports with the SEC on account of the Company Common Stock.

U.S. Federal Income Tax Consequences of the Merger

The following is a general summary of the anticipated U.S. federal income tax consequences to U.S. Holders of the exchange of shares of Company Common Stock for cash pursuant to the Merger. This discussion is based on the Code, final and temporary Treasury Regulations promulgated thereunder, administrative pronouncements or practices and judicial decisions, all as in effect as of the date hereof. Future legislative, judicial or administrative modifications, revocations or interpretations, which may or may not be retroactive, may result in U.S. federal income tax consequences significantly different from those summarized herein. We have not sought, and do not intend to seek, any ruling from the Internal Revenue Service (the IRS) or any other taxing authority with respect to any of the U.S. federal income tax consequences summarized herein, and there can be no assurance that the IRS will not challenge any of the consequences summarized herein, or that a court will not sustain any such challenge by the IRS.

For purposes of this discussion, the term U.S. Holder means a beneficial owner of shares of Company Common Stock that is, for U.S. federal income tax purposes: (i) an individual who is a citizen or resident of the United States; (ii) a corporation (or other entity taxable as a corporation) created or organized under the laws of the United States, any state thereof or the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust which is subject to the primary jurisdiction of a court within the United States and for which one or more U.S. persons have authority to control all substantial decisions, or has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

If a partnership (including any entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds shares of Company Common Stock, the tax treatment of a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. If you are a partner in a partnership that holds shares of Company Common Stock, you should consult your own tax advisor regarding the tax consequences of the exchange of shares of Company Common Stock for cash pursuant to the Merger.

This summary is for general information only and does not constitute tax advice. This summary does not address all aspects of U.S. federal income taxation that may be relevant to holders in light of their particular circumstances. In addition, this discussion does not apply to certain categories of holders that are subject to special treatment under the U.S. federal income tax laws, such as (i) banks, financial institutions or insurance

Table of Contents

companies, (ii) regulated investment companies or real estate investment trusts, (iii) brokers or dealers in securities or currencies or traders in securities that elect mark-to-market treatment, (iv) tax-exempt organizations, qualified retirement plans, individual retirement accounts or other tax-deferred accounts, (v) holders that exercise appraisal rights in connection with the Merger, (vi) holders that acquired shares of common stock in connection with the exercise of employee stock options or otherwise as compensation for services, (vii) holders that own shares of common stock as part of a straddle, hedge, constructive sale, conversion transaction or other integrated investment, (viii) holders that are liable for the alternative minimum tax under the Code, (ix) U.S. Holders whose functional currency is not the United States dollar, or (x) holders who are not U.S. Holders. This discussion does not address any tax consequences arising under any state, local or non-U.S. tax laws or U.S. federal estate or gift tax laws. In addition, this discussion applies only to holders that hold their shares of Company Common Stock as capital assets (generally, property held for investment).

STOCKHOLDERS OF THE COMPANY ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF U.S. FEDERAL TAX LAWS TO THEM IN LIGHT OF THEIR OWN PARTICULAR CIRCUMSTANCES AND ANY TAX CONSEQUENCES ARISING UNDER THE LAWS OF ANY STATE, LOCAL, NON-U.S. OR OTHER TAXING JURISDICTION.

The exchange of shares of Company Common Stock for cash pursuant to the Merger will be a taxable transaction for U.S. federal income tax purposes. In general, a U.S. Holder will recognize gain or loss equal to the difference between (i) the amount of cash received and (ii) such U.S. Holder s adjusted tax basis in its shares of Company Common Stock. Generally, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the shares of common stock exchanged were held for more than one year as of the date of exchange. Long-term capital gains of non-corporate U.S. Holders generally are subject to U.S. federal income tax at preferential rates. The deduction of capital losses is subject to limitations. Gain or loss must be calculated separately for each block of shares of Company Common Stock (i.e., shares of common stock acquired for the same cost in the same transaction) exchanged for cash pursuant to the Merger.

Regulatory Approvals

The insurance laws and regulations of the states of Iowa, New York and Vermont, where the insurance company subsidiaries of the Company are domiciled, require that, prior to the acquisition of control of an insurance company domiciled in those jurisdictions, the acquiring company must obtain the approval of the insurance regulators of those jurisdictions.

While we believe that the Company and CF Corp will receive the requisite approvals and clearances for the Merger, the Company and CF Corp may not obtain the regulatory approvals necessary to consummate the merger. Should the Iowa Insurance Division, the New York State Department of Financial Services, the Vermont Department of Financial Regulation or any other governmental authority raise objections to the Merger, the Company and CF Corp have agreed to use reasonable best efforts to resolve such objections.

Debt Commitment Letter

On May 24, 2017, in connection with the Merger Agreement, Parent entered into a debt commitment letter with Royal Bank of Canada (RBC) and RBC Capital Markets, LLC (RBCCM), pursuant to which RBC committed to providing $425 million of senior unsecured increasing rate loans (the Bridge Loans) minus the amount of gross proceeds from the Senior Notes (as defined below) on or prior to the Closing Date and available on the Closing Date to fund the Debt Refinancing (as defined below).

On May 31, 2017, Parent entered into an amended and restated debt commitment letter (the Debt Commitment Letter) with RBC, RBCCM, Bank of America, N.A. (Bank of America) and Merrill Lynch, Pierce, Fenner & Smith Incorporated, pursuant to which each of RBC and Bank of America committed to provide 50% of the Bridge Loans. RBC and Bank of America are referred to herein as the Initial Lenders .

Table of Contents

The purpose of the Bridge Loans is to repay and terminate the existing indebtedness of FGLH under the Company Existing Credit Agreement and the Company Existing Indenture and to pay costs and expenses related to the foregoing (the Debt Refinancing), in the event that the Company Existing Credit Agreement is not replaced or amended to permit the Merger and the related transactions or the Company Existing Indenture is not so amended, in each case, as further described below.

The Company intends to seek to replace the Company Existing Credit Agreement with a new credit agreement that permits consummation of the Merger and the related transactions or to amend the Company Existing Credit Agreement in a manner as is necessary or desirable to effect the Merger and the related transactions (the consummation and effectiveness of such replacement or amendment, a Successful Bank Transaction). The Company has agreed that it will, at the direction of BTO and/or its affiliates, seek to amend or waive certain provisions of the Company Existing Indenture in a manner as is necessary or desirable to effect the Merger and the related transactions (the Bond Amendment). The receipt of the requisite consents in respect of the Bond Amendment of the noteholders under the Company Existing Indenture is referred to herein as a Successful Bond Solicitation . The consummation and effectiveness of the Bond Amendment following a Successful Bond Solicitation is referred to herein as a Successful Bond Amendment .

If there is no Successful Bank Transaction or there is no Successful Bond Amendment, the Borrowers (as defined in the Debt Commitment Letter) (1) may issue an aggregate principal amount of senior unsecured notes (the Senior Notes) generating up to $425 million in gross cash proceeds or (2) to the extent the Borrowers do not receive such amount of gross proceeds of Senior Notes on or prior to the Closing Date, may utilize the commitments of the Initial Lenders under the Debt Commitment Letter and borrow up to $425 million (minus the amount of gross proceeds from any Senior Notes issuance) of Bridge Loans. If there is a Successful Bank Transaction prior to the Closing Date, the Initial Lenders commitments in respect of the Bridge Loans will be automatically reduced on a dollar-for-dollar basis by an amount equal to $110 million. If there is a Successful Bond Amendment prior to the Closing Date, the Initial Lenders commitments in respect of the Bridge Loans will be automatically reduced on a dollar-for-dollar basis by the aggregate principal amount of senior unsecured notes issued by the Borrowers under the amended indenture.

Table of Contents

THE MERGER AGREEMENT

This section describes the material terms of the Merger Agreement. The description in this section and elsewhere in this information statement is qualified in its entirety by reference to the complete text of the Merger Agreement, a copy of which is attached as Annex A-1 and Annex A-2 and is incorporated by reference into this information statement. This summary does not purport to be complete and may not contain all of the information about the Merger Agreement that is important to you. We encourage you to read the Merger Agreement carefully and in its entirety. Such information can be found elsewhere in this information statement and in the public filings we make with the SEC, as described in the section entitled, Where You Can Find More Information, beginning on page 87.

Explanatory Note Regarding the Merger Agreement

The Merger Agreement has been included to provide investors and security holders with information regarding its terms. The representations, warranties and covenants contained in the Merger Agreement were made by the parties thereto only for purposes of that agreement and as of specific dates; were made solely for the benefit of the parties to the Merger Agreement; may be subject to limitations agreed upon by the contracting parties, including being qualified by confidential disclosures exchanged between the parties in connection with the execution of the Merger Agreement (such disclosures include information that has been included in the Company s public disclosures, as well as additional non-public information); may have been made for the purposes of allocating contractual risk between the parties to the Merger Agreement instead of establishing these matters as facts; and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Investors should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of the Company or CF Corp or any of their respective subsidiaries or affiliates. Additionally, the representations, warranties, covenants, conditions and other terms of the Merger Agreement may be subject to subsequent waiver or modification. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the Merger Agreement, which subsequent information may or may not be fully reflected in the Company s public disclosures.

Form of Merger

Upon the terms and subject to the conditions of the Merger Agreement and in accordance with the DGCL, at the Effective Time, Merger Sub will be merged with and into the Company. As a result of the Merger, the separate corporate existence of Merger Sub will cease and the Company will continue as the surviving corporation and a wholly owned, indirect subsidiary of CF Corp.

Consummation and Effectiveness of the Merger

The Merger will become effective upon CF Corp filing the certificate of merger with the Secretary of State of Delaware. The closing of the Merger will occur on the date that is the second (2nd) business day after the satisfaction or waiver of the conditions to consummation of the Merger set forth in the Merger Agreement (other than those conditions that by their nature are to be satisfied at the closing, but subject to the satisfaction or waiver of those conditions).

Consideration to be Received in the Merger

Upon consummation of the Merger, each share of Company Common Stock issued and outstanding immediately prior to the Effective Time, other than appraisal shares, shares held by the Company as treasury or shares owned by CF Corp, Parent, Merger Sub, or the Company (which will be canceled and retired and cease to exist and no payment or

distribution will be made with respect thereto), will automatically be canceled and converted into the right to receive the Merger Consideration, upon surrender of each respective share certificate to the Paying Agent (and automatically in the case of Book-Entry Shares).

Table of Contents

The Merger Agreement provides that at the Effective Time:

each Company Stock Option that is outstanding and unexercised immediately prior to the Effective Time (whether vested or unvested) will fully vest and be canceled in exchange for an amount in cash equal to the product of (i) the total number of shares of Company Common Stock underlying such Company Stock Option multiplied by (ii) the excess, if any, of $31.10 over the exercise price per share of such Company Stock Option, without interest and less applicable taxes.

each Company Performance RSU that is outstanding immediately prior to the Effective Time (whether vested or unvested) will fully vest and be canceled in exchange for an amount in cash equal to the product of (i) the number of shares of Company Common Stock subject to such Company Performance RSU multiplied by (ii) $31.10, without interest and less applicable taxes; provided, that for purposes of clause (i), the number of shares of Company Common Stock subject to such Company Performance RSU immediately prior to the Effective Time will be deemed to be (x) the actual number of shares of Company Common Stock earned with respect to any full plan year of employment completed by the holder of such Company Performance RSU in the applicable performance period, as determined by the Board or a committee thereof, plus (y) the target number of shares of Company Common Stock subject to any incomplete and remaining plan year in the applicable performance period.

each Company Restricted Stock Right that is outstanding immediately prior to the Effective Time, whether vested or unvested, will become fully vested and will automatically be converted into the right to receive an amount equal to the product of (i) the number of shares of Company Common Stock subject to such Company Restricted Stock Right multiplied by (ii) the Merger Consideration. Each Company Restricted Stock Right issued and outstanding immediately prior to the Effective Time, whether vested or unvested, will be immediately canceled, and the holder thereof will have only the right to receive the consideration to which such holder is entitled.

each Subsidiary Stock Option that is outstanding and unexercised immediately prior to the Effective Time (whether vested or unvested) will fully vest and be canceled in exchange for an amount in cash equal to the product of (i) the total number of FGLH shares underlying such Subsidiary Stock Option multiplied by (ii) the excess, if any, of $176.32 over the exercise price per share of such Subsidiary Stock Option, without interest and less applicable taxes.

each Subsidiary RSU that is outstanding immediately prior to the Effective Time (whether vested or unvested) will fully vest and be canceled in exchange for an amount in cash equal to the product of (i) the number of FGLH shares underlying such Subsidiary RSU multiplied by (ii) $176.32, without interest and less applicable taxes.

each Subsidiary Dividend Equivalent that is outstanding immediately prior to the Effective Time (whether vested or unvested) will fully vest and be canceled in exchange for an amount in cash equal to the applicable amount accrued with respect to such Subsidiary Dividend Equivalent, without interest and less applicable

taxes.

Appraisal Shares

Appraisal shares will not be converted into the right to receive the Merger Consideration, but, instead, holders of appraisal shares will be entitled to payment of the fair value of such shares in accordance with Section 262 of the DGCL. If any such holder of appraisal shares fails to perfect or otherwise waives, withdraws or loses the right to appraisal under Section 262 of the DGCL or a court of competent jurisdiction determines that such holder is not entitled to the relief provided by Section 262 of the DGCL, then the right of such holder to be paid the fair value of such holder s appraisal shares under the DGCL will cease and such appraisal shares will be deemed to have been converted at the Effective Time into, and will have become, the right to receive the Merger Consideration without interest or any other payments. The Company will serve prompt notice to CF Corp of any demands for appraisal, attempted withdrawals of such demands and any other instruments served pursuant to the DGCL received by the Company, and Parent will have the right to participate in all negotiations and proceedings

Table of Contents

with respect to such demands. The Company will not, without the prior written consent of CF Corp (which consent will not be unreasonably withheld, conditioned or delayed) or as otherwise required under the DGCL, make any payment with respect to, or settle or offer to settle, any such demands, or agree to do or commit to do any of the foregoing.

Exchange Procedures

As promptly as practicable and in any event within two business days after the Effective Time, the Paying Agent will mail to each holder of record of a share certificate or share certificates that, immediately prior to the Effective Time, represented outstanding shares of Company Common Stock subsequently converted into the right to receive the Merger Consideration, a letter of transmittal that (A) specifies that delivery will be effected and risk of loss and title to the certificates will pass only upon proper delivery of the certificates to the Paying Agent (or an affidavit of loss in lieu thereof, together with any bond or indemnity agreement), (B) will be in such form and have such other provisions as the surviving corporation may specify, subject to the Company s reasonable approval (to be sought prior to the Effective Time) and instructions for use in effecting the surrender of the certificates in exchange for the applicable Merger Consideration payable in accordance with the Merger Agreement.

Upon surrender to the Paying Agent of a share certificate for cancellation, together with a duly completed and executed letter of transmittal and any other documents reasonably required by the Paying Agent or the surviving corporation, (i) the holder of such share certificate will be entitled to receive, in exchange for such share certificate, the Merger Consideration that such holder has the right to receive and (ii) the surrendered share certificate will be canceled. No interest will be paid or accrued on the cash payable upon surrender of the certificates. Until surrendered as contemplated by the Merger Agreement, each such certificate will be deemed at any time after the Effective Time to represent only the right to receive upon such surrender the applicable Merger Consideration.

Any holder of Book-Entry Shares will not be required to deliver a certificate or an executed letter of transmittal to the Paying Agent to receive the Merger Consideration that such holder is entitled to receive. In lieu thereof, each holder of record of one or more Book-Entry Shares whose shares were converted into the right to receive the Merger Consideration will automatically upon the Effective Time (or, at any later time at which such Book-Entry Shares would be so converted) be entitled to receive, and Parent will cause the Paying Agent to pay and deliver as promptly as practicable (and in any event within three business days after the Effective Time), the Merger Consideration to which such holder is entitled to receive.

In the event of a transfer of ownership of shares of Company Common Stock that is not registered in the transfer records of the Company, the appropriate amount of the Merger Consideration may be paid to a transferee if the share certificate representing such shares of Company Common Stock is presented to the Paying Agent properly endorsed or accompanied by appropriate stock powers and otherwise in proper form for transfer and accompanied by all documents reasonably required by the Paying Agent to evidence and effect such transfer and to evidence that any applicable taxes have been paid.

CF Corp, Parent, the surviving corporation, any affiliates of the foregoing, or the Paying Agent will be entitled to deduct and withhold from amounts otherwise payable pursuant to the Merger Agreement to any holder of shares of Company Common Stock, appraisal shares, Company Stock Options, Company Performance RSUs, Company Restricted Stock Rights or cash-settled awards, such amounts as are required to be deducted and withheld pursuant to any applicable tax laws.

Representations and Warranties

The Merger Agreement contains customary representations and warranties of CF Corp, Parent, Merger Sub and the Company, including representations and warranties relating to, among other things:

organization and good standing;

due authorization, execution, delivery and enforceability of the Merger Agreement;

Table of Contents

absence of conflicts with the parties governing documents, applicable laws and contracts;

absence of pending or, to the knowledge of the respective parties, overtly threatened litigation that would reasonably be expected to have a material adverse effect on the respective parties;

accuracy of information supplied by each of CF Corp and the Company in connection with this information statement; and

compliance with laws.

In addition, the Merger Agreement contains the following customary representations and warranties of the Company:

capitalization;

ownership of the Company s subsidiaries;

documents filed with the SEC, compliance with applicable SEC filing requirements and accuracy of information contained in such documents;

compliance of financial statements with applicable accounting requirements and SEC rules and regulations and preparation in accordance with GAAP, and the absence of certain undisclosed liabilities;

absence of any change or events that has had or would reasonably be expected to have a Company Material Adverse Effect since September 30, 2014 and conduct of business in the ordinary course since September 30, 2014;

matters related to the Company s insurance subsidiaries;

matters related to the Company s statutory statements and examination reports by any governmental authority;

matters related to insurance business and regulation;

matters related to reinsurance;

matters related to investment assets;

filing of tax returns, payment of taxes and other tax matters;

ownership and use of real property;

the absence of related party transactions since March 31, 2015;

employee benefit plans and matters relating to ERISA;

labor and employment matters;

ownership and use of intellectual property;

insurance matters;

the receipt of a fairness opinions from Credit Suisse and Rothschild;

compliance with environmental laws and regulations;

matters relating to brokers and finders fees;

material contracts; and

Board approval of the Merger Agreement and the Merger, including the determination that the Merger is advisable and that the terms are fair to, and in the best interest of, the Company stockholders, as well as a Board resolution to recommend that the Company stockholders approve and adopt the Merger Agreement and the Merger.

Table of Contents

The Merger Agreement also contains the following customary representations and warranties of CF Corp, Parent and Merger Sub:

- the existence of sufficient funds to consummate the Merger;
- formation of Merger Sub solely for the purpose of the transactions contemplated in the Merger Agreement;
- matters related to CF Corp s equity financing;
- matters related to forward purchasing agreements;
- matters related to a trust account;
- matters related to debt financing;
- matters related to interim operations;
- matters related to required votes and approvals;
- matters related to CF Corp s Nasdaq listing; and
- the absence of a CF Corp Material Adverse Effect during the period from June 30, 2016 to the date of the Merger Agreement;

Certain of the representations and warranties in the Merger Agreement are qualified as to materiality , Company Material Adverse Effect or CF Corp Material Adverse Effect .

The Merger Agreement provides that a Company Material Adverse Effect means, with respect to the Company, any change, event, effect that, individually or in the aggregate, with all other changes, events or effects (i) has a material adverse effect on the financial condition, business, or results of operations of the Company and its subsidiaries, taken as a whole or (ii) prevents or materially delays or impairs the ability of the Company to perform its obligations under the Merger Agreement and to consummate the transactions contemplated by the Merger Agreement. None of the following occurring after the date of the Merger Agreement, either alone or in combination, will be deemed to constitute, or be taken into account in determining whether there has been or will be, a Company Material Adverse Effect:

- any change, event, effect or circumstance that results from changes affecting the life insurance and annuity industry, or the United States economy, or from changes affecting worldwide economic or capital market

conditions;

any failure by the Company to meet any published analyst estimates or expectations of the Company s revenue, earnings or other financial performance or results of operations for any period, in and of itself (but not the underlying cause thereof), or any failure by the Company to meet its internal or published projections, budgets, plans or forecasts of its revenues, earnings or other financial performance or results of operations or any change in the price or trading volume of the Company Common Stock, in and of itself (but not the underlying cause thereof)

any change, event, effect or circumstance arising out of the announcement of the Merger Agreement and the transactions contemplated by the Merger Agreement or the pendency of the Merger or the identity of the parties to the Merger Agreement, including any termination of, reduction in or similar negative impact on relationships, contractual or otherwise, with any customers, suppliers, agents, policyholders, partners or employees of the Company and its subsidiaries;

any actions taken or omitted to be taken in connection with the Merger Agreement to obtain any consent, approval, authorization or waiver under applicable law in connection with the Merger and the other transactions contemplated by the Merger Agreement;

any changes in global or national political conditions (including the outbreak or escalation of war, military action, sabotage or acts of terrorism) or changes due to any pandemic, natural disaster or other act of nature;

Table of Contents

the entering into and performance of the Merger Agreement and the transactions contemplated hereby, including compliance with the covenants set forth herein, or any action taken or omitted to be taken by the Company at the request or with the prior consent of CF Corp, Parent or Merger Sub;

the effects of any breach, violation or non-performance of any provision of the Merger Agreement by CF Corp, Parent or any of their affiliates;

changes in or adoption of any applicable laws or regulations or applicable accounting regulations or principles or interpretations thereof (including, changes in GAAP or in SAP prescribed or permitted by the applicable insurance regulatory authority and accounting pronouncements by the SEC, the National Association of Insurance Commissioners and the Financial Accounting Standards Board);

any pending, initiated or threatened action against the Company, any of its affiliates or any of their respective directors or officers arising out of the Merger Agreement or the transactions contemplated by the Merger Agreement;

changes in the value of the Investment Assets;

any change or development in the credit, financial strength or other rating of the Company, any of its subsidiaries or its outstanding debt (but not the underlying cause thereof, unless the underlying cause thereof arises directly or indirectly from the proposed funding of the Merger Consideration or the proposed refinancing of any outstanding indebtedness of the Company or any of its subsidiaries, in which case it will not be deemed to constitute, or be taken into account in determining whether there has been or will be, a Company Material Adverse Effect); or

any item set forth in the Company Disclosure Letter; subject to certain limitations provided in the Merger Agreement, to the extent that such change, event or effect is disproportionately adverse to the Company and its subsidiaries, taken as a whole, as compared to other companies operating in the industries in which the Company and its subsidiaries operate.

The Merger Agreement also provides that a CF Corp Material Adverse Effect means, with respect to CF Corp, Parent or Merger Sub, any change, event or effect that prevents or materially delays or impairs the ability of CF Corp or Parent to perform their obligations under the Merger Agreement and to consummate the transactions contemplated by the Merger Agreement.

Conduct of Business by the Company Prior to Consummation of the Merger

The Company agrees that during the period from the date of the Merger Agreement until the closing or earlier termination of the Merger Agreement, except as otherwise expressly contemplated by the Merger Agreement, as set forth in the confidential disclosures the Company delivered in connection therewith, as required by law or order, or with the prior written consent of CF Corp (which consent will not be unreasonably withheld, delayed or conditioned): (i) the Company will and will cause each of its subsidiaries to conduct their respective businesses and operations in the ordinary course of business in all material respects consistent with past practices and (ii) subject to the limitations,

restrictions and prohibitions set forth in the Merger Agreement, the Company will use its reasonable best efforts to preserve intact its business organization and its assets, to keep available the services of its current officers, employees and consultants and to preserve its goodwill and its relationships with customers, reinsurers, agents, service providers and others having business dealings with the Company.

Further, the Company agrees that during the period from the date of the Merger Agreement until the closing or earlier termination of the Merger Agreement, except as otherwise expressly contemplated by the Merger Agreement, as set forth in the confidential disclosures the Company delivered in connection therewith, as required by law or order, or with the prior written consent of Parent (which consent will not be unreasonably withheld, delayed or conditioned), it will not and will cause its subsidiaries not to:

declare, set aside, make or pay any dividends or other distributions (whether in cash, stock or property) in respect of any of its or its subsidiaries capital stock, other than (i) any dividends or distributions by

Table of Contents

a subsidiary of the Company to the Company or to any other subsidiary of the Company or (ii) quarterly cash dividends paid by the Company on the Company Common Stock not in excess of $0.065 per share, per quarter, with record and payment dates generally consistent with the timing of record and payment dates in the most recent comparable prior year fiscal quarter prior to the date of the Merger Agreement;

adjust, split, combine, subdivide or reclassify any of its capital stock or that of its subsidiaries or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for, shares of its capital stock or that of its subsidiaries;

repurchase, redeem or otherwise acquire or offer to repurchase, redeem or otherwise acquire, directly or indirectly, any shares of its capital stock or any Company Stock Rights;

issue, deliver, offer, grant or sell any shares of its capital stock, Company Stock Rights or Subsidiary Stock Rights, other than the issuance of shares of Company Common Stock upon the vesting or exercise of Company Stock Options, Company Performance RSUs or Company Restricted Stock Rights outstanding as of the date of the Merger Agreement in accordance with the terms thereof;

amend the Company certificate of incorporation or Company by-laws or equivalent organizational documents of the Company s subsidiaries;

purchase an equity interest in, or a portion of the assets of, any person or any division or business thereof or merge, combine, amalgamate or consolidate with any person, in each case, other than (i) any such action solely between or among the Company and its wholly owned subsidiaries or solely between or among two or more wholly owned subsidiaries of the Company, (ii) in the ordinary course of business consistent with past practice with consideration not to exceed $2,000,000 individually or in the aggregate or (iii) investment portfolio transactions in the ordinary course of business and not in violation of the investment guidelines of the Company s insurance subsidiaries as in effect as of the date of the Merger Agreement (the Investment Guidelines);

sell, lease, license, allow to lapse, abandon, mortgage, encumber or otherwise dispose of, discontinue, abandon or fail to maintain any of its properties or assets (including capital stock of any subsidiary of the Company) that are material, individually or in the aggregate, to the Company and its subsidiaries, taken as a whole, other than the sale or other disposition or any lease or license of assets (other than the capital stock of any subsidiary of the Company) (i) solely between or among the Company and its wholly owned subsidiaries or solely between or among two or more wholly owned subsidiaries of the Company or (ii) investment portfolio transactions in the ordinary course of business and not in violation of the Investment Guidelines;

incur, create or assume any indebtedness for borrowed money, issue or sell any debt securities or warrants or other rights to acquire any debt securities of the Company or any of its subsidiaries, guarantee any such indebtedness or any debt securities of another person, or enter into any keep well or other agreement to maintain any financial statement condition of another person, other than (i) guarantees by the Company of

permitted indebtedness of its wholly owned subsidiaries or guarantees by the wholly owned subsidiaries of the Company of permitted indebtedness of the Company, (ii) investment portfolio transactions in the ordinary course of business and not in violation of the Investment Guidelines or (iii) borrowings under the Company Existing Credit Agreement; provided that the Company will consult with CF Corp before making any such borrowings under the Company Existing Credit Agreement in excess of $25,000,000;

make any loans, advance or capital contributions to, or investments in, any person, other than (i) the Company or any of its wholly owned subsidiaries, or (ii) investment portfolio transactions in the ordinary course of business and not in violation of the Investment Guidelines;

settle, commence or discharge any material action made or pending against the Company or any of its subsidiaries, or any of their respective directors or officers in their capacities as such, other than the settlement of actions that would not reasonably be expected to prohibit or materially restrict the

Table of Contents

Company and its subsidiaries from operating their respective businesses in substantially the same manner as operated on the date of the Merger Agreement or require the waiver or release of any material rights or claims and the commencement of actions based upon, arising out of or relating to the Merger Agreement or the negotiation, execution, delivery or performance of the Merger Agreement;

cancel any material indebtedness or waive any material benefits, claims or rights in connection therewith, in each case, other than in the ordinary course of business consistent with past practice;

make any material change (i) in any accounting methods, principles or practices (including such methods, principles or practices relating to the estimation of reserves), (ii) to Investment Guidelines or (iii) to any of the actuarial, underwriting, claims administration or reinsurance policies, practices or principles of any Company s insurance subsidiary, in each case, except as required by GAAP or SAP;

conduct any material revaluation of any asset, including any material writing-off of accounts receivable or reinsurance recoverables, other than as required by GAAP or SAP;

except as required by a benefit plan as of the date of the Merger Agreement, grant any increases in the compensation or benefits of any of its directors, officers or employees;

except as required by a benefit plan as of the Merger Agreement, (i) make any grant of, or increase in, any severance or enter into any agreements or understandings concerning any type of compensation (whether present, deferred, or contingent) that is based on or otherwise relates to any acquisition, merger, consolidation, sale, or other disposition of all or substantially all of the assets of the Company payable to any director, officer or employee, (ii) accelerate the time of payment or vesting of, or the lapsing of any restrictions with respect to, or fund or otherwise secure the payment of, any compensation or material benefits under any benefit plan, or (iii) establish, adopt, enter into, amend or terminate any material benefit plan (or any plan, program, agreement, or arrangement that would constitute a material benefit plan if in effect on the date of the Merger Agreement);

make or change any material tax election, settle or compromise any material tax liability, change its method of accounting, file any material amended tax return, fail to file any material tax return when due or surrender any right to claim a tax refund, offset or other material reduction in tax liability or consent to join any affiliated, consolidated, combined or unitary group for tax purposes;

enter into or amend or modify in any material respect, terminate, cancel or extend any material contract or enter into any contract or agreement that if in effect as of the date of the Merger Agreement would be a material contract or reinsurance contract, other than in the ordinary course of business consistent with past practice;

enter into or amend in any significant manner any contract, agreement or commitment with any former or present director or officer of the Company or any of its subsidiaries or with any affiliate of any of the foregoing persons or any other person covered under Item 404(a) of Regulation S-K under the Securities Act, other than as would not be adverse to the Company and its subsidiaries;

authorize, recommend, propose or announce an intention to adopt a plan of complete or partial liquidation, dissolution, restructuring, recapitalization or other reorganization with respect to the Company or any of its subsidiaries;

(i) enter into any new line of business or (ii) change in any material respect any material products or any material operating or enterprise risk management policies, in each case, except as required by law or by policies imposed, or requests made, by a governmental authority;

enter into any agreement or commitment with any insurance regulatory authority other than in the ordinary course of business consistent with past practice;

enter into (i) any material funding obligations of any kind, or material obligation to make any additional advances or investments (including any obligation relating to any currency or interest rate swap, hedge or similar arrangement) in respect of, any of the investment assets or (ii) any material

Table of Contents

outstanding commitments, options, put agreements or other arrangements relating to the investment assets to which the Company or any of its subsidiaries may be subject upon or after the Closing, in each case, other than as would not, individually or in the aggregate, reasonably be likely to have a Company Material Adverse Effect; and

agree to take any action described in the above bullet points.

Regulatory Filings; Best Efforts

The Company, CF Corp, Parent and Merger Sub will use reasonable best efforts to:

(i) obtain all necessary, proper or advisable actions or nonactions, consents, approvals, authorizations, waivers or qualifications from governmental authorities and making all necessary, proper or advisable registrations, filings and notices and taking all steps as may be necessary to obtain a consent, approval, authorization, waiver or exemption from any governmental authority (including under insurance laws and the HSR Act) and (ii) execute and deliver any additional agreements, documents or instruments necessary, proper or advisable to consummate the transactions contemplated by, and to fully carry out the purposes of, the Merger Agreement;

take any and all actions necessary to avoid each and every impediment under any applicable law that may be asserted by, or any order that may be entered by, any governmental authority with respect to the Merger Agreement, the Merger or any other transaction contemplated thereby so as to enable the closing to occur as promptly as practicable, including using reasonable best efforts to take all actions requested by any governmental authority, or otherwise necessary, proper or appropriate to (i) obtain all consents, approvals, authorizations or waivers of governmental authorities necessary, proper or advisable to consummate the transactions contemplated by the Merger Agreement and secure the expiration or termination of any applicable waiting period under the HSR Act, (ii) resolve any objections that may be asserted by any governmental authority with respect to the Merger or any other transaction contemplated by the Merger Agreement and (iii) prevent the entry of, and have vacated, lifted, reversed or overturned, any order that would prevent, prohibit, restrict or delay the consummation of the Merger or any other transaction contemplated by the Merger Agreement;

(i) prevent any material delay in the obtaining of, or materially increase the risk of not obtaining, consents, approvals, authorizations or waivers of governmental authorities necessary, proper or advisable to consummate the transactions contemplated by the Merger Agreement and secure the expiration or termination of any applicable waiting period under the HSR Act; (ii) avoid materially increasing the risk of any governmental authority entering an order prohibiting the consummation of the transactions contemplated by the Merger Agreement; (iii) avoid materially increasing the risk of not being able to remove any such order on appeal or otherwise; or (iv) to not otherwise impair or delay the ability of CF Corp, Parent and Merger Sub to perform their material obligations under the Merger Agreement;

within two business days of the date of the Merger Agreement, CF Corp will: (i) file, or cause to be filed, a Form A Acquisition of Control Statement with all required applicants, together with all exhibits, affidavits

and certificates, with the Insurance Commissioner of the State of Iowa, substantially in the form attached to the CF Corp Disclosure Letter and (ii) file, or cause to be filed, a Section 1506 filing with all required applicants, together with all exhibits, affidavits and certificates, with the Superintendent of Financial Services of the State of New York, as attached to the CF Corp Disclosure Letter;

within ten business days from the date of the Merger Agreement, CF Corp will: (i) submit to the Insurance Commissioner of the State of Iowa the required business plan and projections, a modified coinsurance agreement, required biographical affidavits and required financial statements of natural persons, (ii) submit to the Superintendent of Financial Services of the State of New York required business plans and projections, required biographical affidavits and required financial

Table of Contents

statements of natural persons and (iii) file, or cause to be filed, any pre-acquisition notifications on Form E or similar market share notifications to be filed in each jurisdiction where required by applicable laws with all required applicants;

within ten business days from the date of the Merger Agreement, the Company and CF Corp will file a notification and report form pursuant to the HSR Act with the Federal Trade Commission and the Antitrust Division of the United States Department of Justice with respect to the Merger and the other transactions contemplated hereby and requesting early termination of the waiting period under the HSR Act; and

within ten business days from the date of the Merger Agreement, the Company, CF Corp, Parent and Merger Sub will take, make or refrain from any other actions or nonactions, consents, approvals, authorizations, waivers, qualifications, registrations, filings and notices of, with or to governmental authorities necessary, proper or advisable to consummate the transactions contemplated by the Merger Agreement.

Each of CF Corp, Parent, Merger Sub and the Company have agreed to:

consult with one another with respect to the obtaining of all consents, approvals, authorizations, waivers or exemptions of governmental authorities necessary, proper or advisable to consummate the transactions contemplated by the Merger Agreement and each of the Company, CF Corp, Parent and Merger Sub will keep the others apprised on a prompt basis of the status of matters relating to such consents, approvals, authorizations, waivers or exemptions. CF Corp, Parent and the Company will have the right to review in advance, subject to redaction of personally identifiable information, and, to the extent practicable, and subject to any restrictions under applicable law each will consult the other on, any filing made with, or written materials submitted to, any governmental authority or any third party in connection with the transactions contemplated by the Merger Agreement and each party agrees to in good faith consider and reasonably accept comments of the other parties thereon;

CF Corp and the Company will promptly furnish to each other copies of all such filings and written materials after their filing or submission, in each case subject to applicable laws and subject to redaction of personally identifiable information;

promptly (and in no event later than twenty-four (24) hours after receipt) advise each other upon receiving any communication from any governmental authority whose consent, approval, authorization, waiver or exemption is required for consummation of the transactions contemplated by the Merger Agreement, including promptly furnishing each other copies of any written or electronic communications, and will promptly advise each other when any such communication causes such party to believe that there is a reasonable likelihood that any such consent, approval, authorization, waiver or exemption will not be obtained or that the receipt of any such consent, approval, authorization, waiver or exemption will be materially delayed or conditioned; and

Not permit any of their respective directors, officers, employees, partners, members, shareholders or any other representatives to participate in any live or telephonic meeting (other than non-substantive scheduling

or administrative calls) with any governmental authority in respect of any filings, investigation or other inquiry relating to the transactions contemplated by the Merger Agreement unless it consults with the other in advance and, to the extent permitted by applicable law and by such governmental authority, gives the other party the opportunity to attend and participate in such meeting.

Written Consent

Immediately after the execution of the Merger Agreement, the Company must, in accordance with the DGCL, take all actions necessary to seek and obtain the irrevocable Written Consent of FS Holdco. As promptly as practicable after receipt of the Written Consent, the Company will deliver to Parent a copy (including by facsimile or other electronic image scan) of the executed Written Consent. Following the execution of the Merger Agreement, the Written Consent was delivered on May 24, 2017.

Table of Contents

Takeover Proposals

The Company agrees that (i) it and its directors and officers will not, (ii) its subsidiaries and its subsidiaries directors and officers will not and (iii) it will use reasonable best efforts to ensure that its and its subsidiaries other representatives will not, directly or indirectly:

- solicit, initiate or knowingly encourage any inquiries regarding or the making of any proposal that constitutes or is reasonably likely to lead to a Takeover Proposal;
- enter into, continue or otherwise participate in any discussions or negotiations regarding, or furnish to any person any confidential information with respect to, any Takeover Proposal;
- enter into any agreement or agreement in principle requiring, directly or indirectly, the Company to abandon, terminate or fail to consummate the transactions contemplated by the Merger Agreement; or
- publicly propose or agree to do any of the foregoing.

The Company will, and will cause its subsidiaries and direct its representatives to, immediately cease and cause to be terminated all existing discussions and negotiations with any person conducted prior to the date of the Merger Agreement with respect to any Takeover Proposal.

The Merger Agreement provides that the term Takeover Proposal means any inquiry, proposal or offer from any third party relating to:

- any direct or indirect acquisition or purchase, in a single transaction or a series of transactions, of (i) 15% or more of the outstanding shares of Company Common Stock or (ii) 15% or more (based on the fair market value thereof, as determined by the Company Board of Directors) of the assets (including capital stock of the subsidiaries of the Company) of the Company and its subsidiaries, taken as a whole;
- any tender offer or exchange offer that, if consummated, would result in any third party owning, directly or indirectly, 15% or more of the outstanding shares of Company Common Stock or
- any merger, consolidation, business combination, recapitalization, liquidation, dissolution, binding share exchange or similar transaction involving the Company pursuant to which any third party (or the shareholders of any third party) would own, directly or indirectly, 15% or more of any class of equity securities of the Company or of the surviving entity in a merger or the resulting direct or indirect parent of the Company or such surviving entity, other than, in each case, the transactions contemplated by the Merger Agreement.

With respect to the Company receiving a Takeover Proposal, the Company will:

as promptly as practicable, advise CF Corp of the receipt of any Takeover Proposal after the date of the Merger Agreement, the material terms and conditions of any such Takeover Proposal and the identity of the person making any such Takeover Proposal; and

subject to the fiduciary duties of the Company Board of Directors under applicable law, keep CF Corp reasonably informed on a prompt basis with respect to any such Takeover Proposal (including any material changes thereto).

Change of Recommendation

The Board and any committee thereof cannot:

withdraw (or modify in a manner adverse to CF Corp), or publicly propose to withdraw or withhold (or modify in a manner adverse to CF Corp), the approval, recommendation or declaration of advisability by the Board or any such committee of the Merger Agreement or the Merger;

Table of Contents

recommend or endorse the approval or adoption of, or approve or adopt, or publicly propose to recommend, endorse, approve or adopt, any Takeover Proposal; or

approve or recommend, or publicly propose to approve or recommend, or cause or permit the Company or any of its subsidiaries to execute or enter into, any Takeover Proposal documentation.

Notwithstanding the foregoing or anything else in the Merger Agreement to the contrary, at any time prior to CF Corp s receipt of the Written Consent, the Board may, if, after consultation with its financial advisors and outside counsel, it determines that the failure to take such action would be inconsistent with its fiduciary duties under Delaware law, (i) make an Adverse Recommendation Change or (ii) cause or permit the Company to terminate the Merger Agreement in order to enter into an agreement regarding a superior proposal, but only if:

the Company has complied in all material respects with the Takeover Proposals provisions of the Merger Agreement and will have given CF Corp written notice at least four business days prior to taking such action, that the Board intends to take such action in response to a Superior Proposal and specifying the reasons therefor, including the most current version of any proposed agreement or, if there is no such proposed written agreement, a reasonably detailed summary of the material terms and conditions of any such Superior Proposal and the identity of the person making such Superior Proposal; and

requested by CF Corp during such four business day period, the Company and its representatives will engage in good faith negotiations with CF Corp and its representatives to amend the Merger Agreement in such a manner that any Takeover Proposal which was determined to constitute a Superior Proposal no longer is a Superior Proposal taking into account any changes to the financial terms and other material terms of the Merger Agreement proposed by CF Corp in writing to the Company following the notice of Superior Proposal.

Superior Proposal

Notwithstanding the restrictions described above, at any time prior to CF Corp s receipt of the Written Consent in response to a bona fide written Takeover Proposal received after the date of the Merger Agreement that did not result from a material breach of the Takeover Proposals provisions, if the Board determines after consultation with its financial advisors and outside counsel, that such Takeover Proposal constitutes, or could reasonably be expected to lead to, a Superior Proposal, the Company may and may authorize and permit its subsidiaries and representatives to (A) furnish information with respect to the Company and its subsidiaries to the person making such Takeover Proposal pursuant to a confidentiality agreement containing provisions (including standstill provisions) not less restrictive with respect to the person making such Takeover Proposal than those set forth in the confidentiality agreement between CF Corp and the Company, provided that all such information has previously been provided to CF Corp or is provided to CF Corp prior to or substantially concurrently with the time it is provided to such person and (B) participate in discussions and negotiations with the person making such Takeover Proposal (and its representatives) regarding such Takeover Proposal if and only if that in connection with the foregoing clauses (A) and (B) the Board determines in good faith, after consultation with its financial advisors and outside counsel, it determines that the failure to take such action would be inconsistent with its fiduciary duties under Delaware law.

The Merger Agreement provides that the term superior proposal means any Takeover Proposal that if consummated would result in a third party (or the shareholders of any third party) owning, directly or indirectly, (a) 50% or more of any class of equity securities of the Company or of the surviving entity in a merger or the resulting direct or indirect

parent of the Company or such surviving entity or (b) 50% or more (based on fair market value, as determined by the Company Board of Directors) of the assets of the Company and its subsidiaries, taken as a whole, which, in either case, the Company Board of Directors determines (after consultation with its financial advisors and outside counsel), taking into account legal, financial, regulatory and other aspects of the proposal and the person making the proposal (including any break-up fee, expense

Table of Contents

reimbursement provisions, conditions to consummation and financing term), would be more favorable to the stockholders of the Company than the Merger.

Nothing in the Merger Agreement prohibits the Company from taking and disclosing to its stockholders a position pursuant to SEC rules with respect to a tender or exchange offer by a third party or any similar disclosure to its stockholders if the Board determines (after consultation with its financial advisors and outside counsel) that failure to do so would be inconsistent with its fiduciary duties under Delaware law, subject to compliance with the procedures set forth above in connection with a change of recommendation.

Treatment of Equity and Equity-Based Awards

Accelerated Vesting, Cancellation and Cash-Out of Equity and Equity-Based Awards Granted by the Company

The Merger Agreement at the Effective Time:

- each Company Stock Option that is outstanding and unexercised immediately prior to the Effective Time (whether vested or unvested) will fully vest and be canceled in exchange for an amount in cash equal to the product of (i) the total number of shares of Company Common Stock underlying such Company Stock Option multiplied by (ii) the excess, if any, of $31.10 over the exercise price per share of such Company Stock Option, without interest and less applicable taxes.

- each Company Performance RSU that is outstanding immediately prior to the Effective Time (whether vested or unvested) will fully vest and be canceled in exchange for an amount in cash equal to the product of (i) the number of shares of Company Common Stock subject to such Company Performance RSU multiplied by (ii) $31.10, without interest and less applicable taxes; provided, that for purposes of clause (i), the number of shares of Company Common Stock subject to such Company Performance RSU immediately prior to the Effective Time will be deemed to be (x) the actual number of shares of Company Common Stock earned with respect to any full plan year of employment completed by the holder of such Company Performance RSU in the applicable performance period, as determined by the Board or a committee thereof, plus (y) the target number of shares of Company Common Stock subject to any incomplete and remaining plan year in the applicable performance period.

- each Company Restricted Stock Right that is outstanding immediately prior to the Effective Time, whether vested or unvested, will become fully vested and will automatically be converted into the right to receive an amount equal to the product of (i) the number of shares of Company Common Stock subject to such Company Restricted Stock Right multiplied by (ii) the Merger Consideration. Each Company Restricted Stock Right issued and outstanding immediately prior to the Effective Time, whether vested or unvested, will be immediately canceled, and the holder thereof will have only the right to receive the consideration to which such holder is entitled.

Accelerated Vesting, Cancellation and Cash-Out of Equity and Equity-Based Awards Granted by Fidelity & Guaranty Life Holdings, Inc.

The Merger Agreement provides that at the Effective Time:

each Subsidiary Stock Option that is outstanding and unexercised immediately prior to the Effective Time (whether vested or unvested) will fully vest and be canceled in exchange for an amount in cash equal to the product of (i) the total number of FGLH shares underlying such Subsidiary Stock Option multiplied by (ii) the excess, if any, of $176.32 over the exercise price per share of such Subsidiary Stock Option, without interest and less applicable taxes.

each Subsidiary RSU that is outstanding immediately prior to the Effective Time (whether vested or unvested) will fully vest and be canceled in exchange for an amount in cash equal to the product of (i) the number of FGLH shares underlying such Subsidiary RSU multiplied by (ii) $176.32, without interest and less applicable taxes.

Table of Contents

each Subsidiary Dividend Equivalent that is outstanding immediately prior to the Effective Time (whether vested or unvested) will fully vest and be canceled in exchange for an amount in cash equal to the applicable amount accrued with respect to such Subsidiary Dividend Equivalent, without interest and less applicable taxes.

Stockholders Meeting

CF Corp, acting through its Board of Directors, will take all actions in accordance with applicable law, CF Corp s Amended and Restated Articles of Association and the rules of Nasdaq to duly call, give notice of, convene and promptly hold the CF Corp Shareholders Meeting for the purpose of considering and voting upon:

the adoption of the Merger Agreement; and

all shareholder approvals required by the rules of Nasdaq with respect to the issuance of CF Corp Shares in connection with the transactions contemplated by the Merger Agreement (together, the CF Corp Shareholder Proposals) and to provide the holders of CF Corp Class A Shares with the opportunity to redeem such CF Corp Class A Shares in accordance with CF Corp s Amended and Restated Articles of Association.

To the extent permitted by applicable law:

CF Corp s Board of Directors will recommend adoption of the Merger Agreement and approval of CF Corp Shareholder Proposals and include such recommendation in the CF Corp Proxy Statement; and

neither CF Corp s Board of Directors nor any committee thereof will withdraw or modify, or publicly propose or resolve to withdraw or modify in a manner adverse to the Company, the recommendation of CF Corp s Board of Directors that the CF Corp Shareholders vote in favor of the CF Corp Shareholder Proposals.

Equity Financing

CF Corp and its subsidiaries will take, or cause to be taken, all actions, and do, or cause to be done, all things, necessary, proper or advisable to obtain the Equity Financing, including taking all actions necessary to:

maintain in effect the Equity Commitment Letters;

satisfy on a timely basis all conditions in such Equity Commitment Letters that are within CF Corp s and its subsidiaries control;

subject to satisfaction of the conditions in the Equity Commitment Letters, consummate the Equity Financing at the Closing of the Merger Agreement; and

fully enforce its rights under the Equity Commitment Letters (including through litigation).

CF Corp will give the Company prompt (and in any event within two (2) business days) notice:

- of any breach or default, or threatened breach or default, related to the Equity Financing of which CF Corp becomes aware;
- of the receipt or delivery of any notice or other communication, in each case from any Person with respect to any actual or potential breach of any provisions of the Equity Commitment Letters by CF Corp, or any default, termination or repudiation by any party to the Equity Commitment Letters; and
- if at any time for any reason CF Corp believes that it will not be able to obtain all or any portion of the Equity Financing on the terms and conditions, in the manner or from the sources, contemplated by the Equity Commitment Letters.

CF Corp will promptly provide any information reasonably requested by the Company relating to any circumstance referred to in the three bullets above.

Table of Contents

Forward Purchase Agreements

CF Corp and its subsidiaries will take, or cause to be taken, all actions, and do, or cause to be done, all things, necessary, proper or advisable to obtain the FP Financing, including taking all actions necessary to:

- maintain in effect the Forward Purchase Agreements;
- satisfy on a timely basis all conditions in such Forward Purchase Agreements that are within CF Corp s and its subsidiaries control;
- subject to satisfaction of the conditions in the Forward Purchase Agreements, consummate the FP Financing at the Closing; and
- fully enforce its rights under the Forward Purchase Agreements (including through litigation).

CF Corp will give the Company prompt (and in any event within two (2) business days) notice:

- of any breach or default, or threatened breach or default, related to the FP Financing of which CF Corp, Parent or Merger Sub becomes aware;
- of the receipt or delivery of any notice or other communication, in each case from any person with respect to any actual or potential breach of any provisions of the Forward Purchase Agreements by CF Corp, Parent or Merger Sub or any default, termination or repudiation by any party to the Forward Purchase Agreements; and
- if at any time for any reason CF Corp believes that it will not be able to obtain all or any portion of the FP Financing on the terms and conditions, in the manner or from the sources, contemplated by the Forward Purchase Agreements.

CF Corp will promptly provide any information reasonably requested by the Company relating to any circumstance referred to in the three bullets above.

Trust Account

In accordance with and pursuant to the Trust Agreement, at the Closing of the Merger, CF Corp:

- will cause the documents, opinions and notices required to be delivered to the Trustee pursuant to the Trust Agreement to be so delivered; and

will use reasonable best efforts to cause the Trustee to (A) pay as and when due all amounts payable to shareholders of CF Corp holding CF Corp Shares sold in CF Corp s initial public offering who will have previously validly elected to redeem their CF Corp Shares pursuant to CF Corp s Amended and Restated Articles of Association and (B) immediately thereafter, pay all remaining amounts then available in the Trust Account in accordance with the Merger Agreement and the Trust Agreement.

Thereafter, the Trust Account will terminate, except as otherwise provided within the Trust Agreement. Prior to the Closing of the Merger, CF Corp will not agree to, or permit, any amendment or modification of, or waiver under, the Trust Agreement without the prior written consent of the Company.

Debt Financing

Although obtaining the Debt Financing is not a condition to the consummation of the transactions contemplated by the Merger Agreement, the Company, CF Corp, Parent and Merger Sub have agreed to a number of covenants relating to obtaining the Debt Financing, including the following:

Prior to the Closing, the Company will, and will cause its subsidiaries to, and will use its commercially reasonable efforts to cause any of their respective directors, officers, employees, managers, consultants,

Table of Contents

accountants or other agents or representatives to use their reasonable efforts to, at CF Corp s sole expense, reasonably cooperate with CF Corp as necessary in connection with the arrangement and obtaining of the Debt Financing or any high-yield bonds being issued in lieu of all or a portion of the Debt Financing, as may be reasonably requested by CF Corp, including but not limited to:

furnishing CF Corp, the Committed Lenders and the Lead Arrangers as promptly as practicable with (x) audited consolidated balance sheets of the Company and its subsidiaries as of the end of the three most recently completed fiscal years ended at least 90 days prior to the Closing Date, statements of income, cash flow and members equity of the Company and its subsidiaries for the three most recently completed fiscal years ended at least 90 days prior to the Closing Date, together with all related notes and schedules thereto and (y) unaudited consolidated balance sheets and related statements of comprehensive income (loss), cash flow and changes in shareholders equity of the Company and its subsidiaries prepared in accordance with GAAP for any subsequent interim period ended at least 45 (forty-five) days prior to the Closing Date and for the comparable period of the prior fiscal year, together with all related notes and schedules thereto;

furnishing CF Corp, the Committed Lenders and the Lead Arrangers as promptly as practicable with financial statements and all other financial information about the Company and its subsidiaries reasonably necessary to allow CF Corp to prepare pro forma financial statements prepared in accordance with GAAP; provided that CF Corp and/or Parent have agreed to be solely responsible for the preparation of pro forma financial information;

using commercially reasonable efforts to cause to be furnished consents of auditors of the Company for use of their unqualified audit reports in any materials relating to the Debt Financing or any high-yield bonds being issued in lieu of all or a portion of the Debt Financing;

the Company s and its subsidiaries management teams, with appropriate seniority and expertise, assisting in preparation for and participating in a reasonable number of, during normal business hours, at reasonable locations and upon reasonable advance notice, management and other meetings, lender presentations, due diligence sessions, drafting sessions, road shows and rating agency presentations in connection with the Debt Financing or any high-yield bonds being issued in lieu of all or a portion of the Debt Financing;

providing customary authorization letters to the Committed Lenders and the Lead Arrangers authorizing the distribution of information to prospective lenders (including customary 10b-5 and material non-public information representations);

furnishing CF Corp, the Committed Lenders and the Lead Arrangers with drafts of customary comfort letters on customary terms and consistent with the accountants customary practice that the independent auditors of the Company (and any other auditor (other than of CF Corp or any of its affiliates) to the extent financial statements audited or reviewed by such auditor are or would be included in such offering memorandum) are prepared to deliver upon pricing of any high-yield bonds being issued in

lieu of all or a portion of the Debt Financing;

using commercially reasonable efforts to cooperate with CF Corp and CF Corp s efforts to obtain corporate and facilities ratings; and

facilitating the execution and delivery at the Closing of definitive documents related to the Debt Financing.

CF Corp, Parent and Merger Sub have agreed, on a joint and several basis, to indemnify, defend and hold harmless the Company and its affiliates, and their respective pre-Closing directors, officers, employees, managers, consultants, accountants or other agents or representatives, in their capacity as such (collectively, the Indemnitees), from and against any and all liabilities, losses, damages, claims, costs, expenses (including advancing attorneys fees and expenses in advance of the final disposition of any claim, suit, proceeding or investigation), interest, awards, judgments and penalties suffered or

Table of Contents

incurred, directly or indirectly, by any of the Indemnitees in connection with, among other things, the arrangement of the Debt Financing or any high yield bonds being issued in lieu of any portion of the Debt Financing, except to the extent that any of the foregoing arises from (x) the bad faith, gross negligence or willful misconduct of any Indemnitee, in each case as determined by a court of competent jurisdiction in a final and non-appealable decision or (y) any Required Information provided by any of the Indemnitees, taken as a whole, containing any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading and in respect of which the Company has not provided supplemental Required Information as promptly as practicable upon discovery of such misstatement or omission in accordance with the Merger Agreement. CF Corp has agreed, upon reasonable request by the Company, promptly to reimburse the Company and its subsidiaries for all reasonable and documented out-of-pocket costs and expenses incurred by the Company or its subsidiaries and their respective officers, employees and other representatives in connection with the cooperation and assistance contemplated by the Merger Agreement.

Each of CF Corp, Parent and Merger Sub will use, and will cause their affiliates to use, their respective commercially reasonable efforts to take, or cause to be taken, all actions and do, or cause to be done, as promptly as possible, all things reasonably necessary, proper or advisable to arrange and obtain the Debt Financing on the terms and conditions, taken as a whole (including flex provisions) not materially less favorable to CF Corp, Parent and Merger Sub than those described in the Debt Commitment Letter.

CF Corp, Parent and Merger Sub have agreed to give the Company prompt written notice:

of any breach, default or threatened breach by any party to the Debt Commitment Letter of which CF Corp, Parent, Merger Sub or any of their Representatives or affiliates becomes aware or any termination or threatened termination thereto,

if and when CF Corp, Parent or Merger Sub becomes aware that any portion of the Debt Financing may not be available to consummate the Debt Refinancing,

of any termination of the Debt Commitment Letter or

if at any time for any reason CF Corp or Parent believes that it will not be able to obtain all or any portion of the Debt Financing on the terms and conditions, in the manner or form the sources, contemplated by any of the Debt Commitment Letter or Debt Documents or will be unable to obtain Alternative Financing.

If any portion of the Debt Financing becomes or could reasonably be expected to become unavailable on the terms and conditions contemplated in the Debt Commitment Letter or from the sources contemplated in the Debt Commitment Letter (other than as a result of the Company s breach of any provision of the Merger Agreement, or the Company s failure to satisfy the conditions set forth in Article VII of the Merger Agreement) or the Debt Commitment Letter or Debt Documents are withdrawn, repudiated, terminated or

rescinded for any reason, CF Corp will use all commercially reasonable efforts to arrange or obtain Alternative Financing in an amount sufficient to consummate the Debt Refinancing (or replace any unavailable portion of the Debt Financing) and to obtain a new financing commitment letter (including any associated engagement letter and related fee letter) with respect to such Alternative Financing.

CF Corp, Parent and Merger Sub have agreed to (1) enforce their rights (and the rights of any of their affiliates) under the Debt Commitment Letter and (2) not permit or agree to permit, without the prior written consent of the Company, any material amendment or modification to be made to, or any material waiver of any provision or remedy under, the Debt Commitment Letter (it being understood that the exercise of any market flex provisions contained in the Fee Letter will be deemed not to be

Table of Contents

an amendment, modification or waiver), in any such case if such amendment, modification or waiver would reasonably be expected to:

impose new or additional conditions, or otherwise modify or expand any of the conditions, to the receipt of the Debt Financing;

reduce the aggregate amount of the Debt Financing (including by changing the amount of fees to be paid or original issue discount) thereunder;

make it less likely that the Debt Financing would be funded (including by making the conditions to obtaining the Debt Financing less likely to occur) or otherwise prevent or delay or impair in any material respect the ability or likelihood of CF Corp, Parent or Merger Sub to timely consummate the Debt Refinancing; and

adversely impact the ability of CF Corp, Parent or Merger Sub to enforce its rights against the other parties to the Debt Commitment Letter.

Actions with Respect to the Company Existing Notes

Between the date of the Merger Agreement and the Effective Time, as promptly as practicable after receipt of any written request by CF Corp to do so, in consultation with CF Corp and at CF Corp s sole expense, the Company will use its commercially reasonable efforts to:

commence a consent solicitation to amend, eliminate or waive certain sections of the Company Existing Indenture as specified by CF Corp (the Consent Solicitation), with respect to all of the outstanding 6.375% Senior Notes of the Company due March 27, 2021 issued under the Company Existing Indenture (the Company Existing Notes) on such terms and conditions, including with respect to consent fees (which CF Corp will pay), that are proposed by CF Corp, and (i) provide and use its commercially reasonable efforts to cause its respective Representatives to provide all cooperation reasonably requested by CF Corp in connection with the Consent Solicitation including appointing a solicitation agent reasonably selected by CF Corp, (ii) waive any of the conditions to the Consent Solicitation as may be reasonably requested by CF Corp (other than the condition that any proposed amendments set forth therein shall not become operative unless and until the Closing has occurred), so long as such waivers would not cause the Consent Solicitation to violate applicable law, and (iii) promptly following the expiration of a Consent Solicitation, assuming the requisite consent from the holders of the Company Existing Notes (including from persons holding proxies from such holders) has been received, cause a Supplemental Indenture to become effective providing for the amendments of the Company Existing Indenture contemplated in the Consent Solicitation Documents; and/or

commence an offer to purchase, as specified by CF Corp, with respect to all of the outstanding Company Existing Notes, on such terms and conditions, including pricing terms, that are proposed, from time to time, by CF Corp and reasonably acceptable to the Company (the Debt Tender Offer), and CF Corp will assist the

Company in connection therewith, and (i) provide and use its commercially reasonable efforts to cause its respective Representatives to provide all cooperation reasonably requested by CF Corp in connection with the Debt Tender Offer, including appointing a dealer manager reasonably selected by CF Corp, and (ii) waive any of the conditions to a Debt Tender Offer as may be reasonably requested by CF Corp (other than the conditions that a Debt Tender Offer is conditioned on the Effective Time occurring), so long as such waivers would not cause a Debt Tender Offer to violate the Exchange Act, the TIA or other applicable law; and/or

deliver a notice (a Change of Control Offer) to each holder of the Company Existing Notes, in accordance with Section 3.9(b) of the Company Existing Indenture, for the repurchase, on and subject to the occurrence of the repurchase date stated in such Change of Control Offer (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed), to be mutually agreed

Table of Contents

by CF Corp and the Company, of all of the Company Existing Notes then outstanding and otherwise comply with the Company Existing Indenture with respect to such Change of Control Offer; and/or

effect the redemption of the Company Existing Notes (the Optional Redemption), effect the satisfaction and discharge of the Company Existing Indenture pursuant to Article VIII thereof and effect the release of all obligations in respect of the Company Existing Notes subject to the payment of an amount sufficient to pay the redemption price of the Company Existing Notes, together with accrued interest thereon, on the Closing Date pursuant to Section 5.6 of the Company Existing Indenture.

Each of CF Corp, Parent and Merger Sub has acknowledged and agreed that the consummation of any of the Consent Solicitation, Debt Tender Offer, Change of Control Offer or Optional Redemption is not a condition to the consummation of the transactions to be consummated at the Closing.

Employee Matters

For a period of not less than twelve months following the completion of the Merger, CF Corp will provide each individual who is an employee of the Company or its subsidiaries at the completion of the Merger (each, a Continuing Employee) with:

a base salary, annual incentive bonus opportunities and long-term incentive opportunities that are, in each case, no less than the base salary, target bonus opportunities and long-term incentive opportunities applicable to each such employee immediately prior to the completion of the Merger; and

employee benefits that are no less favorable, in the aggregate, than those employee benefits provided to such employees immediately prior to the completion of the Merger.

Any Continuing Employee who incurs a termination of employment during the twelve (12) month period following the completion of the Merger will receive severance payments and benefits that are no less favorable than those to which the employee would have been entitled with respect to such termination under the Company s severance policies as in effect immediately prior to the completion of the Merger.

CF Corp will cause the surviving corporation and its subsidiaries to honor all obligations under the Company s benefit plans that were in existence as of completion of the Merger in accordance with their terms as in effect immediately prior to the completion of the Merger.

CF Corp will cause each Continuing Employee to generally be provided with credit for such employee s service with the Company and its subsidiaries under any benefit plans maintained by CF Corp, the surviving corporation or any of their respective subsidiaries in which such employee participates following the completion of the Merger to the same extent recognized by the Company immediately prior to the completion of the Merger, except that such service will not be recognized if it would result in a duplication of benefits with respect to the same period of service.

With respect to each Continuing Employee, CF Corp will use reasonable best efforts to: (i) waive any preexisting condition limitations otherwise applicable to such employee under any health benefit plan of CF Corp or any subsidiary of CF Corp in which such employee may be eligible to participate following the completion of the Merger, other than any limitations that were in effect with respect to such employee as of the completion of the Merger under the analogous Company benefit plan; (ii) honor any deductible, co-payment and out-of-pocket maximums incurred by

such employee under the health plans in which the employee participated immediately prior to the completion of the Merger during the portion of the calendar year prior to the completion of the Merger in satisfying any deductibles, co-payments or out-of-pocket maximums under health plans of CF Corp, the surviving corporation or any of their respective subsidiaries in which they are eligible to participate after the completion of the Merger in the same plan year in which such deductibles, co-payments or out-of-pocket maximums were incurred; and (iii) waive any waiting period limitation or evidence of insurability requirement

Table of Contents

that would otherwise be applicable to such employee on or after the completion of the Merger, in each case to the extent such employee or eligible dependent had satisfied any similar limitation or requirement under an analogous Company benefit plan prior to the completion of the Merger.

For a period of ninety (90) days following the completion of the Merger, CF Corp will cause the surviving corporation and its subsidiaries not to effectuate a plant closing or a mass layoff as such terms are defined in the Worker Adjustment and Retraining Notification Act of 1988 affecting in whole or in part any site of employment, facility, operating unit or company employee.

Indemnification and Insurance

From and after the Effective Time, the surviving corporation will indemnify, defend and hold harmless all past and present directors and officers of the Company and its subsidiaries for acts or omissions occurring at or prior to the Effective Time (including the declaration of the extraordinary dividend) to the fullest extent permitted by the DGCL or provided under the Company certificate of incorporation and the Company by-laws in effect on the date of the Merger Agreement. CF Corp will guarantee such performance by the surviving corporation.

In addition, for a period of six (6) years after the Effective Time, CF Corp and the surviving corporation will use reasonable best efforts to maintain directors and officers liability insurance covering acts or omissions occurring at or prior to the Effective Time with respect to those persons who are currently covered by the Company s directors and officers insurance policy with terms, conditions, retentions and levels of coverage at least as favorable as the coverage provided under the Company s current directors and officers insurance policy; provided, however, that in no event will CF Corp or the surviving corporation be required to expend in any one year an amount in excess of the Maximum Premium; and provided, further, that if the annual premiums for such insurance coverage exceed the Maximum Premium, CF Corp and the surviving corporation will be obligated to obtain a policy with the greatest coverage available for a cost not exceeding such amount. In lieu of the foregoing insurance coverage, the Company may purchase, prior to the Effective Time, a six (6) year tail insurance policy that provides coverage identical in all material respects to the coverage described above, provided that the Company does not pay more than the Maximum Premium described above.

Other Covenants and Agreements

The Merger Agreement contains other covenants and agreements, in which each of CF Corp and the Company covenants or agrees to consult with the other party before issuing, and will not issue without the prior consent of the other party (which consent will not be unreasonably withheld, conditioned or delayed), any press release or other public statement with respect to the Merger Agreement or the Merger, except as may be required by law or stock exchange listing requirement.

In addition, the Company will, and will cause the representatives of the Company to, afford the representatives of CF Corp, Parent and Merger Sub, upon not less than two (2) days prior written notice, which will be directed to the Company s General Counsel, reasonable access during normal business hours to the officers, agents, properties, offices and other facilities, books and records of the Company. Notwithstanding the foregoing, neither the Company nor any of its subsidiaries will be obligated to provide any such access or information to the extent that doing so (i) would be reasonably likely to cause a waiver of an attorney-client privilege or loss of attorney work product protection, (ii) would constitute a violation of any applicable law, (iii) would violate any contract to which the Company or any of its subsidiaries is a party or bound or (iv) would interfere unreasonably with the business or operations of the Company or its subsidiaries or would otherwise result in significant interference with the prompt and timely discharge by their respective employees of their normal duties

Furthermore, the Company, in consultation with CF Corp, will prepare and file with the SEC this information statement; and, promptly after receiving clearance from the SEC, mail this information statement to its stockholders.

Table of Contents

CF Corp will, in consultation with the Company, prepare, and CF Corp will file with the SEC, preliminary proxy materials which will constitute the CF Corp Proxy Statement. CF Corp will notify the Company promptly of the receipt of any comments from the SEC or the staff of the SEC and of any request by the SEC or the staff of the SEC for amendments or supplements to the CF Corp Proxy Statement or for additional information and will consult with the Company regarding, and supply the Company with copies of, all correspondence between CF Corp or any of its representatives, on the one hand, and the SEC or the staff of the SEC, on the other hand, with respect to the CF Corp Proxy Statement. Prior to filing or mailing any proposed amendment of or supplement to the CF Corp Proxy Statement, CF Corp will provide the Company with a reasonable opportunity to review and comment on such document. If, at any time prior to the CF Corp Shareholders Meeting, any information relating to the Company or CF Corp, or any of their respective affiliates, should be discovered by the Company or CF Corp which should be set forth in an amendment or supplement to the CF Corp Proxy Statement, so that the CF Corp Proxy Statement will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading, the party which discovers such information will promptly notify the other party, CF Corp will promptly file an appropriate amendment or supplement describing such information with the SEC and, to the extent required by law, disseminate to the CF Corp Shareholders such amendment or supplement. CF Corp will use reasonable best efforts to have the CF Corp Proxy Statement cleared by the SEC as promptly as practicable and thereafter CF Corp will promptly mail to the CF Corp Shareholders the CF Corp Proxy Statement and all other proxy materials for the CF Corp Shareholders Meeting.

The Company and CF Corp will make any necessary filings with respect to the Merger under the Exchange Act and will provide reasonable cooperation to the other in connection therewith. In furtherance of the foregoing, the Company will use commercially reasonable efforts to cooperate and provide to CF Corp information reasonably necessary in order to prepare the CF Corp Proxy Statement, including any amendment thereto. The Company will use commercially reasonable efforts to provide CF Corp with reasonable access to the appropriate officers and employees of the Company and its subsidiaries during normal business hours and upon reasonable advance notice to the Company in connection with the drafting of the CF Corp Proxy Statement and in responding in a timely manner to comments on the CF Corp Proxy Statement from the SEC. The Company will use commercially reasonable efforts to assist CF Corp in obtaining any consents from the Company s accounting advisors on customary terms consistent with such advisor s past practice and will use commercially reasonable efforts to make available the senior officers of the Company for a reasonable number of meetings, including management and other presentations and road show appearances, in each case on a reasonable and customary basis and upon reasonable advance notice to the Company. Notwithstanding anything to the contrary, neither the Company nor any of its subsidiaries will be required to (i) take any action that would unreasonably interfere with the normal business and operations of the Company or any of its subsidiaries, (ii) take any action that would cause any director, officer or employee of the Company or any of its subsidiaries to incur any personal liability or (iii) provide access to or disclose information that the Company determines would jeopardize any attorney-client privilege of the Company or any of its subsidiaries. CF Corp will promptly reimburse the Company for any out-of-pocket costs and expenses incurred by the Company and its subsidiaries.

CF Corp, Parent and Merger Sub will hold, and will cause their respective officers, employees, accountants, counsel, financial advisors and other representatives to hold in confidence all information received, directly or indirectly, pursuant to the terms of a confidentiality agreement between CF Corp and the Company, which confidentiality agreement will survive the termination of the Merger Agreement.

The Merger Agreement contains a covenant requiring CF Corp, at least thirty (30) days prior to the Closing of the Merger Agreement, to organize a Bermuda exempted company as a direct or indirect wholly owned subsidiary of CF Corp and cause such entity to obtain all necessary permits, including to operate as a Bermuda Class B reinsurance

company. On the Closing Date, CF Corp will cause its subsidiary to contribute capital to such entity such that its company action level risk-based capital, calculated as if it were an Iowa life insurance company, is not less than 400%.

Table of Contents

Lastly, the Merger Agreement contains a covenant that upon the written request of CF Corp, the Company will take, or cause to be taken, all actions reasonably necessary for Fidelity & Guaranty Life Insurance Company to declare and pay to FGLH the extraordinary dividend that is subject to an Accommodation Filing in the amount (if any) approved by the Insurance Commissioner of the State of Iowa, at the Closing of the Merger Agreement.

Conditions to Consummation of the Merger

The obligations of the parties to consummate the Merger are subject to the satisfaction or waiver on or prior to the date of closing of the following conditions:

- this information statement will have been cleared by the SEC and will have been sent to stockholders of the Company at least twenty (20) days prior to the Closing Date;

- the required vote of CF Corp will have been obtained;

- the absence of any applicable law or any order, writ, judgment, injunction, decree, stipulation, determination or award (whether temporary, preliminary or permanent) enacted, issued or enforced by any court or governmental authority and that prevents or prohibits consummation of the Merger; and

- approvals from the Iowa Insurance Division, the New York State Department of Financial Services and the Vermont Department of Financial Regulation will have been obtained and will remain in full force and effect, and the applicable waiting periods, together with any extensions, under the HSR Act will have expired or been terminated.

The obligations of CF Corp, Parent and Merger Sub to effect the Merger are also subject to satisfaction or waiver on or prior to the closing of the Merger of the following additional conditions:

- the Company s representation and warranty that, since September 30, 2016, no Company Material Adverse Effect (as defined in the section entitled The Merger Agreement Representations and Warranties beginning on page 55 and in the Merger Agreement) has occurred is true and correct as of the date of the Merger Agreement and at and as of the Closing Date;

- other than the representations and warranties mentioned in the bullet directly above, all of the Company s other representations and warranties are true and correct (without giving effect to any materiality or Company Material Adverse Effect qualifiers) at and as of the date of the Merger Agreement and at and as of the Closing Date (except to the extent expressly made as of an earlier date, in which case as of such earlier date) except where such failure to be true and correct would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect;

the Company having performed or complied in all material respects with all agreements and covenants required to be performed or complied with by it under the Merger Agreement on or prior to the Effective Time; and

the Company having delivered to CF Corp a certificate, signed by an officer of the Company, to the effect that each of the conditions specified above has been satisfied.

The obligations of the Company to effect the Merger are also subject to satisfaction or waiver on or prior to the closing of the Merger of, among other things, the following additional conditions:

CF Corp, Parent and Merger Sub s representation and warranty that, during the period from December 31, 2016 through the date of the Merger Agreement, no CF Corp Material Adverse Effect (as defined in the section entitled The Merger Agreement Representations and Warranties beginning on page 55 and in the Merger Agreement) has occurred is true and correct as of the date of the Merger Agreement and at and as of the Closing Date;

other than the representations and warranties mentioned in the bullet directly above, all of CF Corp, Parent and Merger Sub s other representations and warranties are true and correct (without giving

Table of Contents

effect to any materiality or CF Corp Material Adverse Effect qualifiers) at and as of the date of the Merger Agreement and at and as of the Closing Date (except to the extent expressly made as of an earlier date, in which case as of such earlier date) except where such failure to be true and correct would not, individually or in the aggregate, reasonably be expected to have a CF Corp Material Adverse Effect;

CF Corp, Parent and Merger Sub having performed or complied in all material respects with all agreements and covenants required to be performed or complied with by them under the Merger Agreement on or prior to the Effective Time; and

CF Corp having delivered to the Company a certificate, signed by an officer of CF Corp, to the effect that each of the conditions specified above has been satisfied.

Termination of the Merger Agreement

The Merger Agreement may be terminated at any time prior to the consummation of the Merger by the mutual written consent of the Company and CF Corp, provided that such termination will have been approved by their respective boards of directors.

In addition, the Merger Agreement may be terminated by either CF Corp or the Company if:

any governmental authority has issued a final and nonappealable order or there exists any law, in each case, permanently preventing or prohibiting the Merger;

the Merger is not consummated prior to the Outside Termination Date; provided that the right to terminate the Merger Agreement will not be available to any party whose failure to fulfill any obligation under the Merger Agreement has been the cause of, or results in, the failure of the Merger to occur on or before such date;

the Company Required Vote is not obtained at the Company Stockholders Meeting. This provision is no longer applicable following Parent s receipt of the Written Consent on May 24, 2017 (as described in the section entitled The Merger Agreement Written Consent beginning on page 62); or

the CF Corp Required Vote is not obtained at the CF Corp Shareholders Meeting. This provision is no longer applicable following the approval by CF Corp shareholders of the proposals relating to the Merger Agreement and the Merger on August 8, 2017 (as described in the section entitled The Merger Background of the Merger beginning on page 17).

The Merger Agreement also may be terminated by CF Corp if:

the Written Consent has not been executed and delivered to Parent within 48 hours after the execution of the Merger Agreement. This provision is no longer applicable following CF Corp s receipt of the Written

Consent on May 24, 2017 (as described in the section entitled The Merger Agreement Written Consent beginning on page 62);

there has been a breach by the Company of (i) any representation, warranty, covenant or agreement contained in the Merger Agreement that would, individually or in the aggregate, result in a failure by the Company to satisfy the Company Stockholder Approval condition or No Order condition, respectively, if such failure was continuing on the Closing Date, and (ii) such breach has not been cured (or is not capable of being cured) before the Outside Termination Date; or

(i) the Board makes an Adverse Recommendation Change, (ii) the Board materially breaches the no solicitation provision or (iii) the Company enters into, or publicly announces its intention to enter into, any Takeover Proposal documentation with respect to a Superior Proposal.

The Merger Agreement also may be terminated by the Company if :

there has been a breach by CF Corp, Parent or Merger Sub of (i) any representation, warranty, covenant or agreement contained in the Merger Agreement that would, individually or in the aggregate, result in

Table of Contents

a failure of a condition to the consummation of the Merger, if such failure was continuing on the Closing Date, and (ii) such breach has not been cured (or is not capable of being cured) before the Outside Termination Date; or

if (i) the conditions of CF Corp, Parent and Merger Sub to effect the Merger are satisfied or waived and (ii) the Closing has not occurred on or prior to the second (2nd) business day after the satisfaction or waiver of those conditions.

Termination Fees and Expenses

All costs and expenses (including fees and expenses payable to representatives) incurred in connection with the Merger Agreement, the transaction documents, the Merger and the other transactions contemplated by the Merger Agreement will be paid by the party incurring such cost or expense, whether or not the Merger is consummated.

Fees Payable by the Company. The Company will pay CF Corp the Company Termination Fee if the Merger Agreement is terminated:

by CF Corp if the Written Consent has not been executed and delivered within 48 hours after the execution of the Merger Agreement. This provision is no longer applicable following CF Corp s receipt of the Written Consent on May 24, 2017 (as described in the section entitled The Merger Agreement Written Consent beginning on page 62);

by CF Corp if, (i) the Board makes an Adverse Recommendation Change, (ii) the Board recommends to the Company stockholders that they approve or accept a Superior Proposal or (iii) the Board enters into or publicly announces its intention to enter into, any Takeover Documentation with respect to a Takeover Proposal;

by CF Corp or the Company, if at the Company Stockholders Meeting, the Company Required Vote is not obtained. This provision is no longer applicable following Parent s receipt of the Written Consent on May 24, 2017 (as described in the section entitled The Merger Agreement Written Consent beginning on page 62);

by CF Corp or the Company, if the Merger is not consummated prior to the Outside Termination Date, provided that the right to terminate the Merger Agreement will not be available to any party whose failure to fulfill any obligation under the Merger Agreement has been the cause of, or results in, the failure of the Merger to occur on or before such date; or

by CF Corp, if (i) there has been a breach by the Company of any representation, warranty, covenant or agreement contained in the Merger Agreement that would, individually or in the aggregate, result in a failure of a condition to the consummation of the Merger, if such failure was continuing on the Closing Date, and (ii) such breach has not been cured (or is not capable of being cured) before the Outside Termination Date;

and with respect to the preceding two bullets (i) at any time after the date of execution of the Merger Agreement and prior to such termination, a Takeover Proposal will have been publicly announced or publicly made known to the

Board or the stockholders of the Company, and (ii) within twelve (12) months of such termination, the Company will have entered into a definitive agreement to consummate such Takeover Proposal and thereafter consummates such Takeover Proposal.

Amendment and Waiver

The Merger Agreement may be amended by the parties in writing by action of their respective boards of directors, provided that after the approval of the Merger by the Company stockholders, no amendment, modification or supplement may be made which changes the amount or the form of the Merger Consideration delivered to the Company stockholders, or alters or changes any terms or conditions of the Merger Agreement that would materially and adversely affect the Company or the Company Stockholders.

Table of Contents

Prior to the Effective Time, any of CF Corp, Parent or Merger Sub, on the one hand, or the Company, on the other hand, may in writing:

- extend the time for the performance of any of the obligations or other acts of the other party;
- waive any inaccuracies in the representations and warranties of the other party contained in the Merger Agreement or in any document delivered pursuant to the Merger Agreement; or
- waive compliance with any of the agreements or conditions of the other parties contained in the Merger Agreement.

The failure of any party to the Merger Agreement to assert any of its rights under the Merger Agreement or otherwise will not constitute a waiver of those rights.

Specific Performance

The parties to the Merger Agreement are entitled to injunctive or other equitable relief to prevent breaches of the Merger Agreement and to enforce specifically the terms and provisions of the Merger Agreement in any state court in the state of Delaware or any federal court sitting in the state of Delaware, with the parties committing to waive the defense that any such action has a remedy at law.

Governing Law

The Merger Agreement will be governed by and construed in accordance with the laws of the state of Delaware, without respect to its applicable principles of conflicts of laws that might require the application of the laws of another jurisdiction the conflicts of laws principles of Delaware, provided that any action or cause of action related to any Debt Financing Source with respect to the Merger Agreement will be governed by and construed in accordance with the laws of the state of New York.

OTHER AGREEMENTS

This section describes the material terms of certain additional agreements entered into pursuant to the Merger Agreement or in connection with the Merger but this summary does not purport to be complete and may not contain all of the information about such agreements that is important to you. Such information can be found elsewhere in this information statement and in the public filings we make with the SEC, as described in the section entitled, Where You Can Find More Information, beginning on page 87.

Voting Agreement

In connection with the Merger Agreement, the Company entered into the Voting Agreement with CF Capital, FNF, CFS Holdings, CC Capital, BilCar and Richard N. Massey and James A. Quella, directors of CF Corp (the Voting Agreement Parties), each a beneficial owner of CF Corp ordinary shares, pursuant to which each of the Voting Agreement Parties agreed that at CF Corp s general meeting to consider the Merger and related transactions, such Voting Agreement Party will appear at such meeting or otherwise cause their CF Corp ordinary shares to be counted as present thereat for the purpose of establishing a quorum and (ii) such Voting Agreement Party will vote or cause to

be voted at such meeting any of its CF Corp ordinary shares in favor of the Merger and the actions related to compliance with Nasdaq listing rules. Under the Voting Agreement, each of the Voting Agreement Parties also granted an irrevocable proxy to the Company to vote such Voting Agreement Party s shares at the CF Corp general meeting.

Equity Commitment Letters

In order to finance a portion of the business combination consideration and related transactions and the costs and expenses to be incurred in connection therewith, CF Corp entered into equity commitment letters with GSO

Table of Contents

Capital Partners LP (GSO), BTO and FNF, providing for (i) the commitments of GSO and FNF to purchase an aggregate of $375 million of CF Corp preferred shares at the Closing and (ii) the commitments of BTO and FNF to purchase an aggregate maximum amount of $360 million of CF Corp ordinary shares at the Closing. In addition, (a) FNF and GSO have agreed to purchase up to an aggregate maximum amount of $660 million of CF Corp preferred shares to offset potential redemptions, if any, of CF Corp s public shares in connection with its shareholder vote to approve the Merger and related transactions, and (b) BTO and FNF have agreed to purchase up to an aggregate of $300 million of CF Corp ordinary shares to backstop the obligations of the purchasers under CF Corp s forward purchase agreements. The Company is specifically identified as a third party beneficiary under these agreements and, in certain instances, may enforce CF Corp s right to cause such commitments to be funded.

These equity commitment letters are as follows:

BTO Equity Commitment Letter

Pursuant to a letter agreement between BTO and CF Corp, BTO has committed, on the terms and subject to the conditions set forth therein to purchase, or cause the purchase of, newly issued ordinary shares of CF Corp at the Closing for $10.00 per share, for an aggregate cash purchase price of $225 million.

FNF Equity Commitment Letter

Pursuant to a letter agreement between FNF and CF Corp, FNF has committed, on the terms and subject to the conditions set forth therein to purchase, or cause the purchase of, newly issued ordinary shares and newly issued preferred shares of CF Corp at the Closing for an aggregate cash purchase price equal to (x) $235 million plus (y) up to an aggregate of $195 million to offset redemptions of public shares, if any, in connection with CF Corp s shareholder vote to approve the Merger and related transactions.

GSO Equity Commitment Letter

Pursuant to a letter agreement between GSO and CF Corp, GSO has committed, on the terms and subject to the conditions set forth therein to purchase, or cause the purchase of, newly issued preferred shares of CF Corp at the Closing for an aggregate cash purchase price equal to (x) $275 million plus (y) up to an aggregate of $465 million to offset redemptions of public shares, if any, in connection with CF Corp s shareholder vote to approve the Merger and related transactions.

Forward Purchase Backstop Equity Commitment Letter

Pursuant to a letter agreement among BTO, FNF and CF Corp, on the terms and subject to conditions set forth therein, (i) BTO has committed to purchase, or cause the purchase of, newly issued ordinary shares of CF Corp at the Closing for an aggregate cash purchase price equal to one-third (1/3) of the aggregate amount, if any, not funded by one or more anchor investors under their respective forward purchase agreements with CF Corp at or prior to the Closing pursuant to such forward purchase agreements (the FPA Shortfall), up to an aggregate amount of $100 million and (ii) FNF has committed to purchase, or cause the purchase of, newly issued ordinary shares of CF Corp at the Closing for an aggregate cash purchase price equal to two-thirds (2/3) of the FPA Shortfall, up to an aggregate amount of $200 million. With respect to this agreement, FNF and BTO will together purchase ordinary shares of CF Corp equal to the number of ordinary shares that the purchasers under the forward purchase agreements who fail to fund, if any, would have acquired pursuant to the forward purchase agreements in connection with the Merger.

Amendments to Forward Purchase Agreements

CF Corp also entered into amendments to the forward purchase agreements to which it and each of BilCar, CC Capital and CFS Holdings (the Amendment Parties) are parties, pursuant to which the Amendment Parties

Table of Contents

agreed, among other things, to add the Company as a third party beneficiary of such forward purchase agreements, to prohibit assignments and amendments of such forward purchase agreements without the Company s consent and to entitle the Company to specific performance of such forward purchase agreements in certain instances. Furthermore, the amendment to the forward purchase agreement with CFS Holdings provides that CFS Holdings will not be excused from its obligation to purchase the Forward Purchase Securities (as defined in such forward purchase agreement) in connection with the business combination without the consent of the Company.

Limited Guarantees

BTO Limited Guaranty

In connection with the Merger Agreement, BTO has agreed to provide a limited guaranty in favor of the Company (the BTO Limited Guaranty), pursuant to which, in the event (a) of the termination of the Merger Agreement in accordance with its terms and (b)(i) the Company has obtained a final, non-appealable order of damages owing by CF Corp, Parent or Merger Sub as a result of such party s intentional and material breach of the Merger Agreement or fraud or (ii) there is a settlement (by written agreement of the parties to the Merger Agreement) resolving any action brought as a result of CF Corp s, Parent s or Merger Sub s intentional and material breach of the Merger Agreement or fraud, BTO has guaranteed the due and punctual payment when due of twenty percent (20%) of the amount of such order or settlement.

In no event will BTO s aggregate liability under the BTO Limited Guaranty to the Company exceed (x) $217 million less (y) any amounts paid by BTO pursuant to an order or settlement in connection with the BTO Information Delivery Letter (as defined below).

FNF Limited Guaranty

In connection with the Merger Agreement, FNF has agreed to provide a limited guaranty in favor of the Company (the FNF Limited Guaranty), pursuant to which, in the event (a) of the termination of the Merger Agreement in accordance with its terms and (b)(i) the Company has obtained a final, non-appealable order of damages owing by CF Corp, Parent or Merger Sub as a result of such party s intentional and material breach of the Merger Agreement or fraud or (ii) there is a settlement (by written agreement of the parties to the Merger Agreement) resolving any action brought as a result of CF Corp s, Parent s or Merger Sub s intentional and material breach of the Merger Agreement or fraud, FNF has guaranteed the due and punctual payment when due of 2.63% of the amount of such order or settlement.

In no event will FNF s aggregate liability under the FNF Limited Guaranty to the Company exceed (x) $48,300,000 less (y) any amounts paid by FNF pursuant to an order or settlement in connection with the FNF Information Delivery Letter (as defined below).

GSO Limited Guaranty

In connection with the Merger Agreement, certain GSO Capital Partners LP funds (the GSO Guarantors) have agreed to provide a limited guaranty in favor of the Company (the GSO Limited Guaranty), pursuant to which, in the event (a) of the termination of the Merger Agreement in accordance with its terms and (b)(i) the Company has obtained a final, non-appealable order of damages owing by CF Corp, Parent or Merger Sub as a result of such party s intentional and material breach of the Merger Agreement or fraud in an amount in excess of $1.085 billion or (ii) there is a settlement (by written agreement of the parties to the Merger Agreement) resolving any action brought as a result of CF Corp s, Parent s or Merger Sub s intentional and material breach of the Merger Agreement or fraud in an amount in excess of $1.085 billion, each GSO Guarantor has guaranteed the due and punctual payment when due of its pro rata

percentage (twenty percent (20%) in the aggregate) of the amount by which the amount of such order or settlement exceeds $1.085 billion.

Table of Contents

In no event will a GSO Guarantor s aggregate liability under the GSO Limited Guaranty to the Company exceed its pro rata percentage of twenty percent (20%) of $750 million.

Fee Reimbursement Letter

In connection with the Merger Agreement, CF Corp entered into a letter agreement with Messrs. Chu and Foley (the Fee Reimbursement Letter), pursuant to which Messrs. Chu and Foley, on the terms and subject to the conditions described therein, have agreed, in the event of the termination of the Merger Agreement in accordance with its terms, to jointly and severally promptly reimburse, or cause to be reimbursed, the Company for all of its reasonable out-of-pocket legal fees and expenses in connection with litigation giving rise to:

- a final, non-appealable order of damages owing by CF Corp, Parent or Merger Sub as a result of such parties intentional and material breach of the Merger Agreement or fraud; or
- damages owing to CF Corp from a settlement (by written agreement of the parties to the Merger Agreement) resolving any action brought as a result of CF Corp s, Parent s or Merger Sub s intentional and material breach of the Merger Agreement or fraud (the Fee Reimbursement Commitment).

The obligation of Messrs. Chu and Foley to act in accordance with the Fee Reimbursement Commitment will terminate automatically and immediately as of the earlier to occur of (i) the consummation of the Closing and (ii) the six-month anniversary of any termination of the Merger Agreement in accordance with its terms (unless CF Corp has made a claim under the Merger Agreement or the Fee Reimbursement Letter prior to such date, in which case the relevant date will be the date that such claim is finally satisfied or otherwise resolved).

Information Delivery Letters

In furtherance of the obligation of CF Corp to use reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable to fulfill all conditions applicable to CF Corp, Parent and Merger Sub pursuant to the Merger Agreement, CF Corp obtained information delivery letters from: (i) BTO (the BTO Information Delivery Letter), (ii) Mr. Chu and CC Capital (the Chu Information Delivery Letter) and (iii) Mr. Foley and FNF (together with the BTO Information Delivery Letter and the Chu Information Delivery Letter, the Information Delivery Letters) pursuant to which such counterparties agreed, among other things, on the terms and subject to the conditions set forth in the Information Delivery Letters, promptly to provide, or cause to be provided, all agreements, documents, instruments, affidavits, statements or information that may be required or requested by any governmental authority (including under New York Insurance Regulation 52) in connection with their review of the transactions contemplated by the Merger Agreement relating to such counterparties (including their directors, officers, employees, partners, members or shareholders) and all persons who are deemed or may be deemed to control any such counterparty within the meaning of applicable insurance laws, or their structure, ownership, businesses, operations, regulatory and legal compliance, assets, liabilities, financing, financial condition or results of operations, or any of their directors, officers, employees, partners, members or shareholders.

Table of Contents

MARKET PRICE OF OUR STOCK

Shares of Company Common Stock are listed for trading on the NYSE under the symbol FGL . The following table sets forth, for the fiscal quarters indicated, on a per share basis, the high and low sale prices for Company Common Stock for the periods indicated as reported on the NYSE composite transactions reporting system.

	High	Low
Fiscal Year Ended September 30, 2015		
First Quarter	$ 26.59	$ 20.12
Second Quarter	24.85	20.50
Third Quarter	24.24	20.53
Fourth Quarter	27.41	23.01
Fiscal Year Ended September 30, 2016		
First Quarter	27.87	24.01
Second Quarter	26.55	23.99
Third Quarter	26.49	22.17
Fourth Quarter	24.29	21.42
Fiscal Year Ended September 30, 2017		
First Quarter	24.25	21.10
Second Quarter	27.95	23.45

The closing price of the shares of Company Common Stock on the NYSE on May 23, 2017, the last full trading day prior to the announcement of the merger, was $28.70 per share. On August 11, 2017, the most recent practicable date before this information statement was printed, the closing price for the shares of Company Common Stock on the NYSE was $31.15 per share.

In connection with the merger, the Company agreed not to declare or pay any dividend or other distribution with respect to its capital stock, except for the Company s regular quarterly cash dividend for its common stock consistent with past practice and not in excess of $0.065 per share.

Following the merger there will be no further market for Company Common Stock.

Table of Contents

APPRAISAL RIGHTS

The discussion of the provisions set forth below is not a complete summary regarding your appraisal rights under Delaware law and is qualified in its entirety by reference to Section 262 of the DGCL which is attached to this information statement as Annex D. Stockholders intending to exercise appraisal rights should carefully review Annex D in its entirety. Failure to follow precisely any of the statutory procedures set forth in Section 262 of the DGCL may result in a termination or waiver of these rights.

If you comply with the applicable statutory procedures of Section 262 of the DGCL, you may be entitled to appraisal rights under Section 262 of the DGCL. To exercise and perfect appraisal rights, a record holder of shares of Company Common Stock must follow precisely the statutory procedures pursuant to Section 262 of the DGCL required to be followed by a stockholder to perfect appraisal rights.

Section 262 of the DGCL is reprinted in its entirety as Annex D to this information statement. Set forth below is a summary description of Section 262 of the DGCL. The following is intended as a brief summary of the material provisions of statutory procedures pursuant to Section 262 of the DGCL required to be followed by a stockholder to perfect appraisal rights. This summary, however, is not a complete statement of all applicable requirements and is qualified in its entirety by reference to the full text of Section 262 of the DGCL, which appears in Annex D to this information statement. All references in Section 262 and this summary to stockholder are to the record holder of the shares of Company Common Stock immediately prior to the Effective Time as to which appraisal rights are asserted. Failure to comply strictly with the procedures set forth in Section 262 of the DGCL may result in the loss of appraisal rights.

Under the DGCL, holders of shares of Company Common Stock who follow the procedures set forth in Section 262 of the DGCL will be entitled to have their shares appraised by the Court of Chancery of the State of Delaware, or the Delaware Court of Chancery, and to receive payment in cash of the fair value of those shares, together with interest but exclusive of any element of value arising from the accomplishment or expectation of the Merger.

Under Section 262 of the DGCL, where a merger agreement relating to a proposed merger is adopted by stockholders acting by written consent in lieu of a meeting of the stockholders, the corporation must notify each of its stockholders who was a stockholder on the record date (which may be fixed in advance by the corporation (not more than ten (10) days prior to the date of the notice), or if not fixed in advance, will either be the day before the notice is given (if sent prior to the Effective Time) or will be the date of the Effective Time (if sent following the Effective Time)) that appraisal rights are available, and must include in each such notice a copy of Section 262 of the DGCL. This information statement constitutes such notice to the holders of shares of Company Common Stock and Section 262 of the DGCL is attached to this information statement as Annex D. Any stockholder who wishes to exercise such appraisal rights or who wishes to preserve his, her or its right to do so should review the following discussion and Annex D carefully, because failure to timely and properly comply with the procedures specified will result in the loss of appraisal rights under the DGCL.

Holders of shares of Company Common Stock who desire to exercise their appraisal rights must deliver to the Company a written demand for appraisal of their shares of Company Common Stock no later than twenty (20) days after the date of mailing of the information statement (which includes the notice of written consent and appraisal rights), or September 5, 2017. A demand for appraisal will be sufficient if it reasonably informs the Company of the identity of the stockholder and that such stockholder intends thereby to demand appraisal of such stockholder s shares of Company Common Stock. If you wish to exercise your appraisal rights you must be the record holder of such shares of Company Common Stock on the date the written demand for appraisal is made and you must continue to hold such shares of Company Common Stock through the Effective Time. Accordingly, a stockholder who is the

record holder of shares of Company Common Stock on the date the written demand for appraisal is made, but who thereafter transfers such shares prior to the Effective Time, will lose any right to appraisal in respect of such shares.

Table of Contents

All written demands for appraisal of shares of Company Common Stock must be mailed or delivered to: Fidelity & Guaranty Life, 601 Locust Street, 14th Floor, Des Moines, Iowa 50309-3738, Attention: General Counsel. Only a holder of record of shares of Company Common Stock is entitled to demand an appraisal of the shares registered in that holder s name. Accordingly, to be effective, a demand for appraisal by a stockholder of shares of Company Common Stock (a) must be made by, or in the name of, the record stockholder, fully and correctly, as the stockholder s name appears on the stockholder s stock certificate(s) or in the transfer agent s records, in the case of uncertificated shares, (b) should specify the stockholder s mailing address and the number of shares registered in the stockholder s name, and (c) must state that the person intends thereby to demand appraisal of the stockholder s shares in connection with the Merger. The demand cannot be made by the beneficial owner if he or she is not the record holder of the shares of Company Common Stock. The beneficial holder must, in such cases, have the registered owner, such as a bank, brokerage firm, trust or other nominee, submit the required demand in respect of those shares of Company Common Stock. **If you hold your shares of Company Common Stock through a bank, brokerage firm, trust or other nominee and you wish to exercise appraisal rights, you should consult with your bank, brokerage firm, trust or the other nominee to determine the appropriate procedures for the making of a demand for appraisal by the nominee.** A person having a beneficial interest in shares held of record in the name of another person, such as a broker, bank, trust or other nominee, must act promptly to cause the record holder to follow properly and in a timely manner the steps necessary to perfect appraisal rights in accordance with Section 262 of the DGCL.

If shares of Company Common Stock are owned of record in a fiduciary capacity, such as by a trustee, guardian or custodian, execution of a demand for appraisal should be made by the fiduciary in that capacity. If the shares of Company Common Stock are owned of record by more than one person, as in a joint tenancy or tenancy in common, the demand should be executed by or for all joint owners. An authorized agent, including an authorized agent for two or more joint owners, may execute the demand for appraisal for a stockholder of record; however, the agent must identify the record owner or owners and expressly disclose the fact that, in executing the demand, he or she is acting as agent for the record owner. A record owner, such as a bank, brokerage firm, trust or other nominee, who holds shares of Company Common Stock as a nominee for others, may exercise his or her right of appraisal with respect to the shares of Company Common Stock held for one or more beneficial owners, while not exercising this right for other beneficial owners. In that case, the written demand should state the number of shares of Company Common Stock as to which appraisal is sought. If you hold shares of Company Common Stock through a broker who in turn holds the shares through a central securities depository nominee, such as Cede & Co., a demand for appraisal of such shares of Company Common Stock must be made by or on behalf of the depository nominee and must identify the depository nominee as record holder. Where no number of shares of Company Common Stock is expressly mentioned, the demand will be presumed to cover all shares of Company Common Stock held in the name of the record owner.

Within ten (10) days after the Effective Time, the surviving corporation in the Merger must give written notice that the Merger has become effective to each of the Company stockholders who properly asserted appraisal rights under Section 262 of the DGCL. At any time within sixty (60) days after the Effective Time, any stockholder who has demanded an appraisal, but has not commenced an appraisal proceeding or joined a proceeding as a named party may withdraw the demand and accept the consideration specified by the Merger Agreement for that stockholder s shares of Company Common Stock by delivering to the surviving corporation a written withdrawal of the demand for appraisal. However, any such attempt to withdraw the demand made more than sixty (60) days after the Effective Time will require written approval of the surviving corporation. Unless the demand is properly withdrawn by the stockholder who has not commenced an appraisal proceeding or joined that proceeding as a named party within sixty (60) days after the Effective Time, no appraisal proceeding in the Delaware Court of Chancery will be dismissed as to any stockholder without the approval of the Delaware Court of Chancery, with such approval conditioned upon such terms as the Delaware Court of Chancery deems just. If the surviving corporation does not approve a request to withdraw a demand for appraisal when that approval is required, or, except with respect to any stockholder who withdraws such

stockholder s right to appraisal in accordance with the proviso in the immediately preceding sentence, if the Delaware Court of Chancery does not approve the dismissal of an appraisal proceeding, the stockholder will be entitled to receive only the appraised

Table of Contents

value of such stockholder s shares as determined in any such appraisal proceeding, which value could be less than, equal to or more than the consideration offered pursuant to the Merger Agreement.

Within one hundred twenty (120) days after the Effective Time, but not thereafter, either the surviving corporation or any stockholder who has complied with the requirements of Section 262 and is entitled to appraisal rights under Section 262 may commence an appraisal proceeding by filing a petition in the Delaware Court of Chancery demanding a determination of the fair value of the shares of Company Common Stock held by all stockholders entitled to appraisal. Upon the filing of the petition by a stockholder, service of a copy of such petition w be made upon the surviving corporation. The surviving corporation has no obligation to file such a petition, has no present intention to file a petition and holders of shares of Company Common Stock should not assume that the surviving corporation will file a petition.

Accordingly, it is the obligation of the holders of shares of Company Common Stock to initiate all necessary action to perfect their appraisal rights in respect of shares of Company Common Stock within the time prescribed in Section 262 and the failure of a stockholder to file such a petition within the period specified in Section 262 could result in a loss of such stockholder s appraisal rights. In addition, within 120 days after the Effective Time, any stockholder who has properly complied with the requirements of Section 262 of the DGCL will be entitled to receive from the surviving corporation, upon written request, a statement setting forth the aggregate number of shares of Company Common Stock not voted in favor of the Merger Agreement and with respect to which demands for appraisal have been received and the aggregate number of holders of such shares. The statement must be mailed within 10 days after such written request has been received by the surviving corporation or within 10 days after the expiration of the period for delivery of demands for appraisal, whichever is later. A person who is the beneficial owner of shares of Company Common Stock held either in a voting trust or by a nominee on behalf of such person may, in such person s own name, file a petition for appraisal or request from the surviving corporation such statement.

If a petition for appraisal is duly filed by a stockholder and a copy of the petition is delivered to the surviving corporation, then the surviving corporation will be obligated, within twenty (20) days after receiving service of a copy of the petition, to file with the Delaware Register in Chancery a duly verified list containing the names and addresses of all stockholders who have demanded payment for their shares of Company Common Stock and with whom agreements as to the value of their shares of Company Common Stock have not been reached by the surviving corporation. After notice to stockholders who have demanded appraisal, if such notice is ordered by the Delaware Court of Chancery, the Delaware Court of Chancery is empowered to conduct a hearing upon the petition and to determine those stockholders who have complied with Section 262 and who have become entitled to the appraisal rights provided by Section 262. The Delaware Court of Chancery may require stockholders who have demanded payment for their shares of Company Common Stock to submit their stock certificates to the Register in Chancery for notation of the pendency of the appraisal proceedings, and if any stockholder fails to comply with that direction, the Delaware Court of Chancery may dismiss the proceedings as to that stockholder. Upon application by the surviving corporation or by any stockholder entitled to participate in the appraisal proceeding, the Delaware Court of Chancery may, in its discretion, proceed to trial upon the appraisal prior to the final determination of the stockholders entitled to an appraisal. After determination of the stockholders entitled to appraisal of their shares of Company Common Stock, the appraisal proceeding shall be conducted in accordance with the rules of the Delaware Court of Chancery, including any rules specifically governing appraisal proceedings. Through such proceeding the Delaware Court of Chancery will determine the fair value of the shares of Company Common Stock, as of the Effective Time after taking into account all relevant factors exclusive of any element of value arising from the accomplishment or expectation of the Merger, together with interest, if any, to be paid upon the amount determined to be the fair value. When the fair value has been determined, the Delaware Court of Chancery will direct the payment of such value upon surrender by those stockholders of the certificates representing their shares of Company Common Stock. Unless the Court in its discretion determines otherwise for good cause shown, interest from the Effective Time through the date of payment

of the judgment shall be compounded quarterly and shall accrue at 5% over the Federal Reserve

Table of Contents

discount rate (including any surcharge) as established from time to time during the period between the Effective Time and the date of payment of the judgment.

You should be aware that an investment banking opinion as to the fairness from a financial point of view of the consideration to be received in a sale transaction, such as the Merger, is not an opinion as to fair value under Section 262. **Although we believe that the Merger Consideration is fair, no representation is made as to the outcome of the appraisal of fair value as determined by the Delaware Court of Chancery and stockholders should recognize that such an appraisal could result in a determination of a value higher or lower than, or the same as, the Merger Consideration.** Moreover, we do not anticipate offering more than the Merger Consideration to any stockholder exercising appraisal rights and reserve the right to assert, in any appraisal proceeding, that, for purposes of Section 262, the fair value of a share of Company Common Stock is less than the Merger Consideration. In determining fair value, the Court is required to take into account all relevant factors. In Weinberger v. UOP, Inc., the Delaware Supreme Court discussed the factors that could be considered in determining fair value in an appraisal proceeding, stating that proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court should be considered and that [f]air price obviously requires consideration of all relevant factors involving the value of a company. The Delaware Supreme Court has stated that in making this determination of fair value, the court must consider market value, asset value, dividends, earnings prospects, the nature of the enterprise and any other facts which were known or which could be ascertained as of the date of the Merger which throw any light on future prospects of the merged corporation. Section 262 provides that fair value is to be exclusive of any element of value arising from the accomplishment or expectation of the merger. In Cede & Co. v. Technicolor, Inc., the Delaware Supreme Court stated that such exclusion is a narrow exclusion [that] does not encompass known elements of value, but which rather applies only to the speculative elements of value arising from such accomplishment or expectation. In Weinberger, the Delaware Supreme Court also stated that elements of future value, including the nature of the enterprise, which are known or susceptible of proof as of the date of the Merger and not the product of speculation, may be considered. In addition, the Delaware courts have decided that the statutory appraisal remedy, depending on factual circumstances, may or may not be a dissenting stockholder s exclusive remedy.

Costs of the appraisal proceeding (which do not include attorneys fees or the fees and expenses of experts) may be determined by the Delaware Court of Chancery and imposed upon the parties participating in the appraisal proceeding by the Delaware Court of Chancery, as it deems equitable in the circumstances. Upon the application of a stockholder, the Delaware Court of Chancery may order all or a portion of the expenses incurred by any stockholder in connection with the appraisal proceeding, including, without limitation, reasonable attorneys fees and the fees and expenses of experts used in the appraisal proceeding, to be charged pro rata against the value of all shares of Company Common Stock entitled to appraisal. Any stockholder who demanded appraisal rights will not, after the Effective Time, be entitled to vote shares of Company Common Stock subject to that demand for any purpose or to receive payments of dividends or any other distribution with respect to those shares of Company Common Stock, other than with respect to payment as of a record date prior to the Effective Time. If no petition for appraisal is filed within one hundred twenty (120) days after the Effective Time, or if the stockholder otherwise fails to perfect, successfully withdraws or loses such holder s right to appraisal, then the right of that stockholder to appraisal will cease and that stockholder s shares of Company Common Stock will be deemed to have been converted at the Effective Time into the right to receive the Merger Consideration, without interest and less any required withholding taxes. A stockholder will fail to perfect, or effectively lose, the right to appraisal if no petition for appraisal is filed within one hundred twenty (120) days after the Effective Time. In addition, as indicated above, a stockholder may withdraw his, her or its demand for appraisal in accordance with Section 262 at any time within sixty (60) days after the Effective Time (or thereafter with the written approval of the Company) and accept the Merger Consideration, without interest and less any required withholding taxes, offered pursuant to the Merger Agreement. Once a petition for appraisal has been filed with the Delaware Court of Chancery, however, the appraisal proceeding may not be dismissed as to any stockholder of the Company without

the approval of the Delaware Court of Chancery, and such approval may be conditioned upon such terms as the Delaware Court of Chancery deems just; provided, that such restriction shall not affect the right of any

Table of Contents

stockholder who has not commenced an appraisal proceeding or joined the appraisal proceeding as a named party to withdraw such stockholder s demand for appraisal and to accept the Merger Consideration, without interest and less any required withholding taxes, within sixty (60) days after the Effective Time. Failure to comply strictly with all of the procedures set forth in Section 262 of the DGCL will result in the loss of a stockholder s statutory appraisal rights.

In view of the complexity of Section 262 of the DGCL, the Company stockholders who may wish to dissent to the Merger and pursue appraisal rights should consult their legal and financial advisors.

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, and other documents with the SEC. These reports contain additional information about the Company. Stockholders may read and copy any reports, statements or other information filed by the Company at the SEC s Public Reference Room, 100 F Street, N.E., Washington, D.C. 20549. You may also obtain copies of this information by mail from the Public Reference Section of the SEC, 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates. Please call the SEC at (800) SEC-0330 for further information on the operation of the Public Reference Room. The Company s SEC filings are made electronically available to the public at the SEC s website located at *www.sec.gov*. Stockholders can also obtain free copies of our SEC filings through the Investor Relations section of the Company s website at *www.fglife.com*. Our website address is being provided as an inactive textual reference only. The material located on such website is not a part of, or otherwise incorporated into, this information statement.

The SEC allows the Company to incorporate by reference information that it files with the SEC in other documents into this information statement. This means that the Company may disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be part of this information statement. This information statement and the information that the Company files later with the SEC may update and supersede the information incorporated by reference. Such updated and superseded information will not, except as so modified or superseded, constitute part of this information statement.

The Company incorporates by reference each document it files under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of the initial filing of this information statement and before the Effective Time. The Company also incorporates by reference in this information statement the following documents filed by it with the SEC under the Exchange Act:

Fidelity & Guaranty Life Filings:	**Periods:**
Annual Report on Form 10-K	Fiscal Year ended September 30, 2016
Quarterly Report on Form 10-Q	Quarterly period ended December 31, 2016
Quarterly Report on Form 10-Q	Quarterly period ended March 31, 2017
Quarterly Report on Form 10-Q	Quarterly period ended June 30, 2017

The Company undertakes to provide without charge to each person to whom a copy of this information statement has been delivered, upon request, by first class mail or other equally prompt means, a copy of any or all of the documents incorporated by reference in this information statement, other than the exhibits to these documents, unless the exhibits are specifically incorporated by reference into the information that this information statement incorporates. You may obtain documents incorporated by reference by requesting them in writing or by telephone at Fidelity & Guaranty Life, Two Ruan Center, 601 Locust Street, 14th Floor, Des Moines, Iowa 50309, Attention: Investor Relations Department, Telephone: (515) 330-3307.

CF Corp, Parent and Merger Sub have supplied, and the Company has not independently verified, the information in this information statement relating to CF Corp, Parent and Merger Sub.

Some banks, brokers and other nominee record holders may be participating in the practice of householding information statements and annual reports. This means that only one copy of our information statement may have been sent to multiple stockholders in your household. We will promptly deliver a separate copy of this document if requested. Please direct your inquiry or request by mail or telephone to us at the above address and telephone number. If you want to receive separate copies of the information statement or annual report to stockholders in the future, or if

you are receiving multiple copies and would like to receive only one copy per household, you should contact your bank, broker or other nominee record holder, or you may contact us at the above address and telephone number.

Table of Contents

Stockholders should not rely on information that purports to be made by or on behalf of the Company other than that contained in or incorporated by reference in this information statement. The Company has not authorized anyone to provide information on behalf of the Company that is different from that contained in this information statement. This information statement is dated August 14, 2017. No assumption should be made that the information contained in this information statement is accurate as of any date other than that date, and the mailing of this information statement will not create any implication to the contrary. Notwithstanding the foregoing, in the event of any material change in any of the information previously disclosed, the Company will, where relevant and if required by applicable law, update such information through a supplement to this information statement.

Table of Contents

Annex A-1

Execution Version

AGREEMENT AND PLAN OF MERGER

by and among

CF CORPORATION,

FGL US HOLDINGS INC.,

FGL MERGER SUB INC.

and

FIDELITY & GUARANTY LIFE

Dated as of May 24, 2017

Table of Contents

TABLE OF CONTENTS

Table of Contents

COVENANTS

Table of Contents

Table of Contents

EXHIBITS

SCHEDULES

Table of Contents

AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER (together with all annexes, letters, schedules and exhibits hereto, this "Agreement"), dated as of May 24, 2017, is by and among CF Corporation, a Cayman Islands exempted corporation ("CF Corp"), FGL US Holdings Inc., a Delaware corporation and wholly owned indirect subsidiary of CF Corp ("Parent"), FGL Merger Sub Inc., a Delaware corporation and wholly owned subsidiary of Parent ("Merger Sub"), and Fidelity & Guaranty Life, a Delaware corporation (the "Company").

W I T N E S S E T H:

WHEREAS, the Company and Merger Sub each has determined that it is advisable, fair to and in the best interests of its respective stockholders to effect a merger (the "Merger") of Merger Sub with and into the Company pursuant to the Delaware General Corporation Law (the "DGCL") upon the terms and subject to the conditions set forth in this Agreement, pursuant to which each outstanding share of common stock, par value $0.01 per share, of the Company (the "Company Common Stock") shall be converted into the right to receive cash, as set forth herein, all upon the terms and subject to the conditions of this Agreement;

WHEREAS, the Board of Directors of the Company (the "Company Board of Directors") has (i) determined that this Agreement, the Merger and the other transactions contemplated hereby, taken together, are at a price and on terms that are fair to, advisable and in the best interests of the Company and its stockholders (the "Company Stockholders") and (ii) adopted resolutions adopting and approving this Agreement, the Merger and the other transactions contemplated hereby, declaring its advisability and recommending the adoption by the Company Stockholders of this Agreement, the Merger and the other transactions contemplated hereby;

WHEREAS, following the execution and delivery of this Agreement, and as a condition and material inducement to CF Corp's, Parent's and Merger Sub's willingness to enter into this Agreement, a certain stockholder of the Company is executing and delivering to the Company and CF Corp an irrevocable written consent pursuant to which such holder shall approve and adopt this Agreement in accordance with Sections 228 and 251(c) of the DGCL;

WHEREAS, the Board of Directors of Merger Sub has (i) determined that this Agreement, the Merger and the other transactions contemplated hereby, taken together, are at a price and on terms that are fair to, advisable and in the best interests of Merger Sub and its sole stockholder and (ii) adopted resolutions adopting and approving this Agreement, the Merger and the other transactions contemplated hereby, declaring its advisability and recommending the adoption by its sole stockholder of this Agreement, the Merger and the other transactions contemplated hereby;

WHEREAS, the Board of Directors of each of CF Corp and Parent, and Parent, as the sole stockholder of Merger Sub, in each case has approved and adopted this Agreement, the Merger and the other transactions contemplated hereby;

WHEREAS, concurrently with the execution and delivery of this Agreement, CF Corp is delivering to the Company the Equity Commitment Letters whereby Blackstone Tactical Opportunities Fund II L.P. (the "Blackstone Fund"), GSO Capital Partners LP (the "GSO Fund") and Fidelity National Financial, Inc. ("FNF") have each committed to provide or cause to be provided to CF Corp a portion of the equity financing necessary to fund the transactions contemplated hereby;

WHEREAS, concurrently with the execution and delivery of this Agreement, CF Corp is delivering to the Company (i) a limited guaranty of the Blackstone Fund, dated as of the date hereof, in favor of the Company (the "Blackstone Fund Limited Guaranty"), whereby the Blackstone Fund has guaranteed certain obligations of CF Corp, Parent and Merger Sub under this Agreement, (ii) a limited guaranty of the GSO Guarantors, dated as of

the date hereof, in favor of the Company (the GSO Limited Guaranty), whereby the GSO Guarantors have guaranteed certain obligations of CF Corp, Parent and Merger Sub under this Agreement, (iii) a limited guaranty of FNF, dated as of the date hereof, in favor of the Company (the FNF Limited Guaranty), whereby FNF has guaranteed certain obligations of CF Corp, Parent and Merger Sub under this Agreement and (iv) a limited guaranty of Chinh E. Chu and William P. Foley in favor of the Company (the Fee Reimbursement Letter and together with the Blackstone Fund Limited Guaranty, the GSO Limited Guaranty and the FNF Limited Guaranty, the Limited Guaranties); and

WHEREAS, concurrently with the execution and delivery of this Agreement, CF Corp is delivering to the Company (i) a letter agreement, dated as of the date hereof, by and among the Blackstone Fund, CF Corp and the Company (the Blackstone Information Letter Agreement), (ii) a letter agreement, dated as of the date hereof, by and among FNF, William P. Foley, CF Corp and the Company (the FNF Information Letter Agreement) and (iii) a letter agreement, dated as of the date hereof, by and among CC Capital Management, LLC, Chinh E. Chu, CF Corp and the Company (together with the Blackstone Information Letter Agreement and the FNF Information Letter Agreement, the Information Letter Agreements).

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements contained in this Agreement, the parties agree as follows:

ARTICLE I

DEFINITIONS AND TERMS

Section 1.01 Defined Terms.

Accommodation Filings shall have the meaning set forth in Section 6.03(e).

Action shall mean any action, suit or proceeding by or before any Governmental Authority.

Adverse Recommendation Change shall have the meaning set forth in Section 6.06(b).

Affiliate of any Person shall mean another Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such first Person; provided, that Leucadia National Corporation and Fortress Investment Group LLC and their respective Affiliates, other than HRG Group, Inc. and its controlled Affiliates, shall not constitute Affiliates of the Company.

Agreement shall have the meaning set forth in the Preamble.

Alternative Financing shall have the meaning set forth in Section 6.10(c).

Annual Financial Statements shall have the meaning set forth in Section 6.10(a).

Appraisal Shares shall mean Shares issued and outstanding immediately prior to the Effective Time that are held by any holder who is entitled to demand and properly demands appraisal of such Shares pursuant to, and who complies with, the provisions of Section 262 of the DGCL.

Benefit Plan shall have the meaning set forth in Section 4.17(a).

Blackstone Fund shall have the meaning set forth in the Recitals.

Blackstone Fund Limited Guaranty shall have the meaning set forth in the Recitals.

Blackstone Information Letter Agreement shall have the meaning set forth in the Recitals.

Book-Entry Share shall mean each entry in the books of the Company (or its transfer agent) representing uncertificated Shares.

Business Day shall mean any day other than a Saturday, Sunday or a day on which banking institutions in New York, New York or Bermuda are authorized or obligated by Law or executive order to be closed.

Certificate shall mean each certificate representing one or more Shares or, in the case of uncertificated Shares, each Book-Entry Share.

Certificate of Merger shall mean the certificate of merger with respect to the Merger, containing the provisions required by, and executed in accordance with, the DGCL.

CF Corp shall have the meaning set forth in the Preamble.

CF Corp Balance Sheet shall mean the balance sheet of CF Corp as of December 31, 2016 and the footnotes thereto set forth in CF Corp s Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

CF Corp Class A Shares shall have the meaning set forth in Section 5.03(a).

CF Corp Class B Shares shall have the meaning set forth in Section 5.03(a).

CF Corp Disclosure Letter shall mean the CF Corp Disclosure Letter dated the date hereof and delivered by CF Corp to the Company prior to the execution of this Agreement.

CF Corp Financial Statements shall mean all of the financial statements of CF Corp included in the CF Corp Reports.

CF Corp Material Adverse Effect shall mean a failure of, or a material impairment of, or material delay in, the ability of CF Corp and its Subsidiaries to perform their obligations under this Agreement.

CF Corp Ordinary Shares shall have the meaning set forth in Section 5.03(a).

CF Corp Permits shall mean all Permits necessary for the lawful conduct of the businesses of CF Corp and its Subsidiaries (but not including the Company or the Company Insurance Entities).

CF Corp Preferred Shares shall have the meaning set forth in Section 5.03(a).

CF Corp Proxy Statement shall mean a definitive proxy statement, including the related preliminary proxy statement, and any amendment or supplement thereto, relating to the Merger and this Agreement and the CF Corp Shareholder Proposals to be mailed to the CF Corp Shareholders in connection with the CF Corp Shareholders Meeting.

CF Corp Reports shall mean all forms, reports, statements, information, registration statements and other documents (as supplemented and amended since the time of filing) filed or required to be filed by CF Corp with the SEC.

CF Corp Required Vote shall mean the affirmative vote of the holders of a majority of the CF Corp Ordinary Shares voted at the CF Corp Shareholders Meeting to approve the CF Corp Shareholder Proposals.

CF Corp Shareholder Proposals shall have the meaning set forth in Section 6.05(b).

Table of Contents

CF Corp Shareholder Redemption shall have the meaning set forth in Section 6.05(b).

CF Corp Shareholders shall mean the shareholders of CF Corp.

CF Corp Shareholders Meeting shall mean a meeting of the CF Corp Shareholders to be called to consider the CF Corp Shareholder Proposals, including giving effect to any adjournment or postponement thereof.

CF Corp Shares shall have the meaning set forth in Section 5.03(a).

Change in Circumstance shall mean any material event or development or material change in circumstance with respect to the Company or its Subsidiaries that was not known to the Company Board of Directors prior to the date hereof; provided, that for the avoidance of doubt the receipt or publication of a Takeover Proposal shall not constitute a Change in Circumstance.

Closing shall have the meaning set forth in Section 2.02.

Closing Date shall have the meaning set forth in Section 2.02.

Code shall mean the Internal Revenue Code of 1986.

Committed Lenders shall have the meaning set forth in Section 5.13(a).

Company shall have the meaning set forth in the Preamble.

Company 10-K shall mean the Company s Annual Report on Form 10-K for the fiscal year ended September 30, 2016.

Company Balance Sheet shall mean the consolidated balance sheet of the Company as of September 30, 2016 and the footnotes thereto set forth in the Company 10-K.

Company Board of Directors shall have the meaning set forth in the Recitals.

Company By-laws shall mean the Second Amended and Restated By-laws of the Company as amended and restated and as in effect as of the date hereof.

Company Certificate of Incorporation shall mean the Amended and Restated Certificate of Incorporation of the Company as amended and restated and as in effect as of the date hereof.

Company Common Stock shall have the meaning set forth in the Recitals.

Company Disclosure Letter shall mean the Company Disclosure Letter dated the date hereof and delivered by the Company to CF Corp prior to the execution of this Agreement.

Company Employee shall have the meaning set forth in Section 6.13(a).

Company Equity Plan shall mean the 2013 Stock Incentive Plan and any other plan or award agreement pursuant to which outstanding Company Stock Options, Company Performance RSUs and Company Restricted Stock Rights have been granted.

Company Existing Credit Agreement shall mean that certain Credit Agreement, dated as of August 26, 2014 (as amended, restated, supplemented or otherwise modified from time to time), by and among Fidelity & Guaranty Life Holdings, Royal Bank of Canada, as administrative agent, and the lenders party thereto, including any successor credit agreement having terms substantially similar to the terms of such Credit Agreement, as such terms may be amended or otherwise modified in accordance with the terms of this Agreement.

Company Existing Credit Documents shall mean, collectively, (a) the Company Existing Credit Agreement and (b) the Loan Documents (as defined in the Company Existing Credit Agreement).

Company Existing Indenture shall mean the Indenture, dated as of March 27, 2013 (as amended, supplemented or otherwise modified from time to time, including pursuant to the First Supplemental Indenture, dated as of March 27, 2013) by and among Fidelity & Guaranty Life Holdings, as issuer, the subsidiary guarantors party thereto and Wells Fargo Bank, National Association, as trustee.

Company Existing Notes means the 6.375% Senior Notes of the Company due March 27, 2021 issued under the Company Existing Indenture.

Company Existing Notes Payoff Amount means an amount sufficient to pay the redemption price of the Company Existing Notes, together with accrued interest thereon, on the Closing Date pursuant to Section 5.6 of the Company Existing Indenture.

Company Financial Statements shall mean all of the financial statements of the Company and its Subsidiaries included in the Company Reports.

Company Insurance Entities shall have the meaning set forth in Section 4.11(a).

Company Material Adverse Effect shall mean a material adverse effect on the financial condition or results of operations of the Company and its Subsidiaries, taken as a whole; provided, however, that in no event shall any of the following, alone or in combination, be deemed to constitute, nor be taken into account in determining whether there has been or will be, a Company Material Adverse Effect: (a) any change, event, effect or circumstance that results from changes affecting the life insurance and annuity industry, or the United States economy, or from changes affecting worldwide economic or capital market conditions, (b) any failure by the Company to meet any published analyst estimates or expectations of the Company s revenue, earnings or other financial performance or results of operations for any period, in and of itself (but not the underlying cause thereof), or any failure by the Company to meet its internal or published projections, budgets, plans or forecasts of its revenues, earnings or other financial performance or results of operations or any change in the price or trading volume of the Company Common Stock, in and of itself (but not the underlying cause thereof), (c) any change, event, effect or circumstance arising out of the announcement of this Agreement and the transactions contemplated hereby or the pendency of the Merger or the identity of the parties to this Agreement, including any termination of, reduction in or similar negative impact on relationships, contractual or otherwise, with any customers, suppliers, agents, policyholders, partners or employees of the Company and its Subsidiaries, (d) any actions taken or omitted to be taken in connection with this Agreement (including pursuant to Section 6.03) to obtain any consent, approval, authorization or waiver under applicable Law in connection with the Merger and the other transactions contemplated by this Agreement, (e) any changes in global or national political conditions (including the outbreak or escalation of war, military action, sabotage or acts of terrorism) or changes due to any pandemic, natural disaster or other act of nature, (f) the entering into and performance of this Agreement and the transactions contemplated hereby, including compliance with the covenants set forth herein, or any action taken or omitted to be taken by the Company at the request or with the prior consent of CF Corp, Parent or Merger Sub, (g) the effects of any breach, violation or non-performance of any provision of this Agreement by CF Corp, Parent or any of their Affiliates, (h) changes in or adoption of any applicable Laws or regulations or applicable accounting regulations or principles or interpretations thereof (including, changes in GAAP or in SAP prescribed or permitted by the applicable insurance regulatory authority and accounting pronouncements by the SEC, the National Association of Insurance Commissioners and the Financial Accounting Standards Board), (i) any pending, initiated or threatened Action against the Company, any of its Affiliates or any of their respective directors or officers arising out of this Agreement or the transactions contemplated hereby, (j) changes in the value of the Investment Assets, (k) any

change or development in the credit, financial strength or other rating of the Company, any of its Subsidiaries or its outstanding debt (but not the underlying cause thereof, unless the underlying cause thereof arises directly or indirectly from the proposed funding of the Merger Consideration or

the proposed refinancing of any outstanding indebtedness of the Company or any of its Subsidiaries, in which case it shall not be deemed to constitute, or be taken into account in determining whether there has been or will be, a Company Material Adverse Effect), or (l) any item set forth in the Company Disclosure Letter; except with respect to clauses (a), (e) or (h), to the extent that such change, event or effect is disproportionately adverse to the Company and its Subsidiaries, taken as a whole, as compared to other companies operating in the industries in which the Company and its Subsidiaries operate.

Company Performance RSU shall mean a performance restricted stock unit granted pursuant to a Company Equity Plan that vests on the basis of time and the achievement of performance targets and pursuant to which the holder has a right to receive shares of Company Common Stock or cash after the vesting or lapse of restrictions applicable to such performance restricted stock unit.

Company Permits shall mean all Permits necessary for the lawful conduct of the businesses of the Company and its Subsidiaries.

Company Proxy Statement shall mean a definitive proxy statement, including the related preliminary proxy statement, and any amendment or supplement thereto, relating to the Merger and this Agreement to be mailed to the Company Stockholders in connection with the Company Stockholders Meeting, in the event the Stockholder Written Consent is not delivered to CF Corp and CF Corp does not terminate this Agreement in accordance with Section 8.01(c).

Company Related Parties means the Company, its Affiliates and their respective stockholders, partners, members, officers, directors, employees, controlling persons, agents and representatives; it being understood that the Equity Providers, William P. Foley, Chinh E. Chu, CF Corp, Parent and Merger Sub, together with their respective Affiliates, shall not be Company Related Parties for any purposes hereunder.

Company Reports shall mean all forms, reports, statements, information, registration statements and other documents (as supplemented and amended since the time of filing) filed or required to be filed by the Company with the SEC since September 30, 2016 through the date hereof.

Company Required Vote shall mean the affirmative vote of the holders of at least a majority of the outstanding Shares in favor of adoption of this Agreement.

Company Restricted Stock Right shall mean a share of Company Common Stock granted pursuant to a Company Equity Plan that vests solely on the basis of time.

Company SAP Statements shall have the meaning set forth in Section 4.11(a).

Company Stock Option shall mean each option to purchase shares of Company Common Stock granted pursuant to a Company Equity Plan.

Company Stock Rights shall mean any options, warrants, calls, redemption rights, preemptive rights, convertible securities, subscriptions, stock appreciation rights, phantom stock plans or stock equivalents or other rights, agreements, arrangements or commitments (contingent or otherwise) obligating the Company to issue or sell any shares of capital stock of, or options, warrants, convertible securities, subscriptions or other equity interests in, the Company.

Company Stockholders shall have the meaning set forth in the Recitals.

Company Stockholders Meeting shall mean a meeting of the Company Stockholders to be called to consider the Merger, including giving effect to any adjournment or postponement thereof.

Company Termination Fee shall be $50,000,000.

Confidentiality Agreement shall mean the Confidentiality and Non-Disclosure Agreement between the Company and Blackstone Tactical Opportunities Advisors L.L.C. dated March 14, 2017.

Consent Solicitation shall have the meaning set forth in Section 6.10(d)(i).

Consent Solicitation Documents shall have the meaning set forth in Section 6.10(d)(i).

Continuing Obligations means obligations that survive the termination of the Company Existing Credit Documents and repayment of Indebtedness thereunder for which no claim has been asserted and which is not then due and owing.

Contract shall have the meaning set forth in Section 4.05(a).

control shall mean the possession, directly or indirectly or as trustee or executor, of the power to direct or cause the direction of the management policies of a Person, whether through the ownership of stock, as trustee or executor, by contract or credit arrangement or otherwise.

Debt Commitment Letter shall have the meaning set forth in Section 5.13(a).

Debt Disclosed Conditions shall have the meaning set forth in Section 5.13(e).

Debt Documents means, collectively, the definitive agreements with respect to the Debt Financing or any high-yield bonds being issued in lieu of all or a portion of the Debt Financing.

Debt Financing means the debt financing incurred or intended to be incurred pursuant to the Debt Commitment Letter.

Debt Financing Sources means the agents, arrangers, lenders and other Persons (including the Committed Lenders) that have committed to provide or have otherwise entered into agreements in connection with the Debt Financing, any high-yield bonds being issued in lieu of any portion of the Debt Financing or any Alternative Financing in connection with the transactions contemplated hereby pursuant to the Debt Commitment Letter, and any joinder agreements, indentures or credit agreements entered into pursuant thereto or relating thereto, together with their respective Affiliates, and the respective officers, directors, employees, partners, trustees, shareholders, controlling persons, agents and representatives of the foregoing, and their respective successors and assigns; it being understood that the Equity Providers, William P. Foley, Chinh E. Chu, CF Corp, Parent and Merger Sub, together with their respective Affiliates, shall not be Debt Financing Sources for any purposes hereunder.

Debt Tender Offer shall have the meaning set forth in Section 6.10(d)(ii).

Debt Tender Offer Documents shall have the meaning set forth in Section 6.10(d)(ii).

Delaware Courts shall have the meaning set forth in Section 9.07.

Delaware Secretary shall mean the Secretary of State of the State of Delaware.

DGCL shall have the meaning set forth in the Recitals.

Disclosed Conditions shall have the meaning set forth in Section 5.10(e).

Effective Time shall mean the effective time of the Merger, which shall be the time the Certificate of Merger is duly filed with and accepted by the Delaware Secretary, or such later time as agreed by the parties hereto and specified in such Certificate of Merger.

Environmental Laws shall mean any Laws governing pollution or the protection of human health or the environment.

Equity Commitment Letters shall have the meaning set forth in Section 5.10(a).

Equity Financing shall have the meaning set forth in Section 5.10(a).

Equity Providers shall have the meaning set forth in Section 5.10(a).

ERISA shall mean the Employee Retirement Income Security Act of 1974.

Exchange Act shall mean the Securities Exchange Act of 1934.

Exchange Fund shall have the meaning set forth in Section 3.01.

Fee Letter shall have the meaning set forth in Section 5.13(a).

Fee Reimbursement Letter shall have the meaning set forth in the Recitals.

Fidelity & Guaranty Life Holdings shall mean Fidelity & Guaranty Life Holdings, Inc., a Delaware corporation.

FNF shall have the meaning set forth in the Recitals.

FNF Information Letter Agreement shall have the meaning set forth in the Recitals.

FNF Limited Guaranty shall have the meaning set forth in the Recitals.

Forward Purchase Agreements shall have the meaning set forth in Section 5.11(a).

Forward Purchasers shall have the meaning set forth in Section 5.11(a).

FP Disclosed Conditions shall have the meaning set forth in Section 5.11(e).

FP Financing shall have the meaning set forth in Section 5.11(a).

GAAP shall mean United States generally accepted accounting principles in effect from time to time.

Governmental Authority shall mean any United States federal, state or local or any foreign government or any court of competent jurisdiction, administrative or regulatory agency or commission or other governmental authority or agency, domestic or foreign.

GSO Fund shall have the meaning set forth in the Recitals.

GSO Guarantors means, collectively, GSO Capital Opportunities Fund III LP, GSO COF III Co-Investment Fund LP, GSO Credit Alpha Fund LP, GSO Aiguille des Grands Montets Fund II LP, GSO Churchill Partners II LP, GSO Credit-A Partners LP and GSO Harrington Credit Alpha Fund (Cayman) L.P.

GSO Limited Guaranty shall have the meaning set forth in the Recitals.

"HSR Act" shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

"Indebtedness" shall have the meaning set forth in Section 6.01(h).

Indemnified Parties shall have the meaning set forth in Section 6.14(a).

Indemnitees shall have the meaning set forth in Section 6.10(b).

Information Letter Agreements shall have the meaning set forth in the Recitals.

Information Statement shall mean a written information statement of the type contemplated by Rule 14c-2 of the Exchange Act, and any amendment or supplement thereto, relating to the Stockholder Written Consent, the Merger and this Agreement.

Insurance Contract shall mean any insurance policy or contract, or any annuity contract or certificate, whether or not registered under the Securities Act, in each case, together with all policies, binders, slips, certificates, participation agreements, applications, supplements, endorsements, riders and ancillary agreements in connection therewith that are issued by the Company Insurance Entities prior to the Closing.

Insurance Laws shall have the meaning set forth in Section 4.11(a).

Intellectual Property Rights shall mean trademarks, service marks, trade names and trade dress, whether registered or unregistered, and all applications for registrations thereof, and all goodwill associated with or symbolized by any of the foregoing; internet domain names; patents, including pending applications, provisional applications, continuations, divisionals, reissues, and reexaminations thereof and therefor; and copyrights, whether registered or unregistered, and all applications for registration thereof.

Interim Financial Statements shall have the meaning set forth in Section 6.10(a).

Investment Assets shall have the meaning set forth in Section 4.14(a).

Investment Guidelines shall have the meaning set forth in Section 4.14(a).

IRS shall mean the Internal Revenue Service.

Knowledge shall mean, with respect to (a) the Company as it relates to any fact or other matter, the actual knowledge of the natural Persons set forth in Section 1.01 of the Company Disclosure Letter of such fact or matter as of the date hereof and (b) CF Corp as it relates to any fact or other matter, the actual knowledge of the natural Persons set forth in Section 1.01 of the CF Corp Disclosure Letter of such fact or matter as of the date hereof.

Law shall mean any national, regional or local law, statute, ordinance, regulation, judgment, decree, injunction or other legally binding obligation imposed by or on behalf of a Governmental Authority.

Lead Arrangers shall have the meaning set forth in Section 5.13(a).

Letter of Transmittal shall have the meaning set forth in Section 3.02(a).

Lien shall mean any lien, mortgage, pledge, deed of trust, security interest, charge, encumbrance or hypothecation.

Limited Guaranties shall have the meaning set forth in the Recitals.

Material Contract shall have the meaning set forth in Section 4.10(a).

Maximum Premium shall have the meaning set forth in Section 6.14(b).

Table of Contents

Merger shall have the meaning set forth in the Recitals.

Merger Consideration shall have the meaning set forth in Section 2.04(a).

Merger Sub shall have the meaning set forth in the Preamble.

New Debt Commitment Letter shall have the meaning set forth in Section 6.10(c).

Notice of Superior Proposal shall have the meaning set forth in Section 6.06(b).

Optional Redemption shall have the meaning set forth in Section 6.10(d)(iv).

Order shall mean any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

Outside Actuarial Analysis shall have the meaning set forth in Section 4.12(b).

Outside Termination Date shall have the meaning set forth in Section 8.01(h).

Parent shall have the meaning set forth in the Preamble.

Paying Agent shall mean a bank or trust company reasonably satisfactory to the Company that is organized and doing business under the Laws of the United States or any state thereof appointed by CF Corp to act as paying agent for payment of the Merger Consideration.

Permit shall mean any authorization, license, permit, certificate, approval or order of any Governmental Authority.

Permitted Investments shall have the meaning set forth in Section 3.01.

Person shall mean any individual, corporation, partnership (general or limited), limited liability company, limited liability partnership, trust, joint venture, joint-stock company, syndicate, association, entity, unincorporated organization or Governmental Authority.

Prior Transaction Merger Agreement shall mean the Agreement and Plan of Merger by and among Anbang Insurance Group Co., Ltd., AB Infinity Holding, Inc., AB, Inc. and the Company, dated as of November 8, 2015, as amended.

Producers shall mean the agents, general agents, sub-agents, brokers, wholesale brokers, independent contractors, consultants, affinity groups, insurance solicitors, producers or other Persons who sell the Insurance Contracts.

Prospectus shall have the meaning set forth in Section 9.12.

Refinancing shall have the meaning set forth in Section 5.13(f).

Reinsurance Contracts shall have the meaning set forth in Section 4.13.

Representatives shall mean directors, officers, employees, auditors, attorneys and financial advisors and other agents or advisors.

Required Information shall have the meaning set forth in Section 6.10(a).

Table of Contents

Reserves shall mean all reserves and other liabilities for claims, benefits, losses (including incurred but not reported losses and losses in the course of settlement), expenses and unearned premium arising under or in connection with an Insurance Contract issued by a Company Insurance Entity as required by SAP.

Rule 14e-1 shall have the meaning set forth in Section 6.10(d)(ii).

SAP shall mean, as to any insurance or reinsurance company, the statutory accounting practices prescribed or permitted by the applicable insurance regulatory authority of the jurisdiction in which it is domiciled.

SEC shall mean the Securities and Exchange Commission.

Securities Act shall mean the Securities Act of 1933.

Shares shall have the meaning set forth in Section 2.04(a).

Stockholder Written Consent shall have the meaning set forth in Section 6.04(a).

Subsidiary of any Person shall mean any corporation, partnership, limited liability company, joint venture or other legal entity of which such Person (either directly or through or together with another Subsidiary of such Person) owns more than 50% of the voting stock, equity interests or general partnership interests of such corporation, partnership, limited liability company, joint venture or other legal entity, as the case may be.

Subsidiary Cancellation Amount shall have the meaning set forth in Section 2.07(d)(i).

Subsidiary Stock Plan shall mean the Fidelity & Guaranty Life Holdings Amended and Restated Stock Incentive Plan, dated November 7, 2013.

Subsidiary Stock Rights shall mean any options, warrants, calls, redemption rights, preemptive rights, convertible securities, subscriptions, stock appreciation rights, phantom stock plans or stock equivalents or other rights, agreements, arrangements or commitments (contingent or otherwise) of any character issued or authorized by the Company or any Subsidiary of the Company obligating the Company or any of its Subsidiaries to issue or sell any shares of capital stock of, or options, warrants, convertible securities, subscriptions or other equity interests in, any Subsidiary of the Company.

Superior Proposal shall mean any Takeover Proposal that if consummated would result in a Third Party (or the shareholders of any Third Party) owning, directly or indirectly, (a) 50% or more of any class of equity securities of the Company or of the surviving entity in a merger or the resulting direct or indirect parent of the Company or such surviving entity or (b) 50% or more (based on the fair market value thereof, as determined by the Company Board of Directors) of the assets of the Company and its Subsidiaries, taken as a whole, which, in either case, the Company Board of Directors determines (after consultation with its financial advisors and outside counsel), taking into account legal, financial, regulatory and other aspects of the proposal and the Person making the proposal (including any break-up fee, expense reimbursement provisions, conditions to consummation and financing term), would be more favorable to the stockholders of the Company than the Merger.

Supplemental Indenture shall have the meaning set forth in Section 6.10(d)(i).

Surviving Corporation shall mean the corporation surviving the Merger.

Takeover Proposal shall mean any inquiry, proposal or offer from any Third Party relating to (a) any direct or indirect acquisition or purchase, in a single transaction or a series of transactions, of (i) 15% or more of the outstanding shares of Company Common Stock or (ii) 15% or more (based on the fair market value thereof,

as determined by the Company Board of Directors) of the assets (including capital stock of the Subsidiaries of the Company) of the Company and its Subsidiaries, taken as a whole, (b) any tender offer or exchange offer that, if consummated, would result in any Third Party owning, directly or indirectly, 15% or more of the outstanding shares of Company Common Stock or (c) any merger, consolidation, business combination, recapitalization, liquidation, dissolution, binding share exchange or similar transaction involving the Company pursuant to which any Third Party (or the shareholders of any Third Party) would own, directly or indirectly, 15% or more of any class of equity securities of the Company or of the surviving entity in a merger or the resulting direct or indirect parent of the Company or such surviving entity, other than, in each case, the transactions contemplated by this Agreement.

Takeover Proposal Documentation shall mean any letter of intent, agreement in principle, merger agreement, stock purchase agreement, asset purchase agreement, acquisition agreement, option agreement or similar agreement relating to a Takeover Proposal (other than a confidentiality agreement referred to in Section 6.06(a)).

Tax (and, with correlative meaning, Taxes) shall mean any federal, state, local or foreign income, gross receipts, property, sales, use, license, excise, franchise, employment, payroll, premium, withholding, alternative or added minimum, ad valorem, transfer or excise tax, or any other tax, governmental fee or other like assessment or charge in the nature of a tax of any kind whatsoever, together with any interest or penalty or addition thereto, whether disputed or not, imposed by any Governmental Authority.

Tax Return shall mean any return, report, information, filing, document or similar statement required to be filed with a Governmental Authority with respect to any Tax, including any information return, claim for refund, amended return or declaration of estimated Tax.

Third Party shall mean any Person or group (as defined in Section 13(d)(3) of the Exchange Act) other than CF Corp, Parent, Merger Sub or any Affiliates thereof.

TIA shall have the meaning set forth in Section 6.10(d)(ii).

Topco shall have the meaning set forth in Section 5.16(a).

Trust Account has the meaning given to such term in the Trust Agreement.

Trust Agreement shall mean the Investment Management Trust Agreement dated as of May 19, 2016, by and between CF Corp and the Trustee.

Trustee shall have the meaning set forth in Section 5.12(a).

Voting Agreement means the Voting Agreement, dated as of the date hereof, among the Company and the shareholders of CF Corp party thereto.

WARN shall have the meaning set forth in Section 6.13(g).

Written Consent Delivery Period shall have the meaning set forth in Section 6.04(a).

Section 1.02 Interpretation.

(a) As used in this Agreement, references to the following terms have the meanings indicated: (i) to the Preamble or to the Recitals, Sections, Articles, Exhibits or Schedules are to the Preamble or a Recital, Section or Article of, or an

Exhibit or Schedule to, this Agreement unless otherwise clearly indicated to the contrary; (ii) to any Contract (including this Agreement) or organizational document are to the Contract or organizational

document as amended, modified, supplemented or replaced from time to time; (iii) to any Law are to such Law as amended, modified, supplemented or replaced from time to time and any rules or regulations promulgated thereunder and to any section of any Law including any successor to such section; (iv) to any Governmental Authority include any successor to the Governmental Authority and to any Affiliate include any successor to the Affiliate; (v) to any copy of any Contract or other document or instrument are to a true and complete copy thereof; (vi) to hereof, herein, hereunder, hereby, herewith and words of similar import refer to this Agreement as a whole and not to any particular Article, Section or clause of this Agreement, unless otherwise clearly indicated to the contrary; (vii) to the date of this Agreement, the date hereof and words of similar import refer to May 24, 2017; and (viii) to this Agreement includes the Exhibits and Schedules (including the Company Disclosure Letter and the CF Corp Disclosure Letter) to this Agreement.

(b) Whenever the words include, includes or including are used in this Agreement, they will be deemed to be followed by the words without limitation. The word or shall not be exclusive. Any singular term in this Agreement will be deemed to include the plural, and any plural term the singular. All pronouns and variations of pronouns will be deemed to refer to the feminine, masculine or neuter, singular or plural, as the identity of the Person referred to may require. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning.

(c) Whenever the last day for the exercise of any right or the discharge of any duty under this Agreement falls on a day other than a Business Day, the party hereto having such right or duty shall have until the next Business Day to exercise such right or discharge such duty. Unless otherwise indicated, the word day shall be interpreted as a calendar day.

(d) The table of contents and headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement.

(e) References to a party hereto means CF Corp, Parent, Merger Sub or the Company and references to parties hereto means CF Corp, Parent, Merger Sub and the Company.

(f) References to dollars or $ mean United States dollars, unless otherwise clearly indicated to the contrary.

(g) The parties hereto have participated jointly in the negotiation and drafting of this Agreement; consequently, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party hereto by virtue of the authorship of any provision of this Agreement.

(h) No summary of this Agreement prepared by or on behalf of any party hereto shall affect the meaning or interpretation of this Agreement.

(i) All capitalized terms used without definition in the Exhibits and Schedules (including the Company Disclosure Letter and the CF Corp Disclosure Letter) to this Agreement shall have the meanings ascribed to such terms in this Agreement.

ARTICLE II

THE MERGER

Section 2.01 The Merger.

(a) Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time, Merger Sub shall be merged with and into the Company in accordance with the DGCL, whereupon the separate existence of Merger Sub shall cease and the Company shall continue as the Surviving Corporation under the Laws of the State of Delaware.

(b) The Merger shall have the effects set forth in Section 259 of the DGCL and other applicable Law. Accordingly, from and after the Effective Time, the Surviving Corporation shall have all the properties, rights, privileges, powers, interests and franchises and shall be subject to all restrictions, disabilities, debts, duties and liabilities of the Company and Merger Sub.

Section 2.02 Closing. Subject to the terms and conditions of this Agreement, the closing of the Merger (the "Closing") will take place at 10:00 a.m., local time, on the date that is the second (2nd) Business Day after the satisfaction or waiver of the conditions (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of those conditions) set forth in Article VII, at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, NY 10036, unless another time, date or place is agreed to in writing by the parties. The actual time and date at which the Closing occurs are herein referred to as the "Closing Date".

Section 2.03 Effective Time; Effect of the Merger. On the Closing Date and subject to the terms and conditions hereof, the Certificate of Merger shall be filed with the Delaware Secretary by CF Corp. The Merger shall become effective at the Effective Time. The Merger shall have the effects set forth herein and in the applicable provisions of the DGCL.

Section 2.04 Conversion of the Shares. At the Effective Time, by virtue of the Merger and without any action on the part of CF Corp, Parent, Merger Sub, the Company or the holders of any of the following securities:

(a) Except as provided in Section 2.04(b), each share of Company Common Stock issued and outstanding immediately prior to the Effective Time (the "Shares") (excluding Appraisal Shares and Company Restricted Stock Rights) shall be canceled and shall, by virtue of the Merger and without any action on the part of the holder thereof, be converted automatically into the right to receive, in cash, without interest, $31.10 (the "Merger Consideration"), upon surrender of the Certificate representing such Shares as provided in Article III, in the case of certificated Shares, and automatically, in the case of Book-Entry Shares. All Shares, when so converted, shall no longer be outstanding and shall automatically be retired and shall cease to exist, and each holder of a Certificate representing Shares or Book-Entry Shares shall cease to have any rights with respect thereto, except the right to receive the Merger Consideration into which such Shares have been converted, as provided herein.

(b) Each Share that is owned by the Company as treasury stock or otherwise or by any Subsidiary of the Company and each Share owned by CF Corp, Parent, Merger Sub or any other Subsidiary of CF Corp immediately prior to the Effective Time shall be canceled and retired and cease to exist and no payment or distribution shall be made with respect thereto.

(c) Each share of common stock of Merger Sub issued and outstanding immediately prior to the Effective Time shall be converted into and become one validly issued, fully paid and nonassessable share of common stock, par value $0.01 per share, of the Surviving Corporation and shall constitute the only outstanding shares of capital stock of the Surviving Corporation.

Section 2.05 Organizational Documents.

(a) At the Effective Time, pursuant to the Merger, the certificate of incorporation of the Company shall be amended so as to read in its entirety as set forth on Exhibit A, and, as so amended, shall be the certificate of incorporation of the Surviving Corporation. Thereafter, the certificate of incorporation of the Surviving Corporation may be amended in accordance with its terms and as provided by Law (subject to Section 6.14).

(b) At the Effective Time, pursuant to the Merger, the by-laws of the Company shall be amended so as to read in their entirety as set forth on Exhibit B, and, as so amended, shall be the by-laws of the Surviving Corporation. Thereafter, the by-laws of the Surviving Corporation may be amended in accordance with their terms and the certificate of incorporation of the Surviving Corporation and as provided by Law (subject to Section 6.14).

Section 2.06 Directors and Officers of the Surviving Corporation. At the Effective Time, the directors of Merger Sub shall continue in office as the directors of the Surviving Corporation and the officers of the Company shall continue in office as the officers of the Surviving Corporation, and such directors and officers shall hold office until successors are duly elected or appointed and qualified in accordance with and subject to applicable Law and the certificate of incorporation and by-laws of the Surviving Corporation.

Section 2.07 Treatment of Company Stock Options, Company Performance RSUs, Company Restricted Stock Rights and Cash-Settled Awards.

(a) Company Stock Options. At the Effective Time, each Company Stock Option that is outstanding and unexercised as of immediately prior to the Effective Time, whether vested or unvested, shall become fully vested and shall automatically be converted into the right to receive an amount, if any, equal to the product of (i) the total number of Shares underlying such Company Stock Option multiplied by (ii) the excess, if any, of the Merger Consideration over the exercise price per Share of such Company Stock Option. Each Company Stock Option issued and outstanding immediately prior to the Effective Time, whether vested or unvested, shall thereafter be immediately canceled, and the holder thereof shall thereafter have only the right to receive the consideration to which such holder is entitled pursuant to this Section 2.07(a). In the event the exercise price of any Company Stock Option is equal to or greater than the Merger Consideration, such Company Stock Option shall be canceled without any payment in respect thereof.

(b) Company Performance RSUs. At the Effective Time, each Company Performance RSU that is outstanding immediately prior to the Effective Time, whether vested or unvested, shall become fully vested and shall automatically be converted into the right to receive an amount equal to the product of (i) the number of shares of Company Common Stock subject to such Company Performance RSU multiplied by (ii) the Merger Consideration; provided, that for purposes of clause (i), the number of shares of Company Common Stock in respect of such Company Performance RSU immediately prior to the Effective Time shall be deemed to be the target number of shares of Company Common Stock subject to such Company Performance RSU. Each Company Performance RSU issued and outstanding immediately prior to the Effective Time, whether vested or unvested, shall thereafter be immediately canceled, and the holder thereof shall thereafter have only the right to receive the consideration to which such holder is entitled pursuant to this Section 2.07(b).

(c) Company Restricted Stock Rights. At the Effective Time, each Company Restricted Stock Right that is outstanding immediately prior to the Effective Time, whether vested or unvested, shall become fully vested and shall automatically be converted into the right to receive an amount equal to the product of (i) the number of shares of Company Common Stock subject to such Company Restricted Stock Right multiplied by (ii) the Merger Consideration. Each Company Restricted Stock Right issued and outstanding immediately prior to the Effective Time, whether vested or unvested, shall thereafter be immediately canceled, and the holder thereof shall thereafter have only the right to receive the consideration to which such holder is entitled pursuant to this Section 2.07(c).

(d) Cash-Settled Awards.

(i) Fidelity & Guaranty Life Holdings Stock Options. At the Effective Time, any stock option under the Subsidiary Stock Plan that is outstanding immediately prior to the Effective Time, whether vested or unvested, shall become fully vested and shall automatically be converted into the right to receive an amount equal to the product of (A) the number of shares of Fidelity & Guaranty Life Holdings common stock underlying such stock option multiplied by (B) the excess, if any, of $176.32 (the Subsidiary Cancellation Amount) over the exercise price per share of Fidelity & Guaranty Life Holdings common stock underlying such stock option. Each Fidelity & Guaranty Life Holdings stock option issued and outstanding immediately prior to the Effective Time, whether vested or unvested, shall thereafter be immediately canceled, the holder thereof shall thereafter have only the right to receive the consideration to which such

holder is entitled pursuant to this Section 2.07(d)(i). In the event the exercise price of any stock option under the Subsidiary Stock Plan is equal to or greater than the

Table of Contents